Your rights during redundancy

You have redundancy rights if:

- you're legally classed as an employee
- you've worked continuously for your employer for 2 years before they make you redundant

During the coronavirus (COVID-19) pandemic, you have the same redundancy rights, including redundancy pay.

Redundancy pay

How much redundancy pay you get depends on:

- your age
- how long you've worked for your employer

You might get more than the minimum amount the law says you should get (‘statutory’), if it's in your contract.

If you're not sure if you're classed as an employee, it's a good idea to [check your employment status](https://www.gov.uk) and talk to your employer.

If your employer is insolvent

If your employer is insolvent and makes you redundant, you can apply for redundancy pay and may be entitled to other related payments from the government, through the Redundancy Payments Service (RPS).

[Find out more about your rights if your employer is insolvent on GOV.UK.](https://www.gov.uk)

How redundancy pay is worked out

Redundancy pay is based on:

- your earnings before tax (gross pay)
- the years you've worked for your employer
- your age

Weekly pay should also include:
• regular overtime, if the employee's contract says they must get paid for it
• any bonuses or commission

Find out how to work out average pay for bonuses and commission on GOV.UK.

If you’re aged 17 to 21

Your employer must give you half a week's pay for each full year you've worked.

If you’re aged 22 to 40

Your employer must give you:

• 1 week's pay for each full year you worked from age 22
• half a week's pay for each full year you worked before that

If you’re aged 41 or over

Your employer must give you:

• 1.5 week's pay for each full year you worked from age 41
• 1 week's pay for each full year you worked when you were between 22 and 40
• half a week's pay for each year you worked when you were between 17 and 21

Your employer must tell you in writing how your redundancy pay has been worked out.

Furlough and redundancy pay

If you’ve been on 'furlough' (temporary leave) during the coronavirus (COVID-19) pandemic, you must use your full normal pay when working out redundancy pay.

For example, if your weekly pay is usually £300 but you received 80% pay while on furlough, your redundancy pay must be your full normal pay of £300 a week.

If your pay is different each week, your weekly pay must be worked out by using the 12 weeks leading up to the day you got your redundancy notice. Your pay must be topped up to 100% for any hours you were furloughed. Add up the total amount of pay during the 12 weeks and divide it by 12 to get your weekly pay.

Example 1 – someone who works variable hours

An employee who is 30 has worked for their employer for 6 years and their hours vary each month. They normally get paid £10 an hour.

They’ve been on furlough for the last 12 weeks and received 80% of their pay (£8 an hour).
The employer already worked out the employee works an average of 30 hours a week when they claimed from HMRC’s Coronavirus Job Retention Scheme.

The employee must receive £300 a week redundancy pay as their wages must be topped up to 100%.

**Example 2 – someone on flexible furlough**

An employee who is 30 has worked for their employer for 6 years.

They normally work 30 hours a week and have agreed to be furloughed for half this time.

They now work for 15 hours a week on full pay, receiving £10 an hour. They’re put on flexible furlough on 80% pay for the remaining 15 hours, receiving £8 an hour.

When calculating redundancy pay, their wage on flexible furlough must be topped up to 100%. This means they must receive £300 a week redundancy pay.

**Example 3 – someone who has returned to work and is working more hours than usual**

An employee who is 30 has worked for their employer for 6 years.

The employer had already worked out the employee's average hours and full normal pay when they claimed from HMRC’s Coronavirus Job Retention Scheme. The employee normally works 30 hours a week on £10 an hour, receiving £300 a week.

They spent 6 weeks on furlough earning 80% pay. When they returned to work, they worked 40 hours a week for 6 weeks, receiving £400 a week.

To work out their weekly pay, the employer adds up the 6 weeks of pay during furlough, at their full normal pay of £300 a week. Then they add up the 6 weeks the employee worked at £400 a week.

The employer adds up these figures and divides by 12 to work out their average weekly pay of £350 a week. This means the employer must pay the employee £350 redundancy pay a week.

**Calculate your redundancy pay**

You can use the [redundancy pay calculator on GOV.UK](https://www.gov.uk).

You’ll need to know your weekly pay (before tax and other deductions) to use the calculator.

**How you'll get paid**

Your employer should tell you:
• when you’ll get your redundancy pay – this should be no later than your final pay date, unless you both agree another date in writing
• how you’ll get paid, for example in your monthly pay or separate payments

Up to £30,000 of redundancy pay is tax free.

You may not be eligible for statutory redundancy pay if your employer offers you a suitable alternative job and you turn it down.

Limits on redundancy pay

There are limits to how much redundancy pay you can get. You can only get it for up to 20 years of work.

This means, for example, that if you’ve worked for your employer for 22 years you’ll only get redundancy pay for 20 of those years.

The maximum weekly amount used to calculate redundancy pay is £538 – even if your wage is more per week.

The maximum statutory redundancy pay you can get in total is £16,140.

You have to claim for any unpaid redundancy within 6 months of your job ending.

If your employer does not pay you

If you do not get your redundancy pay you need to:

1. Write to your employer as soon as you can. The date you should get your redundancy pay should be no later than your final pay date, unless you and your employer agree another date in writing.
2. Tell them what you’re entitled to and include any evidence to back it up. For example, you could include a letter that states your first day at work or an email confirming a recent pay increase.

Call the Acas helpline if you still do not get paid after writing to your employer. We can talk through your options but cannot give you legal advice.

If you’ve tried all options without success, you might be able to make a claim to an employment tribunal.