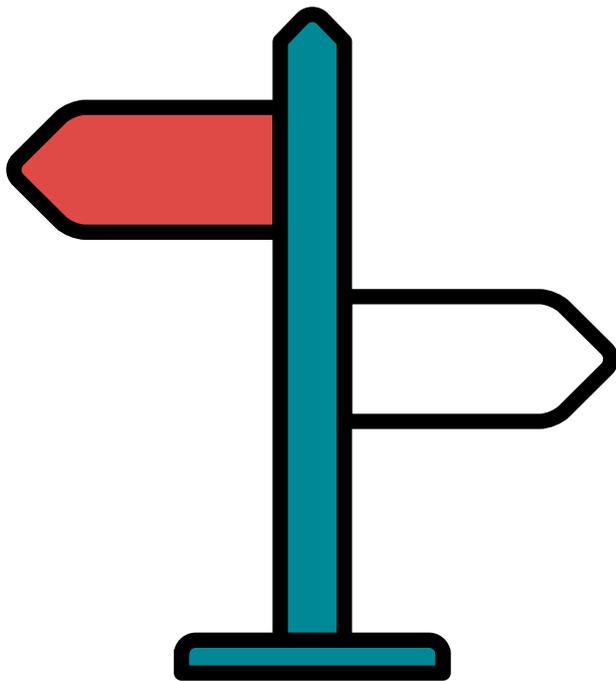


Redundancy Factsheet



Redundancy can be a very difficult and stressful situation. You can provide comfort to somebody by reassuring them that, no matter how hard it may get, there is help and support at hand.

What is redundancy?

Redundancy is a form of dismissal, and can happen when an employee's job no longer exists. Being made redundant is often a life-changing experience. It can happen when an employer needs to reduce their workforce, close the business, or when particular work is no longer needed. If an employee is made redundant they are usually eligible for certain rights, such as time off to look for alternative employment, a redundancy pay package, a notice period and a consultation with their employer.

The effects of redundancy

People who are faced with redundancy often have to reorganise their lives, and therefore may encounter immediate problems such as paying household bills.

Losing a job can cause a range of feelings but the most common are feelings of shock, worthlessness, loss of purpose or confidence. In some cases it can lead to the development of symptoms of depression and anxiety. As Almoner you should be particularly mindful of older people who have lost their job because they may be particularly vulnerable to feelings of loneliness or isolation.

Legal rights when facing redundancy

If somebody is faced with redundancy, their employer must treat them fairly and act in accordance with their employment contract and legal redundancy rights.

That includes making sure they are consulted, following the right selection process and giving them a proper notice period. If not, then there could be a claim for unfair dismissal, or claim for compensation for lack of consultation. These legal rights are outlined below.

Right to a fair process

When planning for a redundancy an employer must use a fair and objective way of selecting job roles to be made redundant, and tell the employee what that is.

If an employee thinks they've been selected unfairly (say, on the grounds of age, race or gender), or an employer has acted unfairly in other ways, the employee affected can normally appeal. If the employee is still not satisfied they can take their employer to a tribunal.

Right to a minimum notice period

A notice period is the amount of time between when an employer tells an employee that they will be made redundant and their last working day. According to redundancy law, they're entitled to a minimum notice period of:

- 12 weeks' notice if employed for 12 years or more.
- At least one week's notice if employed between one month and two years.
- One week's notice for each year if employed between two and 12 years.

Pay in lieu of notice

If an employer doesn't want an employee to work their notice period they can offer the employee a lump sum instead – called pay in lieu of notice. Pay in lieu of notice is taxed in the same way as ordinary pay.

Gardening leave

An employee might be asked to serve out their redundancy notice away from work.

This is known as 'gardening leave' and it means that, although they're not actually working, they're still legally employed and will receive their normal salary and benefits. The following conditions still apply:

- The employee has to stick to the rules of their contract
- They might be called back to work if they're needed
- They can't start a job with a new employer

Right to consultation

Employers always have to consult with employees before dismissing them on the grounds of redundancy. In short, an employer must tell an employee what's going on and give them a chance to ask questions and raise objections. As part of the consultation process, employers have to:

- Consider alternatives to redundancy
- Look at ways to reduce the number of redundancies
- Look at how they can reduce resulting hardship

The process an employer has to follow will depend on the number of redundancies planned.

Right to time off to look for work

If an employee has worked continuously for their employer for at least two years they have to pay them up to 40% of a week's pay to cover time off. For example, if an employee works a five-day week they can take two days off in total to attend interviews and the employer will have to pay them for this time.

If an employee takes any more time off than this, the employer doesn't have to pay them for it. Some employers are more generous so it's worth discussing it with them.

Leaving a job early

If an employee is offered a job and the new employer wants them to start before their redundancy notice ends, they should speak to their employer to see if they can leave early without losing their redundancy pay.

They should put their request to leave early to their employer in writing saying when they'd like to leave. If an employee leaves early without their employer's permission, they could lose some or all of their redundancy pay.

(Source: The Money Advice Service – www.moneyadviceservice.org.uk/en/articles/your-legal-rights-when-facing-redundancy)



Getting help

• **Direct Gov**

Locate government services and information.

www.gov.uk/redundant-your-rights

• **Citizens Advice**

Provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities.

www.citizensadvice.org.uk or call 03454 04 05 06.

• **The Money Advice Service**

An independent service, set up by the Government, which provides free and impartial advice to help people to manage their money.

www.moneyadviceservice.org.uk or call 0800 138 7777.

• **ACAS (Advice, Conciliation and Arbitration Service)**

Provides free and impartial information and advice to employers and employees on all aspects of workplace relations and employment law.

www.acas.org.uk or call their Helpline on 0300 123 1100

• **The Masonic Charitable Foundation**

The MCF runs the Counselling Careline which has specialist counsellors for anyone struggling to cope emotionally. Additional Counselling sessions can be provided, if necessary face to face, rather than on the telephone. This is a free service and requires no form filling or application. A call should be made to the MCF to make an enquiry on 0800 035 60 90.

The MCF may be able to assist with a Daily Living Expenses (DLE) grant whilst the person is job-seeking. The Enquiries team should be contacted on 0800 035 60 90 for more information.

• **The MCF's Advice and Support Team**

Offer advice, guidance and support on a range of issues. Contact them by calling 0800 035 60 90.

• **Provincial Grand Almoners**

Your Provincial Grand Almoner may be able to signpost you to local support and assistance.

The information contained in this factsheet is intended for general guidance only and does not constitute advice. The MCF does not endorse any of the organisations listed.

