**Redundancy How-to-Guide**

Few organisations can avoid making redundancies at some stage. The managers who must deal with these difficult situations have the added burden of working their way through a vast amount of employment legislation and case law. Managing redundancy will never be simple or straightforward but this guide will assist managers to work through redundancies more effectively and avoid breaching employees’ rights and consequently appearing in the employment tribunal.

1. **Internal notification** — announce the situation at the earliest opportunity and if appropriate invite volunteers.
2. **Notify the Department for Business, Energy & Industrial Strategy (BEIS)** — if you are dismissing 20 or more employees 30 days’ notice is required, and for 100 or more employees 45 days’ notice is required.
3. **Begin collective consultation** — employers who propose to make 20 or more employees redundant over a period of 90 days or less must consult either a recognised trade union, or (if no trade union is recognised) consultation must take place with other elected representatives of the affected employees. If there are no employee representatives, representatives must be elected solely for the purpose of the redundancy consultation. The consultation must include:
   1. ways of avoiding the redundancies or reducing the number of employees to be made redundant
   2. mitigating the effects or redundancies, and
   3. the reasons for redundancy

The employer must consult with appropriate representatives with a view to reaching an agreement. If dismissals take place before the consultation period has ended, the employees can claim compensation from you that cannot be offset against pay in lieu.

1. **Determine severance terms and arrangements** — tell trade unions and/or employee representatives how you will calculate redundancy pay that exceeds statutory requirements. Follow your Redundancy Policy.
2. **Select for redundancy** — select people likely to be made redundant using objective criteria. Selection must not be influenced by any of the protected characteristics (age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity, race, religion or belief, sex, sexual orientation).
3. **Consult with individuals affected** — consult individually with each person selected. Seek their views on possibly changing jobs or work arrangements and consider bumping if appropriate. There are lots of template letters in the templates and tools section for you to utilise.
4. **The final decision** — there are minimum statutory notice periods that must be given to employees who are being dismissed by reason of redundancy. See the Redundancy topic for full details of notice periods.
5. **Issue redundancy notices** — when consultation has ended, issue notice letters and be specific about the date that work will stop and when employment legally ends.
6. **Offer alternative employment if possible** — once notices of redundancy dismissal have been issued, the employer is under a duty — until the effective termination dates — to seek to identify suitable alternative employment for the redundant employees.
7. **Action during redundancy notice period** — employees who are under notice of redundancy, and who have been continuously employed for at least two years, have the legal right to take a reasonable amount of paid time off work to look for another job or to arrange training.
8. **Provide pension statements** — as appropriate, arrange for pension statements to be issued: these can take a long time.
9. **Prepare severance documents** — calculate statutory or enhanced redundancy pay, make a statement of all other payments, prepare P45, ensure everyone is told when outstanding wages, bonus, holiday pay, etc will be paid.