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## **REDUNDANCY POLICY**

This policy document applies to your employment at *[Insert organisation name and address]*, ("the organisation") and all other organisation sites that you may be asked to work at from time to time. However, this policy does not form part of your contract of employment.

### **1. Policy statement**

**1.1** The employer's policy is to comply with the law of England regarding redundancy rights. The policy is not a contractual document.

**1.2** In the event that the policy and the law conflicts, the law should take precedence. If employees are in any doubt as to what their rights are they should discuss matters with the employer.

**1.3** Should this policy change as a result of amendments in the law, the changes will be notified to the employee via the employer's notice board.

### **2. Definitions**

**2.1** 'Dismissal by reason of redundancy' – where the dismissal is attributable wholly or mainly to:

**a)** The fact that the employer has ceased, or intends to cease to carry on the business for the purpose for which the employee was employed, or

**b)** The fact that the employer ceased, or intends to cease to carry on the business in the place where the employee was employed, or

**c)** The fact that the requirements of the business for employees to carry out work of a particular kind has ceased or diminished or is expected to cease or diminish. This includes a need to reduce the workforce regardless of whether a remaining employee moves into that employees job, or

**d)** The fact that the requirements of the business for employees to carry out work of a particular kind in the place where they were employed has ceased or diminished or is expected to cease or diminish. This includes a need to reduce the workforce in that location regardless of whether a remaining employee moves into the employee's job.

**2.2** 'Statutory redundancy payment' – entitlement to a lump sum payment based on length of service up to 20 years and a weekly pay capped at a maximum amount and payable at a rate according to the employee's age. This is in accordance with the government Statutory Redundancy Payments Scheme.

**2.3** 'Qualifying period' – the period of continuous employment that an employee must have in order to qualify for statutory redundancy payment. This is a period of 2 years continuous employment with the employer.

**2.4** 'Voluntary redundancy' – the process by which the employer invites volunteers to nominate themselves for redundancy and makes a discretionary payment to such volunteers in excess of the statutory redundancy payment.

**2.5** 'Remuneration' – wages or salary.

**2.6** 'A week's pay' – This is the amount of basic weekly pay the employee is entitled to under the terms of their contract of employment. However, this amount is capped at a maximum figure set by the government and so may not be reflective of the actual basic weekly pay received by the employee. Basic weekly pay does not include overtime, which was not part of the employee's normal working hours. For those employees whose earnings vary from week to week, the average hourly earnings will be multiplied by the average weekly hours over 12 complete weeks of work before the calculation date.

### **3. Statement of Intent**

The employer will wherever possible maintain job security. However, it is recognised that there may be changes in market conditions, organisational requirements and technological developments, which may affect staffing needs. Where compulsory redundancy is necessary the organisation will handle the redundancy in accordance with this policy and in a fair, consistent and sympathetic manner. It will seek to minimise as far as practicable any hardship that may be suffered by employees. In implementing this policy the organisation will seek to retain key skills and

company knowledge for the future well-being of the organisation and to maintain a balanced age profile across the workforce.

#### **4. Redundancy Rights – Relevant Criteria**

**4.1** An employee who has been made redundant will be entitled to claim a statutory redundancy payment from the employer if the employee meets the following criteria:

- a)** The employee has been dismissed by reason of redundancy.
- b)** The employee has two years qualifying continuous employment at the date of termination of the employment.
- c)** The employee has not been offered a suitable new job with the same employer or an associated employer or an employer who takes over the current employer's business before their contract of employment expires.

#### **5. Statutory Redundancy Pay**

**5.1** The statutory redundancy payment is calculated as follows:

- i)** Half a week's pay for each complete year of continuous service up to the age of 21.
- ii)** One week's pay for each complete year of continuous service between the ages of 22 and 40.
- iii)** One and a half week's pay for each complete year of continuous service from the age of 41 onwards.

**5.2** The maximum number of year's continuous service that can be counted for statutory redundancy payment purposes is 20, from the relevant date (the date on which the redundancy notice ends).

**5.3** The employer may at its discretion pay an employee in excess of the statutory redundancy payment level.

#### **6. Consultation on Redundancy**

**6.1** Where it is proposed to make 20 or more employees redundant within a 90-day period, a recognised trade union or employee representative will be consulted about any proposed redundancies before such redundancies take place. Such consultations will take place in good time but at least 30 days before the first dismissals are due to take effect.

**6.2** Where it is proposed to make 100 or more employees redundant within 90 days or less, consultation with a recognised trade union or employee representative will begin at least 90 days before the first of the dismissals take effect.

**6.3** Where it is proposed to make less than 20 employees redundant, the employer will inform and consult individual employees who are to be dismissed. Such consultation will take place as soon as practicable before the dismissal takes effect. This will be at least 2 weeks before notice of redundancy is served on the employee.

**Sample document – the remaining are clause headings only**  
**Full document contains all clauses**

**7. Selection for Redundancy**

**8. Notice of Dismissal for Redundancy**

**9. Reasonable time off to look for another job**

**10. Alternative Employment within the Organisation**

**11. Voluntary Redundancy**

**12. Employees who are laid off**

**13. Appeals**

**14. Date of Implementation**

**15. Questions**

**16. Alteration of this Policy**

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