

Redundancy

What is redundancy

Redundancy means that you are sacked because your job is no longer needed. This can happen if the business:

- goes bust
- closes down
- moves to another area
- has changed the way it does things.

If you're told that you are being made redundant, but think that none of the above circumstances apply, it may be that the dismissal is unfair. If you think this has happened, you could get compensation and you should get advice. You can get advice from your trade union, if you belong to one. There are time limits and procedures you have to follow to get compensation for **unfair dismissal** so don't delay before you get advice.

Deciding who to make redundant

When employers are choosing who to make redundant, they must make the decision in a fair way. They mustn't **discriminate** against anyone. For example, they aren't allowed to choose you for redundancy because of your age. However, they are allowed to take into account how long you've been working for them. If you think you have been unfairly chosen for redundancy, get advice.

Offering you another job

Your employers might offer you another job instead of making you redundant. This has got to be suitable for you and there are rules about what would be considered suitable. You could lose out on redundancy pay if you turn down a suitable job so get advice if you are thinking of doing this.

Notice of redundancy

When your employer makes you redundant, they must follow certain procedures. For example, they must give you notice of the redundancy. The minimum period of notice is:

- one week if you have worked for your employer for one month but less than two years; *or*
- two weeks if you have worked for your employer for two whole years; *and*
- one additional week for each further *whole* year's employment up to a maximum of twelve weeks' notice in total.

Your employment contract might say that you must be given more notice than this, but it can't be less.

If there are a number of employees being made redundant, your employer has to follow special, additional procedures.

If your employer doesn't follow the proper procedures, the dismissal may be unfair and you could get compensation.

Time off to look for another job

Once you've been given notice of redundancy, you may have the right to have time off to look for another job. You must have worked for your employer for at least two years to get time off, unless your contract says something else.

Redundancy pay

Once you've been made redundant, you may have a right to redundancy pay. Your employment contract might say how much redundancy pay you'll get. Otherwise, you'll get a set amount of money (as long as you've worked for your employer for at least two years). This is called a **statutory redundancy payment**. How much you'll get will depend on how long you've worked for your employer and how old you are. There's a limit on the amount of money you'll get.

If your employer doesn't give you the proper notice, you may also have the right to pay to compensate for the fact that you weren't given notice. This will be on top of your redundancy pay. You should also get all the holiday pay due to you.

You might want to get **independent financial advice** about what to do with your money.

If you have the right to a redundancy payment but your employer doesn't give it to you, you'll have to **take out a grievance** against them. You must do this in writing. If you still don't get your money, you can make a claim to an **employment tribunal**. If your employer has gone bust, you could get a payment from the government. There are time limits within which you must take action, so don't delay, and get advice if you need to.

Money matters

If you have been made redundant, and haven't got another job to go to, you'll need to think about your money situation. You might get cash help from the government or local authority (**benefits**). For example, you might get Jobseeker's Allowance (JSA), Housing Benefit, Council Tax Benefit, free school meals for your children and help with NHS costs.

Benefits depend on your circumstances. You should claim benefits as soon as you can - you can make a claim on your first day of unemployment. To claim JSA, go your local jobcentre.

A redundancy payment might affect your right to claim benefits and also might affect your tax position.

Your pension won't be affected. You'll still get your pension when you reach retirement age or when your employment contract says you will.

You might need advice about any debts you might have and how to budget to avoid future debt. If you are buying something on credit, check whether you've got a **payment protection insurance policy** that will pay off the credit if you are made redundant.

What next

If you've been made redundant, you might have options about what to do next. For example, you could think about going self-employed or getting some further education or training. To find out where you can get further help and advice, see below.

Further help

Citizens Advice Bureau

Citizens Advice Bureaux give free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB, including those that give advice by e-mail, click on [nearest CAB](#), or look under C in your phone book.

Other information on adviceguide which might help

- Redundancy
- Self-employment: checklist
- Dealing with grievances, dismissal and disciplinary action at work
- Notice of dismissal at work
- Government employment schemes
- Employer withholds pay
- Education choices after 18 (in England and Wales only)

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