



# So you've been made redundant

The Spencer Group Candidate Toolkit



**the spencer group**

Specialist Recruitment Solutions

## So you've been made redundant.

Recent large-scale redundancies have put thousands of people back on the jobseeking trail. It is important to remember, however, that despite the demoralising effect it can have, you still possess the kinds of skills and experience that employers want. The key is to keep motivated.

## What is redundancy?

In legal terms, redundancy arises when an employee's dismissal is partly or mainly due to:

- The fact that your employer has ceased, or intends to cease, to continue the business for the purposes of which you were employed, or to continue that business in the location where you were employed.

or:

- The fact that the requirements of that business for employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish. This includes, for instance, where there was a requirement to carry out work of a particular kind, in the place where you were employed, which has ceased or is expected to cease.

## Getting back on track

If your job has been made redundant, there are steps you can take to get you back on the path to employment:

- Network – make the most of your contacts and do your best to cultivate more. By keeping informed about the job market, you are more likely to hear about any vacancies. Brush up on your networking skills and get the latest employment news
- Consider a career switch. If the sector you just left looks unlikely to recover for some time, you should consider other sectors where your skills could be applicable. Find out how to make the most of your transferable skills and what skills are currently in demand. Have you thought about working within the UK's largest employer – the public sector?
- Do your homework – Find out about the companies you are applying to and the market sectors they operate in
- Update your CV – Make sure to include everything from your last position. Get your CV written by a professional and register it with The Spencer Group

## What rights do I have if I'm made redundant?

Check your employment contract - redundancy terms may be stipulated there - or your employer may already have an agreed redundancy procedure. In general, employers' redundancy schemes are more generous than the minimum stated by law. Problems occur if your employer wants to exclude employees from these schemes to lower the cost of redundancy. This is especially true if the employer has to make a large amount of people redundant.

## Am I entitled to redundancy pay?

Yes, if you have at least two years' continuous service. The right to redundancy pay may sometimes be extended to those whose service falls just short of the two-year mark, but this is at the employer's discretion. Your redundancy pay will be calculated by taking into account your age, years of service and average weekly pay.

If your employer has no redundancy package of its own, the law stipulates how much you should receive, but, beware it is by no means generous. Weekly pay is limited to a maximum of £240 per week and the maximum years of service that will be considered is 20. The calculation is further complicated by your age in relation to your years of service, as follows:

- Number of years of service worked between the ages of 18-22 x half your weekly pay
- Added to:
- Number of years of service worked between the ages of 22 and 41 x your weekly pay
- Added to:
- Number of years of service worked from the age of 41 years onwards x week and a half's pay

Note that you may find your period of employment straddles two or even three age/pay award bands. Redundancy pay is not payable to employees aged 65 or over the normal retirement age for their particular organisation.

Visit employment lawyers Robinson King for a free redundancy calculator. However, there are certain criteria which must be met if you are to receive a redundancy payment. Unless otherwise contractually agreed, you :

- must have worked under a contract of employment for at least two years
- must have been dismissed, with or without notice
- must not be over the normal retirement age for that industry and in any event not over 65
- must not be an excluded employee (for example, having signed a Compromise Agreement)
- must not have unreasonably refused a suitable alternative job.

## Can I have time off to look for another job?

Yes, so long as you have worked for your employer for two years continuously. You are entitled to reasonable time off with pay during working hours to look for another job or make arrangements for training for future employment. How much time you can take in this way is down to the matter of negotiation and reaching an amicable agreement with your employer. If an employer feels an employee is abusing the situation, they can refuse to pay you, or if the employee feels the boss is not being fair, they can apply to a tribunal.

## What if I refuse a suitable alternative job?

You may well lose your right to a redundancy payment if you unreasonably refuse the offer of a new job from your employer. The offer of suitable alternative employment must, however, be offered before you are made redundant and be either on the same terms and conditions as the previous job, or at least on other similar terms.

If you are offered a new job on different terms to your previous position, you have a four-week trial period in which to decide whether or not to formally accept the new job. If you do not accept the new job, it continues as if you were never made redundant and you will lose any right to claim unfair dismissal. If, having worked the four-week trial period, it is reasonable for you to formally turn down the new offer, you may still have the right to claim a redundancy payment and also preserve the right to an unfair dismissal claim.

## What should I do if I receive a redundancy notice?

If you are served a redundancy notice, seek advice before accepting any terms. Contact the Citizens' Advice Bureau.

You could contact an employment lawyer for advice - try [www.lawserve.co.uk](http://www.lawserve.co.uk).

If you are a member of a trade union, your rep will be able to advise you or visit the Trades Union Congress.

The Department of Trade and Industry runs a free redundancy helpline on 0500 848 489.