

## **7 Top Redundancy Tips for Employers**

### **1. Ensure the redundancy genuine**

An Employment Tribunal can investigate whether the redundancy is genuine, ie the real reason for dismissal so do not be tempted to dress up a performance or capability dismissal as a redundancy. This could result in a finding of unfair dismissal. Assess if you could avoid making redundancies by considering whether cutting overheads or restructuring via salary cuts, shorter working weeks, job shares or unpaid sabbaticals could save jobs. You could also consider whether this is a situation where you can offer voluntary redundancies.

### **2. Ensure you follow your own redundancy procedures**

If you have a company redundancy procedure, make sure you follow it.

### **3. Ensure you have you worked out your pools for selection**

Ensure the proposed restructure is set out so it is clear from which departments or groups of employees redundancies are being made. Consider which jobs are at risk and identify the groups of employees where the redundancies will be made (the pool). Where there are a number of redundancies, you may need to make redundancies from several pools.

t

### **4. Ensure selection criteria for redundancy is fair and objective**

The selection criteria must be capable of measurement and must be non-discriminatory. Reflect the needs of the business when selecting who is to be made redundant.

### **5. Ensure you consult correctly**

Consultation should be meaningful and proper. Once you have identified which employees are at risk of redundancy, they should be advised of this and told the length of the consultation period; this will vary depending on the proposed number of employees possibly being made redundant. It is important to include employees on long-term sick leave or maternity leave in all consultation discussions.

Consultation is a two-way process and this is also an opportunity to explore alternatives to redundancy and discuss possible suitable alternative employment. Hold face to face meetings giving the right to be accompanied.

## **6. Ensure you correctly calculate redundancy payments**

Don't forget to work out the cost of contractual notice or payment in lieu of notice and redundancy payments. Statutory redundancy payments are based on length of service, age and salary, subject to a current statutory cap of £380 a week. If the employee earns less than this then you calculate the figure based on gross actual pay. Check employees' contractual, policy and custom and practice rights to redundancy payments as there may be a right to enhanced redundancy payments. Untaken holiday also need to be calculated and paid.

## **7. Set up a Dismissal Meeting**

If compulsory redundancy can not be avoided organise a dismissal meeting and confirm in writing giving the right to be accompanied. Confirm the decision to terminate employment during the meeting giving the right to appeal with clear instructions for doing so in accordance with your procedure. Confirm in writing.

For further information contact Sandra Beale of SJ Beale HR Consult on 07762 771290 or email [info@sjbealehrconsult.co.uk](mailto:info@sjbealehrconsult.co.uk).

Web: [www.sjbealehrconsult.co.uk](http://www.sjbealehrconsult.co.uk)