

# Redundancy Fact Sheet

The current economic crisis is creating a situation where an increased number of workers are facing redundancy or company liquidation. Sometimes the worker only hears about redundancy when it is imminent.

This set of circumstances can impact on Unite members, their families and their communities. For this reason Unite campaigns to use all means possible to safeguard jobs and assist and support Unite members who are facing the threat or reality of redundancy.

Unite has produced this fact sheet to offer members information about where to go in the immediate aftermath of a redundancy announcement or the threat of a company closure.

In the first instance you should call your Unite regional office. They will be able to send you the **Unite Guide to Redundancy** and also ensure that your full time officer is made aware of the situation and is able to assist you.

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## Key facts about redundancy

- There is a requirement on the employer to consult with a recognised trade union in the event of redundancies
- As a minimum there is a statutory redundancy payments scheme providing you have 2 years continuous service
- Employees can receive up to £30,000 tax free as a redundancy payment
- Employees are entitled to their statutory notice or contractual notice which ever is the greater. The statutory requirement is as follows;
  - one week if you've been continuously employed for between one month and two years;
  - one week for each complete year of service (up to a maximum of 12) if you've been continuously employed for two years or more
- You will not pay income tax on a redundancy payment under £30,000, however other payments such as unpaid wages or bonus payments will be taxed, for further advice consult your full time official
- If you are made an offer of alternative work by your employer you should consult your full time official to discuss any issues relating to suitability
- An employee who has been employed for two years is entitled to reasonable time off during the notice period to look for other work or access training opportunities
- A redundancy dismissal due to pregnancy, maternity or a related reason is automatically unfair, please consult your full time official if this happens to you

## How much redundancy pay will you get?

To qualify for redundancy payments a worker must have worked for their employer for two years. To calculate how much statutory redundancy pay you are entitled to go to the Department for Business Innovation and Skills (BIS) for a handy redundancy pay ready reckoner. Your employer may be offering enhanced redundancy terms and in this case your full time officer will be able to advise and assist you in ensuring you get the best possible redundancy settlement.

### Department for Business Innovation and Skills

[http://www.direct.gov.uk/prod\\_consum\\_dg/groups/dg\\_digitalassets/@dg/@en/@employ/documents/digitalassets/dg\\_177260.pdf](http://www.direct.gov.uk/prod_consum_dg/groups/dg_digitalassets/@dg/@en/@employ/documents/digitalassets/dg_177260.pdf)

## Pension advice

If you are a member of a company pension scheme, it is very important that you understand what will happen to your pension. If you are near retirement age your employer, or the rules of your pension scheme may allow you to retire early but with a reduced pension. In all cases it is very important that you receive the best possible advice from Unite in conjunction with your pension trustees and in some cases talking to an independent financial advisor.

## Debt

If you are concerned about debt then do not ignore bills or letters from the people you owe money to. The best course of action is to contact them and explain why you are having problems and try to negotiate a payment plan with them. If you do not feel confident enough to do this then there are a number of organisations that offer free and independent money and debt advice, such as Citizens Advice, Debt Line and the Consumer Credit Counselling Service. Their debt advisers can assess your situation and work out the best course of action for you.

[www.adviceguide.org.uk](http://www.adviceguide.org.uk)  
[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)  
[www.cccs.co.uk](http://www.cccs.co.uk)

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## Money and Benefits

Being made redundant can immediately highlight concerns about your financial stability and that of your family. There are certain things you can do yourself to ensure you are receiving all the financial support you are entitled to. You may be able to claim financial benefits or tax credits to help you and your family. Some benefits depend on your income and savings. These are some of the benefits you may be entitled to.

- Job Seekers Allowance (JSA) – if you are looking for work
- Employment and Support Allowance (ESA) - if you are too ill to work
- Income Support - if you are a single parent with a child under 12
- Housing Benefit – to help pay your rent
- Council Tax Benefit - to help pay your Council Tax

To find out which benefits you are eligible for there are a number of web sites that can help you with this information

[www.jobcentreplus.gov.uk/JCP/ondex.html](http://www.jobcentreplus.gov.uk/JCP/ondex.html)

Or telephone **0800 055 6688**

[www.adviceguide.org.uk](http://www.adviceguide.org.uk)

[www.direct.gov.uk](http://www.direct.gov.uk)

## Mortgages

If you have a mortgage and are concerned about falling behind with the payments there are options you can look at. In the first instance you should talk to your mortgage lender about options open to you. Some Local Councils run mortgage rescue schemes.

You may be eligible for support under the government's Homeowner Mortgage Support Scheme announced in December 2008. Under the scheme people who are made redundant or suffer a significant loss of income may be able to defer their mortgage interest payments for up to two years – enough time to get the debt advice they need and get their finances back on track.

For further information about this scheme go to

[www.shelter.org.uk](http://www.shelter.org.uk)

## Accessing work, skills and training

For anyone made redundant it can be a very daunting prospect to be out of work. For anyone who has been in their job for many years and has not had access to the present job market it can be truly terrifying. Learning and skills development are key to finding decent sustainable work, and to progressing both at work and outside of work.

When there are large scale redundancies some employers will arrange interviews with careers and training advisers who can be very helpful at assessing what skills you have already got and pointing you in the right direction for jobs or re-training.

If a person has been made redundant and does not have up to date skills, training or experience then an assessment can be made and training options offered. In this way, if someone would like to retrain to do another type of job they can see what is available and how to access the training.

If your employer does not offer the above then it is worthwhile talking to your Unite Learning Organiser. You can find out who this person is by telephoning your Unite regional office – contact details for all regional offices are on the back of this flyer.

Another option is to contact the Careers Advice Service and speak to one of their Careers Coaches. They can also help you to find out what employers are looking for, how to sell your skills and experience in an interview, how to create a CV and generally to increase your level of confidence.

<https://nextstep.gov.uk/>

**0800 100 900** lines are open 8am – 10pm, 7 days a week.

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## Unite Regional Office contact details

North East, Yorkshire &  
Humberside Region  
**01132 364 830**

East Midlands  
Region  
**01332 548 400**

London & Eastern  
Region  
**0208 800 4281**

South East  
Region  
**0118 907 0715**

South West  
Region  
**0117 923 0555**

West Midlands  
Region  
**0121 553 6051**

North West  
Region  
**0151 559 2004**

Scotland  
**0141 404 5424**

Ireland  
**02890 020 418**

Wales  
**02920 394 521**



[www.unitetheunion.org](http://www.unitetheunion.org)

## National contact helplines

### Benefits

0800 055 6688

0800 023 4888

(Text phone for those with a speech or hearing impairment)  
(8am-6pm Monday to Friday)

### Job search

0845 6060 234

0845 6055 255

(Text phone for those with a speech or hearing impairment)

### General advice

<http://www.adviceguide.org.uk/>

### Money and debt advice

[www.nationaldebtline.co.uk](http://www.nationaldebtline.co.uk)

0808 808 4000

National debt line provides free, confidential and independent advice on how to deal with debt problems.

### Housing advice

[www.shelter.org.uk/](http://www.shelter.org.uk/)

0808 800 4444

Shelter offers advice and information to anyone who is concerned about the security of their home, whether they are renting or have a mortgage.