

Making Redundancies

During these times of economic uncertainty many organisations are finding they have to make redundancies in order to cope with the reduced funding available. In light of this, here is a summary of [Lawworks' redundancy factsheet](#) which outlines the correct procedures that employers should undergo when making redundancies.

All employees who have worked for at least one year are entitled to redundancy. Redundancy may take place when a business or an employee's place of work closes, or if an employee's work has diminished or the business has been reorganised.

Mass Redundancies

A mass redundancy applies to 20 or more people based at one establishment. Employers must adhere to collective information and consultation obligations as stated under legislation. These stipulate that the consultation process must involve an employee representative and must begin at least 30 days before the first dismissal takes effect for 20 – 99 redundancies and 90 days before the first dismissal for 100 or more redundancies. Further information on collective information and consultation requirements can be found at the website of the Department of Business and Regulatory Reform: www.berr.gov.uk.

Individual redundancies

After establishing that the grounds for redundancy are both fair and reasonable, the employer must then correctly identify a pool of employees for the selection process. Selection criteria must be considered, providing an objective and measurable basis for making decisions, based on factors such as performance and skills. Once both the pool and selection criteria have been decided the employer must meet with all those in the selected pool to discuss the prospect of redundancy.

Following a consistent and fair selection process, the employer must write to employees with the lowest score, explaining how the decision was made and inviting them to a consultation meeting. No final decision should yet be made and they should consider both alternative employment and any suggestions from the employee. Following the meeting a decision will be reached and a meeting should take place to confirm that the employee has been selected for redundancy. Full guidance on making individual redundancies can be found in the [ACAS Redundancy Handling booklet](#).

When is redundancy payment due?

Employees with at least two years' continuous employment at the relevant date are entitled to a statutory redundancy payment (see [LawWorks factsheet](#) for calculations). Employees may also receive further payment from their employer.