

If employees sue two employers and one settles, the tribunal must reduce the award against the other employer to ensure the employee does not “double recover”

```
[et_pb_section admin_label="Section" global_module="136"
fullwidth="on" specialty="off" transparent_background="off"
background_color="#ffffff" allow_player_pause="off"
inner_shadow="off" parallax="off" parallax_method="off"
padding_mobile="off" make_fullwidth="off"
use_custom_width="off" width_unit="on" make_equal="off"
use_custom_gutter="off"] [et_pb_fullwidth_code
global_parent="136" admin_label="Post
Header"] [Page_Header_Start] Employment Law News
[Page_Header_End] [/et_pb_fullwidth_code] [/et_pb_section] [et_pb
_section admin_label="section"] [et_pb_row
admin_label="row"] [et_pb_column type="3_4"] [et_pb_text
admin_label="Text" background_layout="light"
text_orientation="left" use_border_color="off"
border_color="#ffffff" border_style="solid"]
```

If employees sue two employers and one settles,

the tribunal must reduce the award against the other employer to ensure the employee does not “double recover”

[post_details]

[Social-Share]

[post_tags]

In *Optimum Group Services Plc v Muir*, the Employment Appeal Tribunal held that a Tribunal should have deducted a settlement payment received by the claimant from another employer when calculating the award, in accordance with the principle that the same loss cannot be recovered twice.

In this case, Optimum lost a key contract. They thought Mr Muir’s employment should transfer to the new providers, Beaumont, under TUPE. The new providers denied this and said that Mr Muir was redundant and should claim payments from Optimum. Mr Muir ended up with no job and no redundancy payment so sued both Optimum and Beaumont.

Mr Muir reached a settlement with Beaumont before the hearing where they agreed to pay him £20,000. He continued his claim against Optimum and won.

The Tribunal found that Mr Muir had been unfairly dismissed by Optimum. In calculating the compensatory award for unfair dismissal, it decided not to deduct the £20,000 settlement payment from Beaumont because to do so would give Optimum, who had behaved badly, a ‘*windfall benefit*’.

Optimum appealed and the Appeal Tribunal held that the tribunal had got it wrong. The settlement paid by Beaumont should have been deducted from the award the Tribunal ordered Mr Muir to receive from Optimum. A Tribunal, when calculating compensation for unfair dismissal, should only consider what actual financial loss was suffered by a claimant as a consequence of dismissal. The Tribunal cannot enable a claimant to profit financially irrespective of the circumstances. The Tribunal also erred when it sought to penalise Optimum for its behaviour towards Mr Muir.

```
[/et_pb_text][/et_pb_column][et_pb_column
type="1_4"][et_pb_sidebar      admin_label="Sidebar"
orientation="right" area="sidebar-1" background_layout="light"
remove_border="off"]
[/et_pb_sidebar][/et_pb_column][et_pb_row][et_pb_section]
```