# Redundancy

Redundancy is a form of dismissal from a job. Reasons for redundancy can include the fact that new technology or a new system has made your job unnecessary, that the job you were hired for no longer exists, that there is a need to cut costs which means that staff numbers must be reduced, or that the business is closing down or moving.

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

## Age Discrimination

On 1 October 2006 The Employment Equality (Age) Regulations 2006 took effect across England, Wales and Scotland. The law has been introduced to protect employees from being discriminated against at work because of their age, and includes regulations covering recruitment, retirement and redundancy. This means that is it unlawful for your employer to select you for redundancy because of your age, unless they can justify this.

For further information, see our section on **Age discrimination.**

## Redundancy Procedure

Where a job disappears, or is moved, and this causes a redundancy, the employer must follow a recognised procedure when selecting who is to be made redundant. Your employer must follow a set dismissal procedure before dismissing you, and this includes making you redundant (except where more than 20 employees are being made redundant). Before making you redundant, your employer must:

- send you a written statement, telling you why they are making you redundant;
- hold a meeting with you to discuss the matter; and
- hold an appeal meeting with you, if you want to appeal against your employer's decision.

If your employer doesn't follow the proper procedures, any dismissal will be automatically considered to be unfair and you will be able to make a claim for unfair dismissal to an employment tribunal (as long as you have worked for your employer for at least one year).

Some employers will have a recognised redundancy procedure, which will be part of the contract with workers, and must have been agreed with the trade union at the workplace or with representatives of the workers. In other cases, there may be a procedure which the employer has

consistently used previously and which has not been objected to by the workforce. This will, therefore, be the procedure that should be followed through custom and practice, unless it is not a fair and/or objective procedure.

Unfair selection for redundancy is a type of unfair dismissal. Someone who has been unfairly selected for redundancy may therefore be able to claim compensation for unfair dismissal, as well as redundancy pay. If you think you have been unfairly chosen for redundancy, seek help from an experienced adviser as soon as possible.

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## Redundancy Pay

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

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. As well as receiving a redundancy payment, your employer should give you proper notice of termination of employment (or pay in lieu of notice).

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 amount of pay, the statutory amount applies. The total amount you should be paid for redundancy will be based on how long you've been continuously employed, your age, and your weekly pay amount, up to a legal limit (current maximum £400).

Visit **www.gov.uk** to calculate how much statutory redundancy pay you should be entitled to. 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.

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## Local Help and Advice

If you are experiencing problems with redundancy the following organisations can provide you with information and advice.

**Citizens Advice Newcastle (CAN)** can help you to resolve your legal, financial and consumer problems by giving you free information and advice. They can do this face-to-face and by telephone. Most bureaux offer home visits and some also provide email advice.

**Newcastle Welfare Rights Service** provide information and advice about benefits that you may be entitled to.

**Tyne & Wear Centre Against Unemployment** are a trade union based centre. Volunteers provides advice on a wide range of subjects including welfare rights (tribunal represenation), employment, industrial benefits (redundancy counselling service) and asylum rights advice.

**Northumbria University Student Law Office** is a legal advice centre, where law students deal with cases under the supervision of qualified lawyers. They can offer free independent, confidential advice and representation in many areas of law, including:

- Employment
- Housing
- Small business and civil claims including consumer advice
- Family
- Welfare benefits
- Education
- Human rights issues

Please note that the Student Law Office can only take on cases during the academic year, which is October to May. Outside of these times, the students are away and they have limited cover. Also, they can not guarantee to be able to take on all cases.

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### Other Useful Information and Organisations

- **ACAS North East (Advisory, Conciliation and Arbitration Service)** aims to improve organisations and working life through better employment relations. They provide up-to-date information, independent advice, high quality training and work with employers and employees to solve problems and improve performance.
- **Benefits**
- **Looking for work**

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## Useful Organisations

### Citizens Advice Newcastle (CAN)

**Email:** citycab@newcastlecab.org.uk

**Website:** http://citizensadvice-newcastle.org.uk

**Telephone:** 0808 223 1133

**Address:** 4th Floor, City Library, NE1 8AX

### Newcastle Welfare Rights Service

**Email:** welfare.rights@newcastle.gov.uk

**Website:** www.newcastle.gov.uk/welfarerights

**Telephone:** 0191 277 2627

**Address:** **POSTAL ADDRESS ONLY - No face-to-face advice is given here, NE7 7LX

## Newcastle Libraries

**Email:** information@newcastle.gov.uk

**Website:** www.newcastle.gov.uk/leisure-libraries-and-tourism/libraries

**Telephone:** 0191 278 7878

**Address:** Newcastle City Library, NE1 8AX

## ACAS North East

**Website:** www.acas.org.uk

**Address:** Acas - Newcastle City Council, NE1 8QH

## Northumbria University Student Law Office

**Email:** la.studentlawoffice@northumbria.ac.uk

**Website:** https://www.northumbria.ac.uk/about-us/academic-departments/northumbria-law-school/study/student-law-office/

**Telephone:** 0191 227 3909

**Address:** Northumbria University, NE1 8ST

## National Careers Service

**Email:** NationalCareersServicencl@cfbt.com

**Website:** nationalcareersservice.direct.gov.uk

**Address:** National Careers Service , NE99 5EB

## Department for Work and Pensions (DWP)

**Website:** https://www.gov.uk/government/organisations/department-for-work-pensions

## Tyne & Wear Centre Against Unemployment

**Email:** enquiries.twcau@gmail.com

**Telephone:** 0191 4772262

**Address:** 11 Interchange Centre, NE8 1BH

### Usdaw

**Email:** Newcastle@usdaw.org.uk

**Website:** https://www.usdaw.org.uk/

**Telephone:** 0191 296 5333

**Address:** 2 Hedley Court, , NE29 7ST

### Unison

**Website:** https://www.unison.org.uk/

**Telephone:** 0800 0 857 857

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## Related Articles

Jobseeker's Allowance (JSA)

Where to get legal advice

Looking for a job or work

Problems at Work

Retirement

Flexible working

Starting your own business or self employment

Employment and Support Allowance (ESA)