

Threat of redundancy

The employer must try to offer the employee **suitable alternative employment**. The offer must be:

- Made by employer or associated employer
- Made before the contract comes to an end
- Same or suitable employment
- The new post must commence within 4 weeks of the original contract coming to an end.

If these are not satisfied the employee will have an employment claim.

<p><u>If the employee accepts</u></p> <p>The continuity of the employees service is not broken, therefore, they are still entitled to all of the rights and benefits as though the change never happened.</p> <p>They are not entitled to a redundancy payment.</p> <p>The employee has a right to a trial period of 4 weeks before making their final decision.</p>	<p><u>If the employee rejects the offer</u></p> <p><u>1. Was the job a suitable alternative?</u></p> <p>Yes – go to 2.</p> <p>No – The employee has a right to a redundancy payment.</p> <p><u>2. Was it reasonable to refuse?</u></p> <p>Yes – The employee has a right to a redundancy payment.</p> <p>No – The employee has no right to a redundancy payment.</p> <p>The following considerations will be made: pay, duty, status, hours, place, domestic circumstances.</p>
--	---

Redundancy Payment

The most common question when a person has been made redundant is:

How much should I get?

There is a calculation that may help you.

For each complete year at the age of 41 or over you receive 1 ½ weeks gross pay.
 For each complete year at the age of 22 or over you receive 1 weeks pay
 For each complete year under the age of 22 you receive ½ weeks pay.

For example: You worked for the company from the age of 24 – 42.
 Assuming they are complete years: 24 – 40 = 17 years, 1 week per year = 17 weeks

41-42 = 2 years, 1 ½ weeks per year = 3 weeks

You would receive 20 weeks gross pay.

If your weeks pay is £300 you would receive 20 x 300 =£6000

You must consider

You can only calculate a maximum of 20 years

You can only calculate a maximum of £350 for a weeks pay.

The maximum you would ever receive is if you worked from 41-61 and earned over £350 per week.

20 years x 1 ½ weeks = 30 weeks

30 x 350 = £10,500

The employer must provide the employee with a written statement as to how it has been calculated.

If the employer claims there is no money because they are now insolvent, the employee may apply for payment out of the National Insurance fund.

Collective redundancies

If the number to be made redundant is 20 or more there rules are stricter on the employer.

- They must have a consultation period (considering avoiding dismissals, reducing numbers and mitigating the consequences.) and the employer must actually attempt to prevent them not just pay lip service to the duty.
- There must not be a dismissal until the consultation is over.
- Must consult with trade union if they recognise one.
- Must disclose the reasons for the redundancies, numbers of people being made redundant, descriptions and the method of selecting employees.

For more information please visit:

The ACAS website: <http://www.acas.org.uk/index.aspx?articleid=1461>

The citizens advice bureau: <http://www.citizensadvice.org.uk/>

Or should you require more information about making a claim visit the employment tribunal website: <http://www.employmenttribunals.gov.uk/>