

Redundancy – what do you know?

'Tis a fact of (working) life, people lose their 'perfectly good' jobs through no fault of their own. Over any quarter, we see several candidates who have either been made redundant or are staring the prospect in the face.

If it does happen to you – what can you do and what are your rights?

Initially, you should receive written notification of what is happening, including your length of employment remaining – your notice period stated in your contract. You may not have to physically work your notice period, but may remain under contract, on 'gardening leave'. In this instance you are still physically employed by your employer until the end of your notice period; otherwise they may pay you your notice period in full and release you from your contract. In this case you can start employment with someone else immediately. Your employer cannot force you to work and receive less notice than is stated in your contract.

Regarding the financial settlement, unless your company actually closes down (see more about later), you may work for a company that maintains a severance scheme that exceeds the legal requirements; otherwise it is based upon length of service, and your age. The current criteria are that you have worked for your employer for 2 years post 18 years of age, and the amount of pay per week is set a maximum of £290.00. For each full year of employment you will receive half of one weeks pay if you are 1- 21 years of age; one weeks pay between the ages of 22 and 40; and one and half weeks pay between 41 and 64 years of age.

The length of employment used for the calculation is currently capped at 20 years service, and all payments are tax free up £30,000.00 currently.

Should your employer physically cease trading you can claim through your employer national insurance fund, which you may have to do through the companies' administrators or directly.

For more details on the above, and up-to-date information, the following links are useful:

www.acas.org.uk

www.nabs.org.uk

www.direct.gov.uk