

HCC Redundancy Policy



Policy Statement

1. This policy applies to your employment at the Huntingdonshire Community Church. It complies with the current legislation regarding redundancy rights, but is not a contractual document. If this policy conflicts with the law, the law will take precedence.
2. If employees are uncertain of their rights, they should seek clarification from their employer.
3. Should this policy change because of amendments in the law, employees will be notified in writing of the changes.

Definitions

4. **Dismissal Due to Redundancy** This is attributable wholly or mainly to, the fact that:
 - a. the employer has ceased, or intends to cease to carry on the business which is the purpose for which the employee was employed, or
 - b. the employer ceased, or intends to cease to carry on the business in the place where the employee was employed, or
 - c. the requirements of the business for employees to carry out work of a particular kind has ceased or diminished, or is expected to cease or diminish. This includes a need to reduce the workforce, regardless of whether a remaining employee moves into that employee's job, or
 - d. the requirements of the business for employees to carry out work of a particular kind in the place where they were employed has ceased or diminished, or is expected to cease or diminish. This includes a need to reduce the workforce in that location, regardless of whether a remaining employee moves into the employee's job.
5. **Statutory Redundancy Payment** An entitlement to a lump sum payment based on length of service, up to 20 years, and a weekly pay capped at a maximum amount, and payable at a rate according to the employee's age.
6. **Qualifying Period** The period of continuous employment that an employee must have completed to qualify for statutory redundancy payment. This is a period of 2 years continuous employment with the employer from the age of 18.
7. **Voluntary Redundancy** The process by which the employer invites volunteers to nominate themselves for redundancy, and makes a discretionary payment to such volunteers, more than the statutory redundancy payment. It is the employer's decision whether they select a volunteer for redundancy.

8. **Remuneration – Wages or Salary**

- a. A week's pay – this is the amount of basic weekly pay the employee is entitled to under the terms of their contract of employment. However, this amount is capped at a maximum figure set by the government, and so may not be reflective of the actual basic weekly pay received by the employee.
- b. Basic weekly pay does not include overtime, which was not part of the employee's normal working hours.
- c. For those employees whose earnings vary from week to week, the average hourly earnings will be multiplied by the average weekly hours over 12 complete weeks of work, before the calculation date.

9. **Redundancy Rights – Relevant Criteria** An employee, who has been made redundant, will be entitled to claim a statutory redundancy payment from the employer, if the employee meets the following criteria:

- the employee was working under a contract of employment
- the employee has been dismissed because of redundancy
- the employee has 2 years of qualifying continuous employment at the date of termination of the employment. This does not include any service before the age of 18
- the employee has not been offered a suitable new job with the same employer, or an associated employer, or an employer who takes over the current employer's business before their contract of employment expires

10. **Statutory Redundancy Pay** The statutory redundancy payment is calculated as follows:

- half a week's pay for each complete year of continuous service between the ages of 18 and 21
- one week's pay for each complete year of continuous service between the ages of 22 and 40
- one and a half week's pay for each complete year of continuous service after the age of 41

The maximum number of year's continuous service that can be counted for statutory redundancy payment purposes is 20, from the relevant date (the date on which the redundancy notice ends). The employer may at its discretion pay an employee more than the statutory redundancy payment level.

11. **Consultation on Redundancy** Where it is proposed that less than 20 employees are to be made redundant, the employer will inform and consult individual employees who are to be dismissed. Such consultation will take place as soon as practicable, before the dismissal takes effect, and at least 2 weeks before notice of redundancy is served on the employee.

12. **Selection for Redundancy** Prior to making any decisions regarding the employees to be selected for redundancy, the employer will consider all available alternative options, and examine if the proposed redundancy scheme can be reversed or modified. Such alternative options shall include, but not be restricted to, whether:

- there are any volunteers for redundancy
- there are employees nearing retirement age; however, older workers can voluntarily retire at a time they choose and draw any occupational pension they are entitled to. Nevertheless, employers cannot force employees to retire or set a retirement age, unless it can be objectively justified as what the law terms 'a proportionate means of achieving a legitimate aim'
- staff can be retrained to carry out other types of employment within the organisation
- new work could be brought into the organisation
- transfers of staff can be made within the organisation

- the contracts of casual labour or contract staff could be terminated or reduced

Having examined all available alternative options, the employer will then set a timetable for effecting redundancies.

13. Selection Criteria

- a. Selection of employees for redundancy will be made based on objective criteria, which will be fairly applied as follows:
 - the pool of employees to whom the criteria are to be applied will be clearly defined
 - the chosen selection criteria will be clearly identified and supported by evidence and data
 - there will be a full investigation to determine whether the criteria have been met, and to what degree, in respect of employees falling within the chosen pool of employees.
- b. All employees affected by redundancy will be told in writing the reasons for the redundancy, what efforts had been made to prevent it, and the selection procedure which will be applied in determining those employees to be made redundant.
- c. Employees will also be advised of the timetable for redundancy.
- d. Any employee who has been selected for redundancy will have a meeting with his/her Line Manager, where they will be advised as to why he/she has been selected for redundancy, their termination date, and the terms of the redundancy.
- e. This information will also be followed up in writing to the employee.
- f. The employee will be given every opportunity to raise his/her concerns regarding the redundancy, and will be informed of the appeal procedure, as outlined below.

14. Notice of Dismissal for Redundancy

- a. An employee who is to be made redundant will be given notice in writing from the employer. Such notice will be given after the announcement of the redundancy, and after the meeting with the Line Manager has taken place. The notice will include the following details:
 - the reason for the dismissal
 - the date when the employment will end
 - any entitlements to statutory redundancy pay, and how the entitlement has been calculated
 - any ex gratia payments (if applicable)
 - any additional contractual payments due to the employee, such as, details of any payments in lieu of notice, or payments due for unused holiday entitlement
 - how and when the employee can appeal through the employer's grievance procedure, in respect of the selection for redundancy
- b. The notice period for dismissal for redundancy will be no less than the employee's contractual notice period for termination of his/her employment, and no less than the statutory notice period, based on how long they have worked.
- c. An employee who has been given notice of redundancy may leave early by agreement with the employer, and still qualify for their redundancy payments, if their notice period has started by the date they wish to leave.

15. **Reasonable Time Off to Look for Another Job** An employee who has been selected for redundancy, and has 2 years continuous employment, will be entitled to reasonable paid time off work during working hours to look for another job, or make arrangements for training. The most an employer is required to pay is 40% of one week's pay.

16. **Alternative Employment within the Organisation**

a. The employer will make enquiries within the organisation about any vacancies that could be offered to redundant employees. If any vacancies are available, these will be offered to those employees. An employee may lose their right to statutory redundancy pay if they unreasonably turn down suitable alternative employment.

b. In the case where there are insufficient numbers of vacancies for the number of employees to be made redundant, each affected employee will be asked to apply for the vacancies; the employer will hold formal interviews, and select the appropriate employee on merit for those vacancies.

c. If an employee accepts an offer of alternative employment within the organisation, he/she will be entitled to a trial period of one-month to assess the suitability of such employment. If during the one-month trial period, the employee decides to leave, he/she will retain the right to any redundancy payments for which he/she qualifies, if the job is deemed unsuitable.

d. The employer and employee may by mutual agreement, extend the one-month trial period if retraining is required.

e. An employee may lose their right to claim statutory redundancy pay if they do not give notice within the 4-week trial period.

17. **Voluntary Redundancy**

a. Following consultation and announcement of redundancies, the employer may invite employees to volunteer for such redundancies before any compulsory redundancies take place.

b. The employer will pay an ex gratia payment in addition to the statutory redundancy pay on such occasion, should any employees volunteer for redundancy.

c. The amount of the ex gratia payment will be detailed to any employees who volunteer for redundancy. The employer will not be under an obligation to make ex gratia payments at the same level, or at all, should compulsory redundancies be necessary.

d. An employee who volunteers for redundancy will only be entitled to payment if dismissal takes place.

18. **Employees who are Laid Off**

a. An employee can be laid off, with a reduction in pay, when an employer temporarily cannot give them paid work, providing the employment contract allows this.

b. Employees who are laid off and receive no wages, or who are put on short time and receive less than half a week's pay for four consecutive weeks, or six out of 13 weeks, may make a claim for redundancy to the employer.

c. Such a claim must be made in writing.

d. The employer may refuse to pay if it believes that normal working is likely to resume within four weeks of the claim being made.

19. **Appeals**

a. If the employee is dissatisfied with the reasons given for the redundancy, or feels that the selection criteria is unfair, they may appeal to the employer. This must be after receiving written notification of the redundancy, and within 14 working days of the date of the redundancy letter.

b. The employer will hear all appeals, usually within 30 working days of receiving the employee's grounds for appeal.

c. The employee will be invited to attend an appeal meeting, and must take all reasonable steps to attend.

d. The outcome of the appeal will be set out in writing for the employee as soon as possible after the appeal has been held.

e. Any decision on the appeal will be final.