

Redundancy

REDUNDANCY IS A form of dismissal from your job. It happens when employers need to reduce their workforce.

You must be selected for redundancy in a fair way, eg because of your level of experience or capability to do the job. You can't be selected for the following reasons:

- **gender**
- **marital status**
- **sexual orientation**
- **race**
- **disability**
- **religion or belief**
- **age**
- **your membership or non-membership of a trade union**
- **health and safety activities**
- **working pattern, eg part-time or fixed-term employees**
- **maternity leave, birth or pregnancy**
- **paternity leave, parental or dependants leave**
- **you're exercising your statutory rights**
- **whistleblowing, eg making disclosures about your employer's wrongdoing**
- **taking part in lawful industrial action lasting 12 weeks or less**
- **taking action on health and safety grounds**
- **doing jury service**
- **you're the trustee of a company pension scheme**

Legal disclaimer

The information contained within this article is not a complete or final statement of the law.

While Derbyshire UNISON has sought to ensure that the information is accurate and up to date, it is not responsible and will not be held liable for any inaccuracies and their consequences, including any loss arising from relying on this information.

If you are a Derbyshire UNISON member with a legal problem, please contact the branch office or your steward as soon as possible for advice.

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Redundancy payments

You'll normally be entitled to statutory redundancy pay if you're an employee and you've been working for your current employer for 2 years or more.

You'll get:

- **half a week's pay for each full year you were under 22**
- **one week's pay for each full year you were 22 or older, but under 41**
- **one and half week's pay for each full year you were 41 or older**

Length of service is capped at 20 years and weekly pay is capped at £538. The maximum amount of statutory redundancy pay is £16,140.

The first £30,000 of your redundancy payment is tax-free and you can still apply for Jobseeker's Allowance if you receive a redundancy payment.

You're not entitled to statutory redundancy pay if:

- **your employer offers to keep you on**
- **your employer offers you suitable alternative work which you refuse without good reason**

As well as statutory redundancy pay, your employer should either:

- **pay you through your notice period**
- **pay you in lieu of notice depending on your circumstances**

The Gov.UK calculator will help you work out your redundancy entitlement. You can find it at [gov.uk/calculate-your-redundancy-pay](https://www.gov.uk/calculate-your-redundancy-pay)

Notice periods

You must be given a notice period before your employment ends.

The statutory redundancy notice periods are:

- **at least one week's notice if employed between one month and 2 years**
- **one week's notice for each year if employed between 2 and 12 years**
- **12 weeks' notice if employed for 12 years or more**

Check your contract. Your employer may give you more than the statutory minimum, but they can't give you less.

Consultation

You're entitled to a consultation with your employer if you're being made redundant. This involves speaking to them about:

- **why you're being made redundant**
- **any alternatives to redundancy**

Collective redundancies

If your employer is making 20 or more employees redundant at the same time, the consultation should take place between your employer and a representative (rep).

This will either be:

- **a trade union rep (if you're represented by a trade union)**
- **an elected employee rep (if your employer doesn't recognise UNISON)**

Collective consultations must cover:

- **ways to avoid redundancies**
- **the reasons for redundancies**
- **how to keep the number of dismissals to a minimum**
- **how to limit the effects for employees involved, eg by offering retraining**

Your employer must also meet certain legal requirements for collective consultations.

Length of consultation

There's no time limit for how long the period of consultation should be, but the minimum is:

- **20 to 99 redundancies - the consultation must start at least 30 days before any dismissals take effect**
- **100 or more redundancies - the consultation must start at least 45 days before any dismissals take effect**

Fixed-term contract employees

Your employer doesn't need to include you in collective consultation if you're employed under a fixed-term contract, except if they're ending your contract early because of redundancy.

Suitable alternative employment

Your employer might offer you 'suitable alternative employment' within your organisation or an associated company.

Whether a job is suitable depends on:

- **how similar the work is to your current job**
- **the terms of the job being offered**
- **your skills, abilities and circumstances in relation to the job**
- **the pay (including benefits), status, hours and location**

Trial periods

You have the right to a 4 week trial period for any alternative employment you're offered.

The 4 week period could be extended if you need training. Any extension must be agreed in writing before the trial period starts.

Tell your employer during the trial period if you decide the new job isn't suitable. This won't affect your employment rights, including your right to statutory redundancy pay.

Time off for job hunting

If you've been continuously employed for 2 years by the date your notice period ends, you're allowed a reasonable amount of time off to:

- **look for another job**
- **arrange training to help you find another job**

How long you can take will depend on your circumstances.

No matter how much time you take off to look for another job, the most your employer has to pay you is 40% of one week's pay.