



HANDLING REDUNDANCIES

What is a Redundancy?

Simply speaking, where the employer has ceased or is due to cease to carry on business, where the employer is closing down the workplace where the employee has been employed, where the needs of the business for work that the employee has been doing has reduced or disappeared or is expected to or where the need of the business for the number of employees to carry out its work has reduced or disappeared or is expected to.



Rights Of Employees?

1. Right to be consulted
2. Reasonable periods of time off with pay to look for other work
3. The right to be offered suitable alternative posts if any are available within the organisation
4. Redundancy procedures

If formal procedures are not followed the employee could claim unfair dismissal if they have been employed for 1 year or more. In principle, a redundancy is one of the 'fair' reasons for dismissal but if an employer goes about handling the redundancy without following procedures it will be deemed to be 'unfair' and in some cases may be deemed to be automatically unfair.

The advantages of a formal policy and procedure is that this is most likely to avoid unfair dismissal claims and is overall better for the welfare of the organisation and the employees that they will be retaining.

Minimum Redundancy Procedures

Since new legislation was introduced on 1st October 2004 employers are required to follow minimum procedures. We can advise you about the appropriate procedure and ensure that these procedures are complied with.



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Redundancy Payments

Employees who have completed 2 years or more continuous employment will be entitled to a statutory redundancy payment. This is calculated with reference to a weeks pay (maximum of £280 from February 2005). The longer an employee has worked for the employer the more redundancy pay they will be entitled to.

Redundancy Selection Criteria

Criteria such as last in first out (LIFO), future needs of the business, capability and performance of the employee in the past and conduct can all be used when selecting staff for redundancy. However, it is imperative to use criteria objectively and reasonably to be able to demonstrate that the selection was fair.

Our Costs

We will advise you as to the best way to fund your advice including fixed fees or by hourly rate, no win no fee or legal expense insurance. We can advise you about handling redundancies, including the preparation of policies and procedures, calculating payments, preparation of selection criteria and advice on possible claims for unfair dismissal.

**For advice on Employment Matters or any other area of
Watson Esam's expertise, telephone 0114 275 3350**

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