

Redundancy – what you need to know as an employee



Redundancy is a situation that no employee wants to face, but one that is starting to happen in a number of sectors as companies start to cut costs. Redundancy can result in feeling somewhat lost, financially stressed and nervous about what the future may hold. We at Cripps have expertise in supporting employees through redundancy situations and we feel it is important to provide some helpful advice to those who are facing a redundancy process.

The process of being made redundant can be fairly quick depending on your employer's decisions. It is important to know what your rights are, what you can do to mitigate the effect of the situation and how to move forward. At times, we presume our position in employment is safe and therefore we are not prepared of this type of situation. However, remember that every situation has a solution.

What is redundancy?

Redundancy is usually a type of dismissal when a role is no longer needed. Your employer should only consider making redundancies if part or all of the organization is:

- closing, or has already closed;
- changing the types or number of roles needed to carry out certain work; or
- changing location.

If you are being dismissed for another reason, such as poor performance or conduct, then this is different from a redundancy. It is imperative that your employer has followed a disciplinary or capability procedure before dismissing you.



The redundancy process

Before your employer decides on the individuals who shall be made redundant, by law they must follow a certain steps, or the dismissal will be an unfair dismissal for which you can bring a claim. These focus around warning you, consulting you, selecting you fairly and looking for other roles for you.

Warning of redundancy

The warning of the risk of redundancy should happen before they have made any decisions. This is often delivered in a town hall or individual meeting.

Consultation

The consultation process involves a private meeting between you and your manager or the person leading the redundancy changes; this can be in person or via telephone or video call if you both agree to it. Usually, they will meet with you at least once and the reality is they may need to talk to you more regarding the matter following any questions, suggestion or requests that you may have. The consultation meetings are an opportunity for your employer to discuss the changes proposed and why you are at risk of being made redundant. This your chance to ask questions and make suggestions on how the redundancies could be reduced or avoided altogether. Your employer should listen to your concerns and ideas, as well as try to come to an agreement with you.

Topics you could discuss with your employer are as follows:

1. Ways to avoid or reduce redundancies;
2. How people will be selected;
3. Any issues you have with the process carried out by your employer;
4. Whether you will get time off to search for a new job or obtain training; and
5. How the organization can restructure or plan for the future.

Whilst the consultation is a chance for you to get your questions answered, it is vital to remember that the redundancy proposed is a commercial decision based on the business and not you.

Selection criteria for redundancy

It's also important to discuss how you're being selected in a redundancy. Your employer may group you together with others in similar roles in a 'selection pool' and then score you to ensure you are selected in a fair way. Your employer should use objective criteria or the criteria agreed with any representatives to choose who to make redundant from the selection pool. Please be aware that it contrary to discrimination law to select anyone because of:

- Age;
- Disability;
- Flexible working;
- Gender;
- Gender reassignment;
- Marriage or civil partnership status;
- Part-time status;
- Pregnancy or maternity leave;
- Race;
- Religion or belief; and
- Sexual Orientation



If the decision could be because of one of these, legal advice would be beneficial to you so that you are informed about your options and can raise them with your employer in the best way.

Alternatives to redundancy

Your employer should look at whether there is any other role for you. If you are going to take or are on family leaves, your employer is legally obliged to give you priority for suitable roles.

They should also allow you a right to appeal their decision.

Redundancy pay

If you have 2 years with your employer or more, you will be entitled to redundancy pay. Some organisations will have their own company pay which can be more generous than the minimum. The amount which must be paid by law is calculated as:

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| Years of service (Complete) | x | multiplier for age (usually 1 or 1.5) | x | weekly salary (capped by law – currently £571) |
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How we can help

If your employer has not followed these steps, then you may well be unfairly dismissed which you can raise to ask them to pay you additional compensation. We can assist you in any negotiations and to understand the benefits and risks of pursuing a claim. We understand what needs to be done and can support you to achieve your goals by working with you during a difficult and stressful time.

We can provide you with the right tools to discuss the matter, what questions to put forward, your rights under the law and how to conduct the dialogue with your employer and prepare the documents you may need. Let us provide you with the detailed knowledge, experience and support at a confusing and worrying time. Our aim is to ensure you have clarity and stability so you can identify your best way forward and maximize your position.