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Rights

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Facing redundancy

With the economy in difficulties, redundancies are in the news every day. But even when times are better redundancies happen when firms reorganise or get taken over.

This leaflet explains your rights if you are threatened with redundancy and offers some tips for the newly unemployed.



TUC 

What is redundancy?

Redundancy is a form of dismissal. Many of the general rules about when dismissals are fair apply to redundancies.

The law says that redundancy is a potentially fair reason for an employer to dismiss an individual. As with other forms of dismissal, for a redundancy dismissal to be lawful an employer must have followed a fair procedure before laying an individual off. An employer must use fair and objective criteria when selecting individuals for redundancy. It is unlawful to select an individual for redundancy because of their sex, race, sexual orientation, disability, age, religion or belief or because they are a trade union member. The employer should also meet with an employee to explain why they have been selected for redundancy, explore any other employment options and allow the employee to appeal any redundancy decision.

When they make staff redundant employers are also expected to follow legal rules that are slightly different to when they sack individuals for other reasons, such as misconduct or poor performance. For example, many employees who are made redundant will be entitled to redundancy pay. Employers must also consult trade unions or

workplace representatives before making groups of workers redundant. These rights do not apply to other types of dismissals.

This booklet explains the steps that employers should follow before making staff redundant. For information on other forms of dismissal see our leaflet *Your Job and the Law*, which you can get from www.worksmart.org.uk.

Redundancies take place when an employer reduces their workforce. This may be because a workplace is closing down or because fewer people are needed for work of a particular kind.

It will not normally be a redundancy if your employer immediately takes on someone else to do your job. In such situations you could well have a case against your employer, even though they have told you are redundant.

But this does not automatically stop your employer from taking on any new staff. They could argue they picked up an unexpected order or contract. They are also free to take on someone to do a completely different job in your workplace, or someone to do your job but in a different workplace.

They may also require you to move workplaces if that is in your contract of employment. If it is and you refuse to move you may not get redundancy pay. On the other hand, your contract may say that in a redundancy situation you should be offered a chance to move. In that instance the employer should make you that offer before offering that post to other staff. You should seek further advice if either of these situations affects you.

Even if an existing member of staff is given your job, you can still be made redundant legally, provided there is an overall loss of jobs. This means that an employer can normally reshuffle their workforce after making some people redundant as long as they are genuinely reducing the size of their workforce.

At a time when the economy is in trouble and redundancies common an employer may be tempted to get rid of you if your face doesn't fit and call it a redundancy. If you think that you have been dismissed and the real reason isn't redundancy you should take advice. You may be able to win some compensation at an employment tribunal. But if your employer is genuinely reducing the size of the workforce then it will most likely be a redundancy.

Rules for employers making people redundant

If your employer wants to make people redundant, they have to follow a series of legal requirements. In brief, they:

- must follow a redundancy dismissal procedure during which they must tell

you the reasons for the redundancy and explore any alternative job opportunities

- have to give notice of redundancies and consult formally with the workforce where they are considering making more than 20 employees redundant over a period of 90 days
- will have to pay redundancy pay to most staff who have worked for more than two years
- must not choose who gets made redundant on the basis of their sex, race, disability, age unless objectively justified, sexual orientation, transgender status, religion or belief, pregnancy or trade union membership.

If they don't follow these requirements, they may not be able to make the redundancies or may have to pay compensation to people who have been treated unfairly.

Employers should also provide you with time off for job hunting or to arrange training.

Much of the rest of this leaflet goes through these requirements in more detail.

Some employers will treat redundancy as a last resort, do their best to act fairly, and do more than the legal minimum. Unions can often negotiate far better terms than the legal minimum if your workplace is unionised.

But some employers may ignore or not understand the law – failing to consult properly is a common fault.

Some employers will even try to treat people so badly they resign, so that they

avoid the responsibilities they owe staff made redundant. In this case you might have a claim for constructive dismissal – see the leaflet *Your Job and the Law*, available from www.worksmart.org.uk.

And if your employer goes bust, you will still get the legal minimum redundancy pay from the Government.

Meeting with your employer

If your employer is considering making you redundant they should hold a meeting with you to discuss the reasons for the redundancy, why you have been selected, and to consider whether there is another job you can do. You have the

right to be accompanied at this meeting by a trade union official or a colleague. If your employer does not meet you then your dismissal may be unfair legally and you may be entitled to compensation.

You should always seek advice before taking a complaint to an employment tribunal. If you are a trade union member your union rep should be able to help. Otherwise contact the ACAS helpline or your local Citizens Advice Bureau (see page 23).

Consultation on redundancy

If your employer is considering making more than 20 people redundant over a



90-day period, they must, by law, consult representatives of employees who are affected directly or indirectly by the possible redundancies. In many cases, redundancies may affect the entire workforce.

If your employer recognises a union, then the consultation should be with the union. If not, your employer must consult with elected employee representatives. Employee representatives may either have been elected specially to be consulted on the proposed redundancies or may be part of an existing elected representative body such as a staff council.

The agenda for consultation must include ways of avoiding redundancies or of reducing the numbers affected. Where a workplace is closing down, the employer should also consult on the reasons for the closure. Agreement does not have to be reached as a result of the consultation but the employer must consult “in good faith”, that is, with a view to reaching agreement. Some information must be disclosed to the representative body including:

- the reasons for the redundancies
- the numbers and descriptions of those affected
- the proposed method of selecting those to be made redundant, e.g. ‘last in, first out’ (the method must not be discriminatory, for example by selecting jobs that are predominantly done by women)
- how any redundancy payments better than the legal minimum will be worked out.

Consultation cannot just take place one afternoon when the managing director has a slot in their diary. There are minimum periods during which representatives must be consulted:

- If 20 to 99 employees are to be made redundant, consultation must last at least 30 days.
- If 100 or more employees are to be made redundant at one establishment over a period of 90 days or less, consultation must last at least 90 days.

This consultation can make a difference. It at least makes management pause for thought. At best, workforces have been



able to suggest ways of avoiding compulsory redundancy altogether.

For example, in some workplaces all staff have volunteered to work fewer hours in the knowledge that trading conditions may improve in the future. In other workplaces the consultations have led to fairer ways of choosing redundancy, perhaps by improving redundancy payments to the point where there are enough volunteers.

Individual notices of redundancy must not be issued until there has been sufficient consultation in line with these requirements. A complaint that an employer has failed to consult properly or that redundancy notices have been issued before consultation ends can be made to an employment tribunal by the trade union or the employee representatives.

If the tribunal finds that a complaint is justified it can make a protective award, which will require the employer to pay the employees their normal pay for the period covered by the protective award (that is, the 30 days or 90 days consultation period depending on how many redundancies are happening).

In addition to consulting recognised trade unions or employee representatives, employers should also consult each individual employee who has been selected for redundancy. This individual consultation usually takes place as part of the statutory dismissal procedure described on page 4. Redundancy dismissals may be unfair where an employer has consulted with a trade union or employee representatives but not also talked to the individual.

Selecting people for redundancy

When a number of staff are being selected for redundancy, your employer must ensure that the basis for selection is fair and does not discriminate, otherwise you could take an unfair dismissal case to an employment tribunal.

People being made redundant cannot therefore be selected on grounds of sex, race, disability, age unless objectively justified, sexual orientation, transgender status, religion or belief, pregnancy or trade union membership. Often employers ask for volunteers and offer early retirement before considering compulsory redundancy.

An employer can take these into account:

- skill and capability (sometimes this can lead to the particularly stressful process of people having to re-apply for their jobs)
- attendance record
- conduct record
- any agreed existing procedure
- type of work needed to be done by those remaining.

Employees are entitled to know what factors have been used in the selection process. Your trade union may have agreed a redundancy procedure with your employer, so check with them that this has been followed.

Alternative employment and work hours

If your employer is considering making you redundant they have some responsibilities to help you find other

work. They should consider whether employees who are likely to be affected by redundancy can be offered suitable alternative employment within the same organisation or in an associated company.

If your employer wishes to change the terms of your contract – for example by changing your working hours or patterns of attendance, by purporting to lay you off or put you on short-time working for a period of time, or by changing your pay or other terms and conditions of your employment – the change will only be lawful if you or your union agree to it. An unauthorised, one-sided variation is a breach of your contract of employment.

Even if your contract does allow lay-off or short-time working when there is a shortage of work, you may be able to force your employer to make you redundant and pay you a redundancy payment instead.

What if your employer offers you another job?

If your employer offers you an alternative job, you will need to think carefully. If you turn it down you may no longer be legally redundant, and would be in the same position as if you had just resigned.

You will lose your redundancy rights if:

- your employer (or an associated employer, or an employer taking over the business) offers you a new job before your current contract expires and it starts within four weeks, *and*
- your employer makes the offer in writing *and*
- the job is suitable for you.

You can turn down a job that is clearly unsuitable, but you can also try it out to see if it suits you. Again there are rules about this:

- You can agree to try the replacement job out for a four-week trial period. (This period can be extended if you are being retrained, but there must be an agreement in writing.)
- If at the end of the trial period you are still in the job, then you lose any rights to a redundancy payment. In law you have accepted the new job.
- If you reject the new job before the end of the trial period because it turns out to be unsuitable, or for good personal reasons, your redundancy will be considered to have started the day your old job ended.

However, if you say the new job is unsuitable but your employer says it is, your employer may refuse you your redundancy rights. So you should take advice before you walk away from an alternative job offer.

If your employer says you have left a suitable job and is refusing you redundancy pay, you will need to make a claim in an employment tribunal and show them why the job was unsuitable. If the tribunal finds that you have refused a suitable offer of alternative employment you will lose your right to a redundancy payment.

Time off to look for work or for training

If you are made redundant you will usually have a right to reasonable paid time off during your normal working hours to look for another job or to make arrangements for training.



To qualify for this you must have worked continuously for your employer for two years or longer on the date when your notice expires.

The law says that you are entitled to reasonable time off. It is not easy to define this and if there were a dispute it could only be settled in an employment tribunal. But anything that is clearly a sensible and realistic attempt to find work or appropriate training is likely to be fine.

You should be paid your normal pay for any time off, but there is an upper limit on how much your employer has to pay of two-fifths of a week's pay. Of course many employers are more generous and will pay you in full for any time off searching for a job. Indeed this is one thing you might want to ask for when you first discuss redundancy with your employer.

You can make a complaint to an employment tribunal if you have been refused reasonable time off to look for work or to make arrangements for training. The tribunal can award you the pay you would have received if your employer had permitted you time off or the balance of the pay which is due to you. You should seek advice from your union, ACAS or an advice centre before making a complaint to an employment tribunal.

Redundancy pay

The law sets out minimum redundancy pay, but not everybody is entitled to it. To be entitled to the legal minimum you must have:

- worked continuously for at least two years for your employer *and*
- be an employee. (The difference between an employee and a worker is a complex legal point, explained in more detail in *Your Job and the Law*, which you can get from www.worksmart.org.uk. Most people are employees, but you may be a worker if you do not have a contract of employment and have a looser relationship with your employer – many agency workers are not employees, for example.)

What about notice?

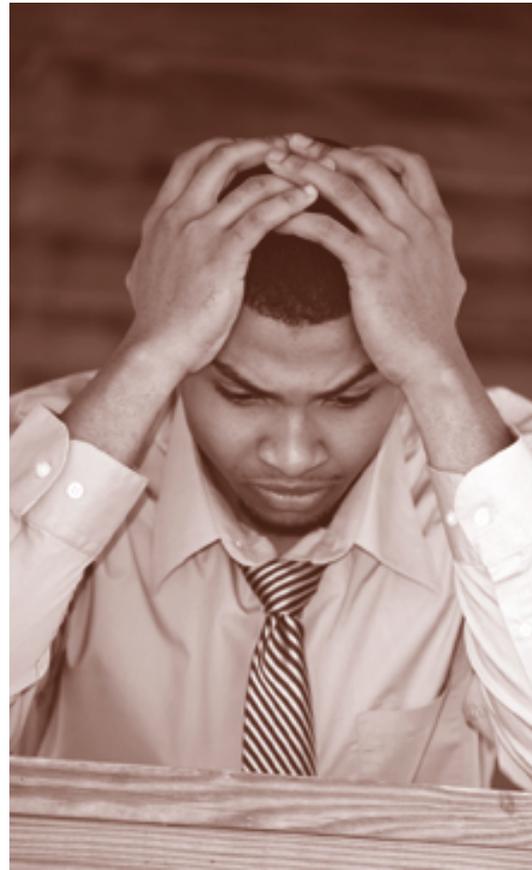
If you are made redundant you are entitled to a minimum period of notice. For every year you have worked for your employer, you should get one week's notice, up to a maximum of 12 weeks. If your employer makes, or lets, you leave before this period you should still be paid for the full notice period.

Your contract of employment may be more generous.

How much will I get?

The legal minimum you should get depends on:

- how long you have worked continuously for your employer



(maternity, paternity and parental leave count as part of continuous employment)

- how old you are, and
- how much you are paid.

This is how the minimum is calculated:

- For each complete year of employment after your 41st birthday you should get one and half week's pay.
- For each complete year of employment after your 22nd birthday but before you turn 41 you should get one week's pay.
- For each complete year of employment while you were either 18, 19, 20 or 21 you should get half a week's pay.

But you can only count:

- up to 20 years' service
- your pay up to the fairly modest weekly limit of £380.

This is updated each year in line with the Retail Price Index. Currently the most anyone can get is £11,400. This is 30 weeks at £380 a week.

There is a useful online calculator on the TUC's worksmart site:
www.worksmart.org.uk

Employers can of course be more generous, though see below for why you should be careful about signing away any rights in return.

There are two bits of good news:

- You do not have to pay tax on redundancy payments less than £30,000.
- A redundancy payment does not affect your right to claim Jobseeker's

Allowance (JSA – the unemployment benefit that most redundant people will claim). As we will explain later, if you have sufficient National Insurance contributions, then the first six months of JSA is not means-tested, but after six months any redundancy pay that you still have will be counted as part of your savings in the means test that kicks in after six months.

The small print

The basic principles for working out redundancy pay are easily put. But in practice it can be complicated.

1. The first issue is working out how many years of service you have. The period starts on your first day with your current employer and ends at what is called the "relevant date". This is the day on which your redundancy notice expires, even if your employer has let you work, or made you work, in the meantime. (See page 10 to find out how to work out your notice.)

Redundancy pay is calculated in calendar years but with no fractions of a year. If you have worked for 10 years and 11 months, then it is counted as 10 years. The period must be of continuous employment. Days on strike do not count but do not break the continuity of the employment. Periods of maternity, paternity or parental leave do count and do not break the continuity of employment. Other absences may sometimes count towards a period of continuous employment, even where the contract was broken, for example, by a temporary stoppage of work.

2. The second issue that can be complicated is working out your weekly pay. For those on a salary, this will be straightforward, but not everyone is paid the same each week. There can also be arguments about which week to take and which part of your wage packet counts.

The weeks' wage is taken to be what your contract of employment said you should have been paid in the week your employer gave you notice, for that week's work. (If for some reason your employer did not give you formal notice then it is the week in which they should have given you notice.)

If your pay varies each week, perhaps because you are paid on a piece-work basis, the amount is averaged over the 12 weeks immediately before the calculation date. Overtime and other bonuses only count if they are guaranteed in your contract of employment.

3. There are also some other exceptions. The main ones that stop you getting redundancy pay are if:
- you are an apprentice whose service ends at the end of your apprenticeship contract
 - you are on a fixed term contract and you signed a waiver which removed your rights to redundancy payments before 1 October 2002. However if your contract has expired or has been renewed since 1 October 2002, then the waiver will not be effective and you will be entitled to statutory redundancy pay if you have worked

continuously for your employer for more than two years

- you are a domestic servant working in a private household and you are a member of the employer's immediate family
- you are a Crown servant or employee in a public office
- you are a member of the armed forces.

What if your employer offers you more?

Some employers will offer better terms and some will include these in your contract of employment. Your employer may offer a 'severance' payment, which is a lump sum offered as compensation for ending your employment. This must be above the legal minimum if your job is being made redundant. In return for this, you may be asked to sign a legal document (known as a COT3 or a compromise agreement) saying that you accept the sum and will not take any legal action against the employer in relation to the dismissal. If you have any doubts about this you should seek advice from your union, from ACAS or from an advice centre.

What if you are nearing retirement?

There is no longer an upper age limit for rights to statutory redundancy pay or unfair dismissal protection. There is, however, still a default retirement age of 65, meaning that your employer can still require you to retire at age 65, if they give you six months' notice of retirement and

correctly follow the statutory procedure. If they do retire you in this way they do not have to give you redundancy pay.

If your employer forces you to retire before the age of 65 this will be unlawful unless your employer can objectively justify having a lower retirement age. If your employer asks you to retire early because they need to reduce the size of the workforce, you should be entitled to at least statutory redundancy pay.

In addition, all employees have the right to request to work beyond 65 or any other retirement age that applies to your workplace. Employers must consider your

request and meet with you to discuss it. For more information on the right to request to work beyond retirement, see www.worksmart.org.uk.

What if your employer is broke?

If your employer cannot pay because of serious financial problems, the Government, in the form of the Department for Business, Innovation and Skills (BIS), will pay you directly. They will only ever pay the statutory minimum amount – even if your contract of employment promised you more. In order to get payment from BIS, you must first



have submitted a claim to the employer in the normal way, as described below.

If your employer is insolvent, the payment is made by BIS. (They will attempt to recover this from the assets of the business.)

If you lose out in these circumstances because your contract of employment promised you more than the legal minimum, you have a claim against the assets of the company. You will need to lodge a claim with the administrators if they are going through insolvency, but at best you are only likely to get some of what you are due, possibly after a long wait, and at worst nothing.

You can download a useful leaflet from the government Insolvency Services at <http://bit.ly/insolvency> (pdf). The BIS redundancy payments helpline number is 0845 145 0004.

How to get the money

It is up to your employer to give you your redundancy pay when you leave. You should not have to ask for it. But if you are not paid, then you should make a written request to your employer. If nothing then happens, or if you suspect your former employer will try to avoid paying you, then you should refer the matter to an employment tribunal.

You need to do this within six calendar months of the date your employment ended. If you do not claim within six months you may lose the right to a payment. (The tribunal does have discretion to extend this period by a further six months but they rarely do so without a very good reason and you should never rely on this.)

When you leave

Make sure your employer gives you:

- your P45 form
- written details of your redundancy package, and
- a good reference.

Tax

The first £30,000 of redundancy pay is tax-free, but the rest may be taxed.

If your redundancy pay is given to you entirely as a result of a contractual obligation, then all of it may be liable to tax. A common instance is when your contract of employment says you are entitled to three months' notice but your employer lets you leave immediately and gives you your three months' pay in one lump sum. The tax office will still treat this as if you were paid for those three months and deduct tax and National Insurance as usual.



If you have to pay tax, it counts against your tax bill in the year you receive the money, not the year you were made redundant. If it is paid in instalments, then the £30,000 exemption can be carried forward.

You may be able to reduce any tax liability by paying some of your redundancy pay into a pension.

What to do with your money?

Many redundancy payments are relatively modest and will only help tide you over until you get another job. But with long service or a redundancy payment greater than the legal minimum, you may get a tidy sum. A redundancy cheque may be one of the biggest amounts of money you receive in one go. It can be tempting to spend it all!

But unless you know you have another job to go to, then think carefully. A priority should be paying off any debt that you have. Servicing debt is expensive, and you can quickly get into real difficulties if you find that you cannot keep up payments while you are unemployed. If you have any left over then you may need it simply to help meet everyday living costs.

If you have got a more substantial sum then you may want to use the money to take time out from working while you study or retrain for a new career. You may want to use the money to set up in business. The Business Link Helpline 0845 600 9 006 has helpful advice. Or you may decide that you are now retired.

You should take advice if you have cash that you want to save or put towards

retirement. You may want to consult an independent financial advisor (IFA). These are professionals skilled in giving independent advice to people about money. They should always provide a free initial consultation. After that they will make their money either from commission they receive on any investments you make, or by charging you a fee but passing on the commission payments to you instead, or some combination of the two.

You are almost certainly best advised to consult an IFA rather than your bank. Most banks (though not all) will only try and sell you their own savings and pensions products. Some of these may be good value, but they will not have the wide range available to an IFA. If you want to find an IFA, your union may recommend one or you may be offered access to one by your employer as part of redundancy arrangements. There are also details at the end of this leaflet if you want to find one. Some IFAs specialise in advising on ethical investment, while some others specialise in the particular needs of the gay and lesbian community.

Typical advice would be to first put your redundancy payment into a high interest savings account while you consider what to do. Many newspapers and websites carry tables that show the accounts paying the best rates. These may only be available via the internet or by post, rather than your high street. Now we know that banks can fail, it makes sense to spread savings between a number of different banks. www.moneysavingexpert.com has good advice on both the best accounts and on keeping your savings secure.



The next step should be to look at your debts, such as credit cards, personal loans and your mortgage. Consider paying these off, as the interest you pay is likely to cost you more than you would get from any interest on your savings.

After that, if there is any money left over, you will want to save it in a way that helps your long-term security. You are likely to be advised to keep some in an emergency fund that you can get at easily, with the rest in longer term savings.

But what you should do will really depend on your own circumstances. That is why you should take independent advice if you get a sizable redundancy payment.

What happens to your pension?

If you have a job where your employer runs a pension scheme and you are a member, it is important to think about what will happen to your pension.

Pension issues are never simple, and you should take advice before taking big decisions about your pension. All we can do here is provide an overview of some of the issues.

There are two broad types of pension that are provided by employers:

- **Defined benefit (DB) schemes.** These pay a pension that depends on how long you have worked for your employer, what you earn and the rules of the scheme. There is a pensions promise. Although the pensions scheme will be backed by investments, your pension will not depend on how well these investments perform. They are called defined benefit schemes because the pension you get (the benefit) is based on the pensions promise and is up to the employer to put in any additional contributions if there is not enough cash in the scheme to pay the promised benefit. Many DB schemes in the private sector have closed to new members in recent years.
- **Defined contribution (DC) schemes.** These pay a pension that depends on how much you and your employer

contribute and how well the investments bought with these contributions perform. All you can know in advance is the size of the contributions, which is why they are called defined contributions schemes.

While DB schemes often provide better pensions, they are more complex to deal with when you are made redundant.

Defined benefit schemes

If you are old enough, your employer or the rules of your DB pension scheme may allow you to retire early with a reduced pension. In some cases as part of a redundancy package you may be offered a deal more generous than normally on offer for those taking early retirement from your pension scheme. You may still be entitled to redundancy pay as well – you should not confuse this with the lump sum offered by most pension schemes on retirement.

If you are not old enough to take early retirement you should be offered some or all of the following options:

- You should be allowed to take your pension and transfer it to a scheme run by a new employer (though you will be lucky to find a new job with a DB pension that accepts such transfers outside the public sector) or invest it in your own private pension scheme.
- You should be allowed to keep the pension with the employer who is making you redundant. When you retire you will still receive a pension from this scheme. This is known as a deferred pension.

- You may be offered a refund of your contributions if you have only been a member of the scheme for a short period.
- You may be offered a transfer to a 'buy-out' policy. You have a lump sum invested in a new personal pension where your eventual pension will depend on how well the investments do.

Members should be told as soon as possible:

- what the value of their deferred pension will be
- the value of a transfer payment to another pension scheme
- their entitlement to a refund of contributions, if any
- the value of an early retirement pension and lump sum.

If your employer goes bust this could leave a DB pension scheme without enough money to honour the pensions promise. But thanks to union campaigning, a new Pensions Protection Fund has been established that will make up at least some of any pension under threat. The older you are the better you will be protected.

Defined contribution schemes

It is much simpler if you are a member of a DC scheme. This is because it is basically a simple savings scheme – you are building up what is often called your pension pot – into which you and your employer have made contributions. You effectively own this and can easily transfer it into another similar pension scheme, or may be able to keep it with

the pensions company with which your employer scheme was organised. It is best to take advice from an independent financial adviser (IFA) to find out your options and discuss where and whether you want to move your pension. All such schemes have charges, and it may be that these change if you no longer work for the employer who set up the scheme, and this may be a reason to move.

Don't forget that if you are made redundant and you are due to receive a payment under an occupational pension scheme within 90 weeks of the dismissal, your redundancy payment may be reduced. Deciding the best thing to do with your pension is often very difficult, and is another area where a good IFA would be able to help.

There is much more information about pensions from the TUC at www.worksmart.co.uk/pensions

Benefits

If you are made redundant, then you are likely to be eligible for Jobseeker's Allowance. Other benefits such as Employment and Support Allowance or Income Support are available, but only a few who are made redundant – such as the sick, disabled people or lone parents – will be eligible for these, so we do not cover them here. You can find out more online or from your union, a Citizens Advice Bureau, an unemployed workers' centre or another advice agency about these other benefits. The TUC's worksmart site www.worksmart.org.uk also has some basic information about what benefits you may be entitled to claim.

Jobseeker's Allowance

Jobseeker's Allowance (JSA) is the main benefit for people of working age who are looking for another job. Some of the most important rules are:

- You have to be available for and actively seeking work – you have to 'sign on', and attend fortnightly meetings to discuss what you have done to get a job.
- You have to be capable of work.
- You may get less JSA if you receive an occupational or personal pension.
- Redundancy and other payments from your employer can affect when you start getting JSA, and how much you get.

There are two types of JSA:

- **Contribution-based JSA** is paid for six months if you have enough National Insurance contributions. The test is not straightforward but if you have worked for more than two years and earned more than £90 a week you will qualify. If you do not meet these conditions you may still get it, but you will need to take advice. Contributions-based JSA is not means tested and the status of your spouse/partner is not taken into account, but part-time earnings or a pension will reduce how much you get.

It is not generous. The 2009/2010 rate is £64.30 for those aged 25 or over, and £50.95 for those 24 or younger.

- **Income-based JSA** is paid to those who have run out of contribution-based JSA after six months or do not qualify for contribution-based JSA. It can also be

paid on top of contribution-based JSA to those who have extra costs because of dependants, disability or housing costs. It is means-tested – and both income and savings are taken into account. You'll get less if you have savings over £6,000. If you have savings over £16,000 you probably won't qualify.

If you are one of a couple who live together (and you do not have a dependent child) both you and your partner usually have to meet the job-seeking conditions to get income-based JSA. This means you will both have to sign on and look for work. If your partner or civil partner works 24 hours or more a week on average, you can't usually get income-based JSA. If they work less than 24 hours, it may affect how much you get.

The single person's rate for income-based JSA is the same as the rate for contribution-based JSA.

You can claim JSA by calling 0800 055 6688 (8am–6pm Monday to Friday). A textphone service is available if you have a speech or hearing impairment on 0800 023 4888.

Jobcentre Plus (a government agency) will take your details and arrange an appointment with an adviser to talk about why you are unemployed and what sort of job you are looking for. If you left your last job voluntarily or were fired for misconduct you may not be able to claim JSA. They will also explain the JSA rules, and normally you will discuss your Jobseeker's Agreement



Your Jobseeker's Agreement will include the hours of the day, days of the week and other details about work you are going to look for, how you will look for it, what you will do to improve your chances of getting a job and how Jobcentre Plus will help you. If the adviser thinks the limitations you want to put on the jobs you will look for are unreasonable they can insist on changing them, but usually they try to draft conditions you will accept. You must sign your Jobseeker's Agreement to get JSA.

If you are getting JSA, you may be able to get other benefits or help with other costs. If you are on income-based JSA, you will be able to get maximum Housing Benefit (to help with rent) and maximum Council Tax Benefit (which reduces your Council Tax bill). You will also be entitled to other help, for example, free prescriptions, free school meals for your children, and help with the costs of a newborn baby. If you are on contribution-based JSA, you may be entitled to some of these benefits and help, depending on your income.

Help with housing costs

You won't get any help to pay your mortgage for the first 13 weeks after you have been made redundant.

After that, JSA, Employment and Support Allowance and Income Support can all give you help to pay the interest on your mortgage, but not the capital.

Some people take out mortgage payment protection insurance with their mortgage, which covers them against redundancy. Your policy should explain how you go about claiming. You may have to provide evidence that you are looking for work, probably by claiming JSA. If you only took out the policy recently, then you may be asked for a letter from your former employer confirming that you did not know you would be made redundant.

Housing Benefit and Council Tax Benefit are administered by local authorities. If you are entitled to means-tested JSA, Income Support or have a low income and are liable for rent and/or council tax for

your home, you may qualify for Housing Benefit and/or Council Tax Benefit. The amount you get will depend on your rent, your income and savings, and your personal and family circumstances.

Debt

If you become unemployed you are likely to suffer a big drop in income. It is easy to get into debt, but hard to pay it back when you are unemployed.

There is not enough space in this leaflet to go into detail about what to do about debt, but it is important that you take stock of debts and work out what to do about them if you lose your job. They will not go away, and will quickly mount up if you do not keep up your payments.

The TUC's worksmart site www.worksmart.org.uk contains some basic advice about what to do if you find yourself in debt.

Tax and benefits

JSA counts as taxable income, and you are liable to pay income tax (but not NI contributions) on part of it. The tax is not deducted from your JSA immediately. When you get a job – or at the end of the tax year, if that comes first – the Jobcentre Plus office adds together your JSA and your wages since the end of the last tax year, and works out your tax position.

Training and retraining

Your employer may offer to provide you with training that will help you get a new job as part of the redundancy package.

There are both commercial and government services that may be made available. If you are losing your job as part of a big number of redundancies or major closure it is likely that you will be offered advice by Jobcentre Plus, the Regional Development Agency or some other body. This could include direct help with finding a new job, help with job search skills and access to training. Otherwise you can approach your local Job Centre, Careers Advisory Service or Learndirect – the government-sponsored gateway to education and learning.

The TUC's training and skills organisation **unionlearn** (www.unionlearn.org.uk) and union learning representatives can help people access education and training opportunities.

Unionlearn has joined forces with the Careers Advice Service to provide a completely free independent learning and careers advice line. The unionlearn Learning and Careers Advice line has a dedicated phone number, 08000 92 9190, and is open seven days a week from 8am to 10pm.

Contacts

The TUC's Join a Union line

Call 0870 600 4 882. Calls are charged at the national rate.

ACAS is a government-sponsored body that can provide information and advice for employees and employers. Helpline numbers:

- Monday–Friday, 8am–6pm, tel 08457 47 47 47
- Monday–Friday, 8am–6pm, (for Minicom users) tel 08456 06 16 00
- www.acas.org.uk

Discrimination

If you think your employer may be discriminating unfairly in selecting who should be made redundant, the Equality and Human Rights Commission may be able to help:

- 0845 604 6610 (England)
- 0845 604 5510 (Scotland)
- 0845 604 8810 (Wales)
- www.equalityhumanrights.com

The Employment Tribunal Service

If you need information about making a claim to an employment tribunal you should call the Employment Tribunal Service enquiry line on 0845 959775.

Advice agencies

The Citizens Advice service website www.citizensadvice.org.uk, a phone book or your local library will be able to tell you where your nearest Citizens Advice Bureau is. Your local library will also have advice on other local agencies which may be able to help you.

Tax and benefits

HMRC (formerly the Inland Revenue) is on 0800 597 5976 or you can use their website www.hmrc.gov.uk to find your local office. The Jobcentre Plus benefits claim line is 0800 055 6688 (Monday to Friday, 8am–6pm). A textphone service is available if you have a speech or hearing impairment on 0800 023 4888. Your local office will be in the phone book and the website is www.jobcentreplus.gov.uk

Job searching and retraining

For help in finding a new job or training options www.jobcentreplus.gov.uk provides a gateway to all government services. These are also available at local offices.

Independent financial advice

You can find an IFA at www.unbiased.co.uk.

Unions today

Your friend at work

Many of the rights described in this leaflet have been won by union campaigning. And when redundancies are threatened, members will find unions can provide invaluable help and assistance. Unions understand your legal rights, and are often able to negotiate a deal that is much better than the legal minimum. Every day unions help thousands of people at work by solving problems and, where necessary, taking action in courts and tribunals.

But unions are not just there for when something goes wrong. They help negotiate better pay and conditions. Union workplaces are safer, and more likely to help employees progress their career with better training and development programmes. Unions themselves provide training and services such as legal advice.

Many employers value their relationship with a union as they recognise that staff morale and commitment are improved when staff are treated well, have their views taken into account and enjoy job security. And in return staff take more pride in their work and are more ready to embrace the changes modern firms often need to make to compete.

**Unions take on the bad employers,
and work with the good to make
them better.**

To find out more about joining a union
call 0870 600 4 882.



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