

Dealing with redundancy

If you're going to be made redundant from your job, you should be treated fairly by your employer and there are certain steps they would be expected to follow. You may also be entitled to a redundancy payment.

What is redundancy?

Redundancy is a form of dismissal from a job. Reasons include:

- New technology or a new system has made your job unnecessary
- The job you were hired for no longer exists
- The need to cut costs means staff numbers must be reduced
- The business is closing down or moving

In a redundancy situation, the following things should happen:

- Your employer should select you fairly
- You should be consulted about the redundancy
- You should get any redundancy pay you are due, and be given the correct amount of notice
- Your employer should consider any alternatives to redundancy
- If there are fewer than 20 employees being made redundant then the statutory minimum dismissal procedure should be followed. If there are 20 or more, then the collective consultation procedure applies instead.

If an employer uses redundancy to cover up the real reason for ending your employment, or if they do not carry out the redundancy procedure properly, it may amount to unfair dismissal. The rights to redundancy payments and collective consultation are claimed separately from unfair dismissal.

Where to get help

- The Advisory, Conciliation and Arbitration Service (Acas) offers free, confidential and impartial advice on all employment rights issues. You can call the Acas helpline on 08457 47 47 47 from 8.00 am to 6.00 pm Monday to Friday.
www.acas.org.uk
- The Labour Relations Agency (LRA) offers free, confidential and impartial advice on all employment rights issues for residents of Northern Ireland. You can contact the LRA on 028 9032 1442 from 9.00 am to 5.00 pm Monday to Friday.
<http://www.lra.org.uk/>

- Your local Citizens Advice Bureau (CAB) can provide free and impartial advice. You can find your local CAB office in the phone book or online.
www.citizensadvice.org.uk/
- If you are a member of a trade union, you can get help, advice and support from them.
- The Department for Business and Enterprise and Regulatory Reform have produced a guide to redundancy at: <http://www.berr.gov.uk/files/file47510.pdf>

Redundancy Pay

If you are made redundant you may be entitled to a redundancy payment.

Facts about redundancy pay

You have the right to a redundancy payment if you're an employee who has worked continuously for your employer for at least two years. Statutory redundancy pay isn't taxable.

Redundancy pay is also due when a fixed-term contract of two years or more expires and is not renewed because of redundancy.

Alternative work

A redundancy payment isn't due to you if work picks up and your employer offers to keep you on, or offers you suitable alternative work which you refuse without good reason. If you leave your job for a new one before the end of your notice period, your payment might also be affected.

Temporary lay off

Redundancy pay can be claimed from your employer if you have been temporarily laid off for more than four weeks in a row (or six weeks in a 13 week period).

Notice pay

As well as a redundancy payment, your employer should give you proper notice of termination of employment (or pay in lieu of notice). Details of the notice period will be in your contract.

Calculating pay

There may be an arrangement in your contract for how redundancy pay will be worked out. However, if this gives you less than the statutory pay, the statutory amount applies. The first £30,000 of any termination payment is tax-free. More information on whether elements of the payment such as pay in lieu of notice (PILON) is taxable is available from HM Revenue and Customs.

For more information: <http://www.hmrc.gov.uk>

What to do if you have problems

If you've been made redundant, your employer will normally pay you either on the last day of your notice period or shortly afterwards, or on your next pay day. If you haven't been paid, or if you've been paid but are unhappy with the amount, you should try to sort the problem out directly with your employer first. Write to your employer explaining the problem and asking for full payment. Your employer should give you a written statement showing how any payment has been calculated.

If this doesn't work, you can apply to an Employment Tribunal. You need to make a claim within six months, otherwise you might lose the right to a payment.

For further advice contact Acas (Advisory, Conciliation and Arbitration Service) 08457 47 47 47

If you're facing redundancy, you may find new work with a new employer or your employer may offer you a different job. There are different issues associated with each.

Job offers from your current employer

Your employer is expected to offer you a suitable alternative job, if there is one available, before making you redundant. Whether it's suitable depends on:

The terms of the job being offered

Your skills, abilities and circumstances

The pay (including benefits), status, hours and location of the job

If work picks up before your notice ends, your employer might offer you your own job as an 'alternative'.

The offer should be made before your old job ends. You should be given enough information about what it involves so you know how different it is from your old job.

Trial periods

You have the right to a four-week trial period in a new job, and if you need training for the new job the period can be extended by written agreement.

If you decide the new job isn't suitable, you can give notice during the trial period without affecting your right to a statutory redundancy payment. If you haven't given notice by the end of the trial period your right to statutory redundancy pay ends.

If you refuse an offer

If your employer offers you a suitable alternative job and you unreasonably refuse it, you may lose your right to statutory redundancy pay. If there is a dispute as to whether a job is suitable (or whether your refusal is unreasonable), an Employment Tribunal (Industrial Tribunal in Northern Ireland) can decide whether you are due a redundancy payment.

Time off for job hunting

If you've been continuously employed for two years by the date your notice expires, you're allowed a reasonable amount of time off during your notice period to:

- Look for another job
- Arrange training

How long you can take will depend on your circumstances, but for example if you attend an interview or two and do not take excessive amounts of travelling time then this is likely to be reasonable.

Whatever the amount of time off you take, your employer only has to pay you up to two fifths of a weeks pay for it. For example, if you work 5 days a week and take 4 days off in total during the whole notice period, your employer only has to pay you for the first 2 days.

Where to get help job hunting

- nextstep is the name for the adult careers service in England. Free Phone 08000 641 481 to arrange a local appointment to speak with a trained careers adviser. You will have an opportunity to speak one-to-one about your plans for your next job.
- Careers Advice helpline; 0800 100 900 – An opportunity to speak with a trained careers adviser over the phone.

Jobcentre Plus – Also offers a huge online database of job: www.jobcentreplus.gov.uk
Redundancy Help – A free legal service for those going through Redundancy
www.redundancyhelp.co.uk/