The Redundancy Survival Guide: What you need to know and do

A guide to tackling redundancy

Being told that your job is being redundant is a devastating blow for anyone. This can have a significant financial impact on the employee and their immediate family. This guide will give some useful action points that can help you find another source of income, also useful legal advice to help you know your rights when facing redundancy.

What is redundancy?

Redundancy is when your employer needs to reduce its workforce because a job or several jobs are no longer required.

The most common reasons for redundancy include:

* New technology has replaced the need for employees
* The job you were hired to do no longer exists
* The business is closing or relocating
* The business has been bought by another company

Sometimes, you may have to reapply for your job. This process seems unfair, but it allows the employer to help make a final decision. However, if you don’t reapply or are unsuccessful with your application, you will still have a job until your employer makes you redundant.

What is not classed as redundancy?

You must to selected fairly to be made redundant. If you are selected on any of the following grounds, this is unfair dismissal:

* gender
* age
* marital status
* race
* disability
* religious beliefs
* whether you are member of a trade union
* maternity leave
* paternity leave
* whistleblowing, for example, exposing your employer's wrongdoing
* doing jury service
* taking part in lawful industrial action lasting 12 weeks or less
* you are the trustee of a company pension scheme

If you are selected for any of these reasons, you may have a case to appeal at an Employment Tribunal for unfair dismissal. If you believe you have a case for unfair dismissal, it is important to write to your employer and explaining your reasons.

A Fair Redundancy Process - What you need to know

If you have been working for your employer for at least 2 years, you will be part of a redundancy process and must meet you individually.   
  
If you have been working for your employer for less than 2 years, your employer is not required to follow a redundancy process and does not have to meet you individually.

However, in both instances we strongly recommend looking at your employment contract or your staff handbook to see if there is a redundancy process. If there is not a written redundancy process, it is important that this is explained to you.

The consultation process: the initial redundancy meeting

Your employer must make you aware that you have been selected for redundancy. The employer must meet you once before making their final decision. During this meeting, you should be able to discuss:

* Why the company needs to make redundancies
* If there any other jobs available
* Any questions that you may have about the next steps
* Why you have been chosen for redundancy

This meeting can also be used an opportunity to highlight any concerns as to why you shouldn't be made redundant. If you have a ground for unfair dismissal, now is a good time to highlight your case. This may help to buy some extra time and keep you in employment longer.

After this meeting, you may need a few minutes for the news to sink in. It is important to remain calm and remember there are other opportunities available. Currently, it is best to be proactive. Your main priority is to find a new source of income.

Actions you can take ASAP:  
  
**1) Ensure that you are being made redundant for the right reasons.**

If you feel you are being treated unfairly or discriminated it’s best to seek legal advice.

**2) Review and update your CV**

Have a look at your current skillset. Is your CV up to date? This is a good time to make your CV stand out.

**3) Start networking with other decision makers on LinkedIn**

If you are involved in a particular industry, it makes sense to network with other businesses. You may be surprised that they are looking for more staff. Sometimes it's a case of "who you know, rather than what you know".

**4) Sign up to jobs sites**

Jobsites such as Indeed, Reed and Monster can be great sources of opportunity. If you can apply for jobs and get interviews during the consultancy process, you are one step ahead to safeguarding your income. However, it is also important to remain loyal to your current employer during the consultancy process.   
 **5) Look at your finances and cut your cloth accordingly**

Have a good look at all your outgoings and highlight what is essential and what you don't need. If your current job situation is uncertain, it's vital to cut costs. By not having a regular fixed income, you don’t know how long you could be out of work.

**6) Pay off any debts**

If you have any credit card debts or loans and have the means to pay these off, this will be a good option.

**7) Have a look at your insurance policies**

You may have some income protection insurance schemes in place. If you do and can make a claim, this can provide some relief and can help you to make any mortgage payments.

**8) Think of ways to raise extra funds by selling unwanted items**

You will be surprised at the things that you may have around your home. It may be worth putting items on eBay or even having a car boot sale.

**Top Tips**

By being proactive as early as possible, you have a better chance of keeping your options open. The consultation process is designed to look at ways at avoiding redundancies, but it is not guaranteed.

Throughout the consultancy process it is important that your employer keeps you up to date with the proceedings.

**The Final Consultancy Meeting**

When your employer has decided, you will be invited to a meeting to discuss the situation. At the final meeting stage, your employer will give you their final decision.

At the end of the consultation, there will be two of the following options:

**1) You will receive a redundancy notice**

Depending on the length of service and age you will be paid the following:

* 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 tax free up to £30,000. You will be paid up to your notice period and this will include any unused holidays.

**Notice periods**

You must be a given 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

**2) A settlement agreement formerly known as a comprise agreement**

Rather than going through a lengthy and time-consuming redundancy process, it can be common for employers to try and reach a settlement agreement.

This document is a legally binding contract between you and the employer. By signing this, you agree to the terms and conditions in the settlement agreement in exchange for discretionary severance pay.   
  
As an employee, you will have no grounds for unfair dismissal, discrimination and entitlement to statutory redundancy pay. This process gives the employer, great peace of mind as they will not have to invest any resources in defending any claims from an Employment Tribunal.

It is important that any Settlement Agreement is seen and reviewed by an employment law solicitor. Your legal representative will review the Settlement Agreement to ensure that the terms and conditions are fair.

An employment law solicitor can also help to decide whether the level of compensation offer is fair. If not, your solicitor may also help to negotiate a better deal. It is important to remember that you may be out of work for a lengthy period until you find another source of income.

It is vital to get this process correct after you have signed the documentation this becomes legally binding and there is no turning back.

Do you feel that your redundancy decision was unfair?

If you been employed for over 2 years and feel treated unfairly, you may have grounds for unfair dismissal. If you plan to make a claim, you have **three months minus one day** after the date of your dismissal or your notice period when your noticed period expired.

If you take your case to an Employment Tribunal, the following will be examined:

* Was redundancy the real reason for the dismissal?
* Did your employer follow a fair redundancy process?
* How was the selection process done?
* Did your employer make reasonable efforts to offer you alternative work?
* If you were offered another reasonable job? Did you turn it down?

If the redundancy process was not the reason for your dismissal you may have a claim.

Life after redundancy

After being made redundant, it is important to have a plan of action. You will have more time on your hands and a routine is essential.

Option One: Look for work

Looking for a full-time job is a full-time job. It's important to keep your options open and continue your search.

Option Two: Early retirement

If you have been awarded a good pay-out, you may wish to consider early retirement.

Option Three: Downsizing your property

If you have a larger property and don't need the space, you can consider downsizing your home. This will help to free up the equity tied up in your home and raise additional funds.

Option Four: Start a business   
If you have got the funds and contacts, you may wish to start your own business.

Option Five: Change career

Perhaps you feel it is time to move on and start a new career. If you have the time and resources, training for a new qualification can be an option.

Redundancy can be a distressing time for anyone. At Banner Jones, our team of Employment Law Solicitors have helped thousands of employees with Settlement Agreements and win unfair dismissal cases. For more information, Call Banner Jones in Confidence on <Call Tracks Number>.