

REDUNDANCY FLOW CHART

Are you thinking about making an employee redundant?



Is there an alternative?

Consider:

- Natural wastage
- Restrictions on recruitment
- Retraining and redeployment to other parts of the organisation
- Reduction or elimination of overtime
- Introduction of short-time working or temporary lay-offs (note: this must be part of a contract of employment or agreed via a variation in terms).



Have you followed your redundancy procedure?

- details of the consultation arrangements with any trade union or employee representatives
- the measures for minimising or avoiding compulsory redundancies
- general guidance on the selection criteria to be used where redundancy is unavoidable
- details of the severance terms, relocation expenses and hardship or appeals procedures and
- the policy of helping redundant employees obtain training or search for alternative work.



Have you informed your employees about the possible redundancies?

To ensure employee representatives can play a useful part in the consultation process over proposed redundancies the employer must disclose certain information *in writing* including:

- reasons for the proposed redundancies
- numbers and descriptions of those affected
- proposed method of selecting the employees who may be dismissed
- proposed method of carrying out the dismissals taking account of any agreed procedure, including the period over which the dismissals are to take effect
- how redundancy payments, other than the legal minimum, will be calculated.



Have you consulted your employees about proposed redundancies?

An employer must consult with a trade union or employee representatives in circumstances where it is proposed to dismiss 20 or more employees at one place of work over a period of 90 days or less. This consultation must take place with a view to reaching agreement with the appropriate representatives and must include discussion about:

- ways of avoiding redundancies
- reducing the numbers to be dismissed
- mitigating the consequences of any redundancies.

NOTE: Employers also have a duty to act fairly and reasonably in handling redundancies and informing and consulting affected employees individually regardless of the number of dismissals. For more information see the Labour Relations Agency's Advisory Guide on Handling Redundancy.





Have you agreed fair, objective selection criteria with your employee representatives?

Use objective criteria, precisely defined and capable of being applied in an independent way, when selecting employees for redundancy. This is to ensure that they are not selected unfairly. Basing your selection on skills or qualification will help you to keep a balanced workforce appropriate to your organisation's future needs. You should also establish an appeals procedure. Examples of such criteria:

- attendance record (you should ensure this is fully accurate and that reasons for and extent of absence are known)
- disciplinary record (you should ensure this is fully accurate)
- skills or experience
- standard of work performance

NOTE: It is illegal to select an employee for redundancy on grounds relating to many issues, including maternity rights, trade union membership, part-time and fixed term-working and asserting a statutory employment right (see Labour Relations Agency's guide Handling Redundancy for a full list).



How will you help your employees find other work?

- Employees have the right to a reasonable amount of time off work to look for another job or to arrange training if they have been continuously employed for at least two years
- Help employees find training or complete application forms and contact other local employers about employment opportunities
- Larger organisations may offer counselling to help employees cope with the financial and emotional impact of redundancy.



What redundancy pay will I have to pay my employees?

Redundancy pay is due to employees with at least two years' continuous service. For each complete year of service, up to a maximum of 20, employees are entitled to:

- For each year of service under 22 years of age – half a weeks' pay
- For each year of service at age 22 but under 41 – one week's pay
- For each year of service at age 41 or over – one and a half weeks' pay

NOTE: A week's pay is reviewed annually. Employers may pay in excess of this statutory minimum. For help in calculating redundancy pay visit

<http://www.nibusinessinfo.co.uk/node/2008>



Have you checked the law on discrimination?

It should be noted that a redundancy dismissal may be found to be discriminatory under employment equality legislation where selection was directly or indirectly discriminatory on grounds of sex, pregnancy and maternity leave, marital status, gender reassignment, religious belief (or, similar philosophical belief), political opinion, age, race (including colour, nationality, ethnic or national origins), disability and sexual orientation.

For example, selecting part-timers for redundancy may amount to indirect discrimination against women. In such circumstances employers must show that the selection is justifiable, for example by showing that it is not practicable to fit part-timers who are predominantly female into revised shift patterns. Selection of women for redundancy on the grounds of pregnancy will also be considered automatically unfair.

Furthermore dismissal may also be considered unfair where the reason or principal reason is redundancy but the circumstances apply equally to other employees who have not been selected