This note is a summary of the law on redundancy and gives a general overview to assist you with basic planning. Any implementation of a redundancy programme should always be subject to obtaining legal advice on your particular circumstances.

1. **Redundancy dismissals**

   An employee with one year’s continuous employment is entitled not to be unfairly dismissed. There are two main considerations for an employer contemplating making employees redundant who wishes to avoid a finding of unfair dismissal:

   1.1 Redundancy is potentially a fair reason for dismissal but it is for the employer to satisfy an employment tribunal that the only or principal reason for dismissal was redundancy. Failure to do so is likely to render the dismissal unfair.

   1.2 If an employee’s position is genuinely redundant, he or she may still have a claim for **unfair dismissal** if the employer fails to follow a fair procedure.

   NB The statutory dispute resolution procedures have been repealed, so a redundancy process does not now need to incorporate a statutory dismissal and disciplinary procedure.

2. **Automatically unfair redundancy**

   In the following cases (and some others) an employee does not need a qualifying period of employment. In other words, an employee can bring a claim of unfair dismissal without having worked for the employer for a continuous one year period, as a dismissal for redundancy will be automatically unfair where there are two or more employees in the same position and the reason that one particular employee is selected is, for example:

   2.1 a health and safety reason;

   2.2 a reason connected with pregnancy or maternity or parental leave;

   2.3 that he or she made a protected disclosure;

   2.4 that he or she is asserting certain statutory rights against the employer;

   2.5 that he or she is or is not a member of a trade union;

   2.6 a reason relating to his or her refusal to do Sunday work;

   2.7 that he or she is an employee representative or a candidate for that position;
that he or she is an occupational pension scheme trustee;

2.9 a reason relating the his or her rights under the Working Time Regulations 1998;

2.10 a reason connected with the National Minimum Wage; or

2.11 a reason connected with the right to take adoption or paternity leave or the right to request flexible working.

3. **Bringing a claim**

Generally, a complaint has to be presented to a tribunal within three months of the termination of employment. The tribunal has a discretion to extend this time limit but only if it is satisfied that it was not reasonably practicable for the complaint to be presented before the end of the three month period. However, the employee does not have to wait until employment has ended as the complaint may be presented at any time after the employee has been given notice of dismissal.

Note that employees can make a claim for compensation for unfair dismissal even after they have accepted their statutory redundancy payment.

4. **Compensation for unfair dismissal**

The maximum liability for unfair dismissal (which is usually reviewed annually on 1 February) is currently a **basic award** up to a maximum of £12,000 and a **compensatory award** up to a maximum of £68,400. In redundancy cases, the basic award will usually be replaced by a statutory redundancy payment which is calculated in a similar way.

The aim of the compensatory award is to compensate the employee for:

4.1 loss of earnings and benefits from the date of termination to the tribunal hearing;

4.2 loss of future earnings and benefits;

4.3 loss of statutory rights - usually £250;

4.4 loss of pension rights; and

4.5 expenses incurred in seeking alternative employment.

The compensatory award may be increased if the employer fails to comply with an employment tribunal’s order to reinstate or re-engage the employee. This is relatively rare.

5. **Redundancy as a reason for dismissal**
5.1 An employee can only be dismissed by reason of redundancy if there is a redundancy situation as defined by statute. If the employer cannot show this, the dismissal will be unfair. Whilst an employment tribunal should not challenge the business reasons put forward by the employer, it will give sufficient consideration to the reasons to be satisfied that the redundancy is not a sham.

5.2 A redundancy situation (within the statutory definition) will occur where:

- the employer ceases to carry out the work for which that employee was employed; or
- the employer ceases to carry out the work for which the particular employee was employed at the place where the employee worked; or
- the employer needs fewer people to carry out the kind of work for which the employee was employed; or
- the employer needs fewer people to carry out work of the kind for which the employee was employed at the place where he/she worked.

The employer’s reasons will need to fall within one or more of the above situations to be a potentially fair reason.

5.3 In deciding whether an employee’s place of work has disappeared, it is generally accepted that the employer must consider where the employee actually worked rather than the place of work as defined in the employee’s contract of employment. Similarly, in deciding whether the kind of work in which an employee is engaged has disappeared, the employer must consider what kind of work the employee actually did, not the kind of work that the employee could be required to do under the employment contract.

5.4 If the employer is not closing a business, a place of work or a part of a business but simply requires fewer employees to do that work, then this may also constitute a genuine redundancy situation. If there is more than one employee who performs that kind of work the employer must pool the employees and make a selection from that pool based on fair and objective selection criteria.

6. What is a fair procedure?

A redundancy dismissal will be unfair if the employer has not acted reasonably in all the circumstances and followed a fair procedure. The four most important elements of any fair redundancy procedure are:

- taking reasonable steps to avoid or minimise compulsory redundancies;
- fairly selecting the employees for redundancy;
• engaging in a fair consultation procedure (on an individual and, if required by statute, collective basis); and

• taking reasonable steps to find a suitable alternative position for the employee within the company or the group of companies.

7. **Steps to avoid or minimise compulsory redundancies**

7.1 An employer will be expected to have considered any options which could mitigate the need to effect compulsory redundancies. Such options will include reducing overtime and non-staff costs and inviting volunteers for redundancy.

7.2 Most employers want to be able to veto any application for voluntary redundancy so that a balanced workforce remains. Employers are not obliged to accept volunteers but may wish to invite volunteers before making compulsory redundancies. Very often, more experienced, longer serving employees will volunteer for redundancy because of the likelihood of enhanced redundancy payments. Employers must make it clear that the needs of the business are the priority and as a result there is a need to retain essential skills. Accordingly, the employer can reject an application for voluntary redundancy from an employee whose skills and experience are essential to the future success of the organisation.

8. **Fair selection**

8.1 If an employer is not closing a business but simply requires fewer employees to do the work, all the employees who perform that kind of work must be put together in a redundancy selection pool and their abilities objectively compared so that the most appropriate candidate or candidates can be provisionally selected.

8.2 An employer must first decide on the appropriate **pool for selection**. If the dismissal is challenged, an employment tribunal will need to be satisfied that the employer has acted reasonably in determining what the appropriate pool should be. In some cases there may be a customary arrangement or agreed procedure which specifies a particular selection pool and if so, an employer should adhere to it or have good grounds for departing from it on this occasion.

8.3 Once the pool has been determined, an employer must decide on the selection criteria. Nowadays, the preferred method of selection is to use a score sheet or matrix to compare the skills, experience and performance of the various employees and select the appropriate candidate or candidates for redundancy.

8.4 The selection criteria must be applied fairly. Care must be taken to avoid any criteria that are potentially discriminatory on the grounds of race, sex, disability and age. For example, an employer should be careful in applying a criterion
involving attendance not to discriminate indirectly against, for example, women who have taken maternity leave or employees who have been absent due to a disability.

Where there is an obligation to consult collectively, the method of selection should be discussed with employee representatives before being finalised.

Fair warning and consultation (for individuals)

Employees must initially be warned of the possibility of redundancies and individually consulted before a final decision is taken about their own case. The employees may be warned in works meetings and through the issuing of a statement setting out a timetable for implementation of the redundancies or may be warned individually in a face to face meeting.

An employer must then consult individually with all employees provisionally identified as at risk of redundancy before any final decision to dismiss the employee is made. Consultation must not take place during the notice period. It must take place before notice of termination is served.

At the consultation meeting the employer must give the reason for the redundancy situation and why the particular employee is provisionally selected. Where the employee has been selected from a pool the employer must provide details of the selection criteria and the employee’s assessment under those criteria. The employer should also discuss what steps have or will in future be taken to avoid making the employee redundant. The most important of these will generally be a search for a suitable alternative position. The employee’s views should be sought on the redundancy situation, his or her selection and any suitable employment.

Further consultation should be arranged as necessary before the final decision is reached.

Only after consultation has been concluded may the employer give notice of termination. The notice must be in writing.

Appeal

Following the repeal of the statutory dispute resolution procedures employers have more flexibility as regards the holding of appeals. However, following a selection process, employees should be given an opportunity to challenge their selection. So, if a "belt and braces" approach is required in a redundancy situation which involves a selection exercise, a right of appeal should be offered either immediately after selection or after termination has been confirmed, or both. The advantage of holding the appeal after selection rather than post termination is that there is certainty early on.
Where there is no selection process, there is no right to an appeal. However, if a "belt and braces" approach is required, or if a specific issue arises which warrants it, a formal right of appeal should be given.

If the employee exercises a right of appeal, then it is preferable to hold an appeal hearing. The meeting should be chaired by a person who is more senior, where possible, than the person who has dealt with the consultation process. The employee should be informed after the meeting (preferably in writing) of the outcome of the appeal.

**The obligation to consider alternative employment**

The employer should satisfy itself that there is no alternative employment available before deciding to dismiss an employee for redundancy. A redundancy is likely to be unfair if the employer does not look for suitable alternative employment for the redundant employee within the company and/or group. The employer has no obligation to create vacancies nor to offer alternative employment if a vacancy exists (except to a female employee whose position becomes redundant while on maternity leave - see below) but failure to explore redeployment opportunities may render the dismissal procedurally unfair.

An employee who accepts an offer of suitable alternative employment is not entitled to a statutory redundancy payment. An employee who unreasonably refuses an offer of suitable alternative employment is also not entitled to a statutory redundancy payment (although note that an employee may reasonably refuse an offer of suitable alternative work for subjective reasons such as childcare commitments).

**Suitable alternative employment for women on maternity leave**

The basic principle is that an employee who has taken maternity leave should be able to return to her old job on the same terms and conditions. She must not be prejudiced by having taken maternity leave.

If a redundancy situation arises whilst an employee is on maternity leave the employer must offer the employee (in preference to any other employees) suitable alternative employment where there is a suitable available vacancy either with the employer or with an associated company. This is a specific "queue jumping" provision giving the employee on maternity leave the right to be redeployed ahead of all other employees who may also be redundant. Failure to do so will make any subsequent dismissal automatically unfair and there will also be the possibility of a sex discrimination claim.
13. **Trial periods**

If the employee is offered alternative employment and he or she accepts this offer and the proposed employment differs in any way from his or her previous employment, the employee is entitled to a trial period of at least four weeks in the new position so that he or she can decide whether the employment is satisfactory. If at the end of the trial period the employee or the employer decide that the alternative employment is not suitable the employee will still be entitled to a statutory redundancy payment.

14. **Right to time off to look for work**

An employee who has completed at least two years’ service is entitled to a reasonable amount of paid time off to seek alternative employment if he or she is to be dismissed by reason of redundancy.

15. **Notice**

15.1 An employee who is to be dismissed for redundancy must be given proper notice of termination of employment or an appropriate payment in lieu of notice. If the employee’s contract is for a fixed period, the contract must be allowed to expire or a payment in lieu must be made. The employee’s contract will usually specify the notice period but, if it does not, a reasonable period will be implied into the contract. In either case the period of notice given by the employer must not be shorter than the statutory minimum period of notice.

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<td>1 week’s notice for each complete year of continuous service</td>
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<td>More than 12 years’ continuous employment</td>
<td>12 weeks’ notice</td>
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15.2 Failure to give proper notice or make a payment in lieu may give rise to a claim for damages for wrongful dismissal.

15.3 In the circumstances where an employee who has been on long-term sickness absence or maternity leave is made redundant, he or she will be entitled to full pay during any statutory notice period. If, however, there is a contractual notice period which is longer than the notice period to which the employee is entitled
by at least one week, then this entitlement will not arise and only SSP/SMP will be payable.

16. **Other Contractual Benefits**

Redundant employees may, depending on the employer’s schemes and policies in place, have rights to unpaid bonuses or commissions or to exercise their rights under any company or group share option or other profit sharing schemes. In particular, share option schemes are likely to have specific terms dealing with employees’ rights in the context of redundancy (for example, redundant employees are generally accorded a longer period of participation in the scheme following the termination of employment than would otherwise be the case).

17. **Statutory redundancy payments**

17.1 Every employee who is dismissed by reason of redundancy is entitled to receive from his or her employer a redundancy payment, provided that the employee has at least two years’ continuous employment with the employer or its group of companies.

17.2 The amount of the redundancy payment is based on the dismissed employee’s age, salary and length of service. For each year of completed employment up to the age of 21, the employee receives half a week’s pay. For each year of completed employment between the ages of 22 and 40, the employee receives one week’s pay and for each year of completed employment after reaching the age of 41, the employee receives one and a half week’s pay. A week’s pay is currently subject to a maximum of £400.

17.3 A table for calculating statutory redundancy payments is attached as Schedule 1.

17.4 The employer must give the employee a written statement showing how the amount of the redundancy payment has been calculated. Failure to do this without reasonable excuse is a criminal offence. It may also mean that any payment made is not deemed to discharge the redundancy payment, resulting in the employer having to pay twice.

17.5 An employee who would otherwise be entitled to a redundancy payment may be or become ineligible for a redundancy payment due to factors that are personal to them. This includes an unreasonable refusal of an offer of suitable alternative employment.

17.6 Note that an employee can also become eligible for a statutory redundancy payment following a period of lay off or short-time working subject to compliance with a detailed statutory procedure.
18. **Company Redundancy Pay**

18.1 Employees may have a right to (or an expectation of) an enhanced redundancy payment paid under a company or group redundancy policy.

18.2 Employers’ own enhanced redundancy schemes are permitted under the age discrimination legislation, *provided* the enhanced payment is being made to a “qualifying employee” and the enhancement falls within one (or more) of the permitted enhancements.

18.3 A **qualifying employee** is one who is entitled to a statutory redundancy payment (SRP), or who would have been but for the fact he or she does not have two years’ service, or who fits into one of these categories but who agrees to take voluntary redundancy.

18.4 A **permitted enhancement** is one or more of the following:

- not applying the cap on a week’s pay (eg calculating it using the employee’s actual weekly rate of pay) or using higher cap;

- multiplying the number of weeks’ pay for each year of service by a factor (eg applying a scheme of 1-2-3 weeks’ pay for each year of service under the statutory age bandings, instead of the statutory ½-1-1½);

- multiplying the total amount produced by the statutory calculation or by these variations by a factor (eg 1½ times the amount of statutory redundancy pay).

18.5 Any increase in the multipliers must be applied across the board to each of the three age bands. If an employer’s enhanced scheme provides a redundancy payment outside these permitted exceptions, the employer may need to ensure the specific enhancement can be justified under the age discrimination legislation.

19. **Collective Redundancies**

Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 requires employers in certain circumstances to consult employees about collective (ie mass) redundancies either through elected representatives or recognised trade unions. These obligations are in addition to the basic obligations on an employer who is effecting redundancy dismissals to act reasonably in all the circumstances and to follow a fair procedure as outlined above.
20. **When does a duty to consult arise?**

20.1 The duty to consult on a collective basis with **appropriate representatives** applies where an employer is proposing to make 20 or more employees at one establishment redundant within a period of 90 days or less.

20.2 The definition of **redundancy** for the purposes of the collective consultation provisions is much wider than in the context of unfair dismissal. It covers all dismissals which are **for a reason not related to the individual concerned or for a number of reasons all of which are not so related**. In other words, the employer is obliged to consult appropriate representatives over all no-fault dismissals arising, for example, in the context of a reorganisation or change programme.

21. **When must consultation begin?**

21.1 Consultation must begin **in good time** (ie sufficiently early to allow meaningful consultation to take place) and in any event not later than the following minimum periods before the first dismissal takes effect:

- 30 days – where between 20 and 99 redundancies are proposed at one establishment; or
- 90 days – where 100 or more redundancies are proposed at one establishment.

21.2 The case law on when a redundancy dismissal **takes effect** is not settled. Is it on the giving of notice of termination or on expiry of the notice period? The more cautious view is that dismissal is effective when notice of termination is served (because once served notice cannot be withdrawn). The practical consequence of this interpretation is that consultation must begin at least 30/90 days before the employer proposes to serve the first redundancy notice. More practically, redundancy notices may be served during the consultation period but only if consultation has finished. This means that either representatives formally agree that consultations are over (which is very unusual) or the employer reaches that conclusion without the agreement of the representatives (which involves the risk that they will later claim that consultation was cut short).

21.3 When calculating the number of employees to be made redundant at one establishment, the employer can exclude employees in respect of whom redundancy consultation has already begun. However, case law has held that, for the purposes of deciding whether the collective consultation duty is triggered, volunteers are to be included in the total number of employees proposed to be dismissed for redundancy.
22. **Appropriate Representatives**

22.1 The obligation is to consult with appropriate representatives of **affected employees**. Appropriate representatives are:

- **trade union representatives** – if the employer recognises any independent trade union in respect of employees who are affected by the redundancy proposals consultation must be with the trade union representatives;

- if there are affected employees who are not covered by trade union recognition the employer must consult either:

  - a **standing committee** of **employee representatives** who have been appointed or elected by employees who are affected by the redundancy proposals and who, having regard to the purposes and the method by which they were appointed or elected, can be regarded as authorised by those employees to be consulted on their behalf;

  or

  - an **ad-hoc committee** of **employee representatives** elected by the affected employees to be consulted over the redundancy proposals.

22.2 **Affected employees** are any employees who may be affected by the proposed dismissals or by measures taken in connection with those dismissals. They are not necessarily limited to the employees whom the employer proposes to make redundant.

23. **How should Employee Representatives be elected?**

23.1 Where there is no recognised trade union, the employer can consult with a standing committee of representatives elected or appointed by affected staff provided that the committee can be regarded as mandated by those staff bearing in mind the purpose for which the committee was established and the method by which its members were appointed or elected. A standing committee elected for a specific purpose (for example to be consulted over health and safety issues or over a specific business change programme which is now complete) might not be regarded as mandated by affected staff. Equally a committee comprising representatives nominated by management or by themselves would not be regarded as mandated by affected employees.

23.2 In summary, the requirements for election of **employee representatives** are as follows:
• the employer must make arrangements to ensure that the election is fair;

• the employer can determine the number of representatives so long as this is sufficient to represent all the affected employees having regard to the number and constituent classes of employees concerned;

• the employer can determine whether the representatives will represent all the affected employees or just their own constituencies. Employers should avoid the consultation group being so large that the consultation process becomes unmanageable;

• before the election, the employer must decide on the term of office of employee representatives which must be long enough to enable the information and consultation process to be completed. The term of office will depend on whether the employer wishes to establish a standing or an ad hoc committee;

• only employees who are affected by the redundancy process can stand for election;

• no affected employees can be unreasonably excluded from standing for election. It may be reasonable to exclude employees who are:

  • under notice of termination;
  
  • within a probationary period;
  
  • undergoing the disciplinary process;
  
  • in the final stages of a performance management process where dismissal is contemplated; or
  
  • remote workers who do not attend the corporate office frequently.

Note that agency and temporary staff and contractors working under a contract for a fixed term of three months or less are excluded from the collective consultation regime and may also be excluded from standing as representatives;

• all affected employees at the date of the election are entitled to vote for as many candidates as there are representatives or constituencies;

• the election must be conducted in such a way as to ensure that the ballot is secret and the votes are counted accurately.
23.3 The obligation is to consult with representatives of employees affected by the redundancy process or by any measures to be taken in connection with the redundancies. Accordingly, where the redundancies are likely to have knock on effects on other employees (for example changes in hours, duties, place of work or working conditions), the employer must consult representatives of both the redundant and the retained employees.

24. **Stage 1 – Provision of Information**

24.1 The consultation process (and the 30/90 day period) begins when the employer provides the following information in writing to appropriate representatives:

- the reasons for the proposals;
- the number and description of employees whom it is proposed to make redundant;
- the total number of employees of any such description employed by the employer at the establishment in question;
- the proposed method of selecting the employees who may be dismissed;
- the proposed method of carrying out the dismissals with due regard to any agreed procedure including any period over which the dismissals are to take effect; and
- the proposed method of calculating any non-statutory redundancy payments.

A copy of any Form HR1 (see below) should also be given to the representatives.

24.2 The written information must be delivered to each of the appropriate representatives or sent by post to an address notified by them to the employer or, in the case of trade union representatives, sent by post to the union at its head or main office.

25. **Stage 2 – Consultation**

25.1 The employer must consult with the appropriate representatives about ways of:

- avoiding the dismissals (which must include consultation about the business reason(s) for making redundancies);
- reducing the number of employees to be dismissed; and
- mitigating the consequences of the dismissals.
25.2 The employer is obliged to conduct the consultation with a view to reaching agreement with appropriate representatives. Although the process must not be a sham, there is no requirement to reach agreement. The redundancy programme may proceed even if the representatives oppose it provided the employer has completed the consultation process.

25.3 Current case law indicates that collective consultation obligations arise when the employer is proposing, but has not yet made, a strategic business or operational decision that will foreseeably or inevitably lead to collective redundancies, rather than only when that decision has actually been made and the employer is then proposing consequential redundancies. Ideally there needs to be two board minutes (and two stages to the consultation process), one recording the proposal to close a site and saying this proposal will go out to consultation (the "whether it's going to happen at all" issue) and the second recording the outcome of the consultation process and confirming the decision to close the site (moving into the "when, who and how" issue in the consultation process). Because there is a duty to consult over the business reason(s) for making redundancies, it is important that prior to consultation commencing, no final decision that there will be redundancies has been taken.

26. What is “one establishment”?

26.1 The obligation to consult will only arise if the employer is proposing 20 or more redundancies at one establishment. An establishment could be a single location, a number of different locations or even a group of employees based at a number of locations. The case law on this point is evolving and legal advice should be taken if the meaning of one establishment is an issue. In essence, an establishment is the local employment unit as opposed to the whole of the enterprise or undertaking.

27. Rights of Representatives

27.1 Representatives and candidates for election have the following specific rights:

- access to affected employees;
- appropriate accommodation and other facilities provided by the employer;
- reasonable time off with pay to perform their functions as a representative or candidate or to undergo training to perform such functions;
- not to be subjected to a detriment by the employer on grounds that they were a candidate or representative or performed any functions or activities as a representative or candidate; and
• not to be unfairly dismissed if the reason or principal reason for dismissal was that they were a representative or a candidate or performed or proposed to perform any functions or activities as such.

28. **Employer’s defence for failure to consult**

28.1 If there are **special circumstances** which render it not reasonably practicable for the employer to comply with the statutory consultation requirements, the employer will be regarded as having complied if it takes all such steps as were reasonably practicable in the circumstances towards compliance. “Special circumstances” are very narrowly applied by employment tribunals. Even insolvency may not excuse the employer’s failure to consult over redundancy. Where the decision to make redundancies is that of a controlling parent company, the failure by that company to supply information to the employer does not constitute special circumstances excusing lack of consultation.

28.2 The employer also has a defence where it has invited affected employees to elect employee representatives within sufficient time before the consultation is required to commence and if the employer commences consultation as soon as reasonably practicable after the election takes place. This provision will only excuse late compliance and not a total failure to consult collectively.

28.3 If affected employees fail to elect representatives after they are invited to do so by the employer, the employer will comply with its obligations simply by providing affected employees with the information set out in 24.1 above. In these circumstances there is no obligation to consult individually with affected employees (other than in order to effect a fair dismissal).

29. **Penalties for failure to consult**

29.1 Where an employer has failed to comply with the consultation requirements, the Tribunal may make a **protective award** of up to 90 days’ actual gross pay in respect of each employee who has been dismissed or whom the employer proposed to dismiss as redundant or in respect of whose dismissal the employer has failed to comply with the consultation requirements.

29.2 Who may bring a claim for a protective award will depend upon the circumstances. For example, a claim may only be brought by the appropriate representatives of the affected employees if the complaint relates to a failure by the employer in relation to those representatives. Individuals who are affected and who have been dismissed where the collective consultation rules apply can complain to an employment tribunal if the employer has failed to elect employee representatives as required where they are not covered by trade union representatives or other existing employee representatives. The claim must be brought within three months of the date of the last of the dismissals or within a
reasonable period if it was not reasonably practicable for the complaint to be presented within that time.

29.3 The Tribunal will award what it considers just and equitable in all the circumstances up to the maximum of 90 days’ pay per person having regard to the seriousness of the employer's default in failure to comply with the requirements.

29.4 The right to bring proceedings for breach of Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992 cannot be compromised via a compromise agreement but can be waived through ACAS conciliation.

30. **Duty to notify the Department for Business, Innovation and Skills (BIS)**

30.1 In addition to its obligation to inform and consult with appropriate representatives, the employer has a statutory obligation to inform BIS of proposed mass redundancies. Where the employer is proposing to make between 20 and 99 employees redundant at one establishment within 90 days, it must give 30 days’ notice to BIS. If it is proposing 100 or more redundancies at one establishment within 90 days, it must give 90 days’ notice. There is a standard form, an HR1, for notifying BIS. A copy of this form must be provided to each of the appropriate representatives at the same time as it is provided to BIS. Failure to comply with this obligation is a **criminal offence** attracting a maximum fine of £5,000.

30.2 In addition to the requirement to notify BIS at least 30 or 90 days before the first of the dismissals takes effect, notification should take place before a notice of dismissal has been issued.

31. **Interface with European and domestic works council obligations**

31.1 Pan-European employers with European works councils (EWCs) must plan and manage the interface between EWC and national information and consultation duties. However, unless the EWC agreement provides for them to have a wider remit, EWCs are only concerned with transnational issues. Such issues impact more than one member state and mean that EWCs do not normally have the right to be informed about matters that only impact on one particular country within the employer’s organisation.

31.2 Employers with national information and consultation (I&C) agreements, entered into as a result of the Information and Consultation of Employees (ICE) Regulations 2004, must also consider the potential for overlap with the statutory collective consultation duties set out above. The ICE Regulations make clear that where such an employer has a collective redundancy situation, then the employer can write to the I&C representatives indicating that it intends to consult under the existing law rather than under the standard information and
consultation provisions. Where employers have voluntary I&C agreements or negotiate an agreement following a valid employee I&C request, it is recommended that a similar provision is added to the final agreement reached.

32. **Interface with specific Employer obligations**

Some employers may have additional obligations imposed upon them. For example, in the Civil Service there is a well established process known as the Efficiency and Relocation Support Programme, the stated aim of which is to minimise recourse to compulsory redundancies. The process involves a “period of reflection” which would need to be built in to any redundancy programme.

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February 2011

These notes are for briefing and information purposes only. They are a summary of the law and should not be relied upon as legal advice – for specific cases, advice should be sought from an appropriate legal expert.
# SCHEDULE 1

**Ready Reckoner for Redundancy Payments**

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<td>10½</td>
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<td>24</td>
<td>25½</td>
<td>27</td>
<td>28½</td>
<td>29½</td>
</tr>
<tr>
<td>61*</td>
<td>3</td>
<td>4½</td>
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<td>25½</td>
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<td>28½</td>
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</tr>
</tbody>
</table>

* [1] - The same figures should be used when calculating the redundancy payment for a person aged 61 and above.