



**PAYPLAN'S
REDUNDANCY
GUIDE**



ARE YOU AT RISK OF LOSING YOUR JOB?

If you're worried about the risk of redundancy, or have been made redundant, then don't panic. Our redundancy guide will talk you through what to do if you are in debt and are being made redundant.

1.

WHAT TO DO IF YOU'VE BEEN MADE REDUNDANT AND YOU'RE IN DEBT

No matter your situation, if you are struggling to make repayments or find yourself in problem debt then it can be very scary.

When you contact PayPlan, one of our specialists will be able to go through the money that you have coming in and going out, and then prioritise what you need to pay for. Based on how much money you have leftover each month and whether you think your circumstances are likely to change, there will be a number of options available to you. The adviser will talk to you about each of the available debt solutions in detail and help you decide which is right for you.

What happens if my circumstances change in the future?

If you enter a managed debt plan and your situation changes due to unforeseen circumstances, we can review your plan to ensure it's still the best option for you and see whether an alternative might be better for your new circumstances.

A Debt Management Plan for example has the flexibility to allow you to change payments if your income changes, and as with all solutions, you should only be paying the amount that you can realistically afford.

I don't have any income right now, what options do I have?

If you've completed your Income and Expenditure by yourself or gone through it with a PayPlan adviser, you may find that you have more money going out than you have coming in. This is known as a negative budget (or deficit), which means you won't have any money to pay towards your creditors – but we would recommend that you try to make a token payment of £1 per month as a gesture of goodwill to show the creditors you are still willing to make an offer. However, if you do have some money left over each month to pay towards your debts or your circumstances change, there may be several debt solutions available to you.

Find out more by calling **0800 280 2816** or completing our online debt help form at www.payplan.com.



It's important to remember throughout this that you are not alone. If you find that you start to fall behind on payments or would like some advice on debt solution options, then get in touch with one of PayPlan's expert advisers.

2.

YOUR REDUNDANCY RIGHTS AND EMPLOYMENT OPPORTUNITIES:

To be 100% accurate on your rights you should always check your individual employment contract. This section will give you a good summary of key redundancy points, which have been taken from the ACAS and gov.uk website.

For more information from these websites, visit:

- www.acas.org.uk/redundancy
- www.gov.uk/redundancy-your-rights/redundancy-pay

Redundancies have been announced, what's next?

If redundancies have been announced at your work, then don't worry – you're likely to have options to consider, like:

- Retraining
- Applying for a new job
- Taking voluntary redundancy
- Setting up your own company
- Working in a different role within the same company

Talk through your options with your friends, family, or a professional to work out how each option may affect you. Take your time and don't rush into a decision before really thinking about the emotional and financial cost to each option.

You may also be eligible for certain things, like redundancy pay, a notice period, a consultation with your employer, the option to move into a different job and time off to find a new job.

Consultation period – depending on the size of redundancies, this may involve:

- Your employer explaining the reasons for your selection for redundancy
- Having the opportunity to talk through your views on redundancy or raise any questions
- You and your employer talking through any appropriate alternatives, where they exist

Redundancy selection - being selected for redundancy could be based on skills, experience and competence, but it cannot be based on your:

- Age
- Gender
- Race
- Religion
- Disability
- Trade union membership

Statutory redundancy notice periods (unless otherwise stated in your employment contract) -

- A minimum of one week's notice if you have been employed for between one month and two years
- One week's notice each year of employment if you have been employed for between two and 12 years
- 12 weeks' notice if you have been employed for 12 years or more

Am I eligible for redundancy pay and how much will I get?

You should qualify for statutory redundancy pay if you have worked for your employer continuously for at least two years, or if you've been on a fixed term contract for two years or more which is not renewed because of redundancy.

It is worth noting that some redundancy payments could affect your entitlement to benefits. This will depend on the payment and how it is paid – such as a lump sum. Look on the Turn2Us website for more information on how redundancy pay could affect your benefits. Visit: www.turn2us.org.uk/ and search for redundancy guides.

When you won't be entitled to statutory redundancy...

- If you've unreasonably refused a suitable offer of alternative work from your employer
- When you've been dismissed on the grounds of misconduct

You may not be entitled to redundancy payment if...

- You leave your job to start a new one
- You go on strike before the end of your notice period

How much redundancy pay will I get?

This will depend on your individual employment contract. Statutory pay is based on factors like age, weekly pay and number of years in the job. Only complete years are considered when calculating your entitlement and this goes up to a maximum of 20 years.

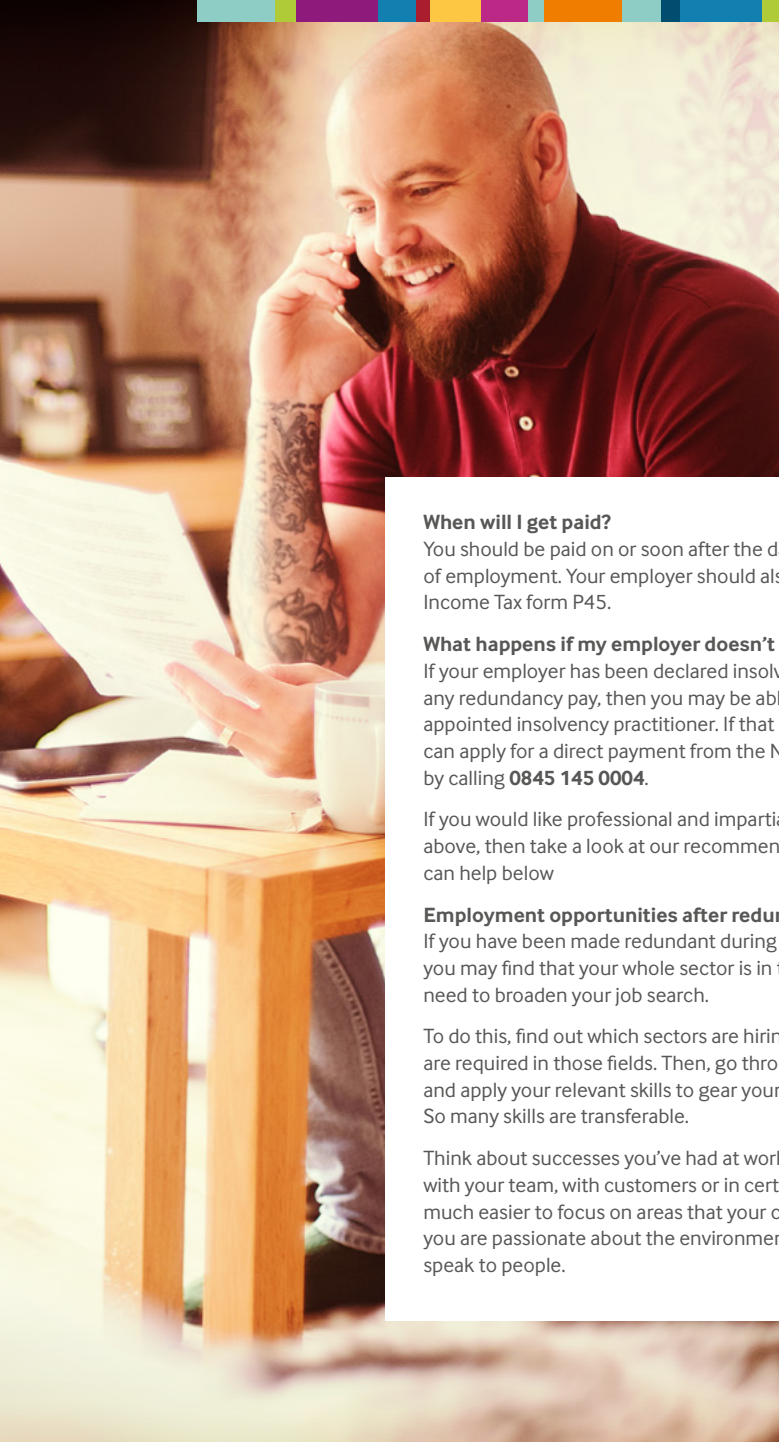
Work out your statutory redundancy pay using the government redundancy calculator, visit: www.gov.uk/calculate-your-redundancy-pay or follow ACAS' guidelines below:

- If you're aged 41 or over, your employer must pay **one and a half week's pay** for each full year you worked after the age of 41
- **One week's pay** for each full year you worked when you were between 22 and 41
- **Half a week's pay** for each full year you worked before age 22



Always check your employment contract as it may differ from the statutory guidelines. Redundancy pay up to £30,000 is tax free.

Your employer must give you a **written statement** to show your redundancy pay, how they've worked it out and confirm the date your employment will end.



When will I get paid?

You should be paid on or soon after the date of your last day of employment. Your employer should also issue you with your Income Tax form P45.

What happens if my employer doesn't pay?

If your employer has been declared insolvent and cannot pay any redundancy pay, then you may be able to claim from the appointed insolvency practitioner. If that isn't possible, then you can apply for a direct payment from the National Insurance Fund by calling **0845 145 0004**.

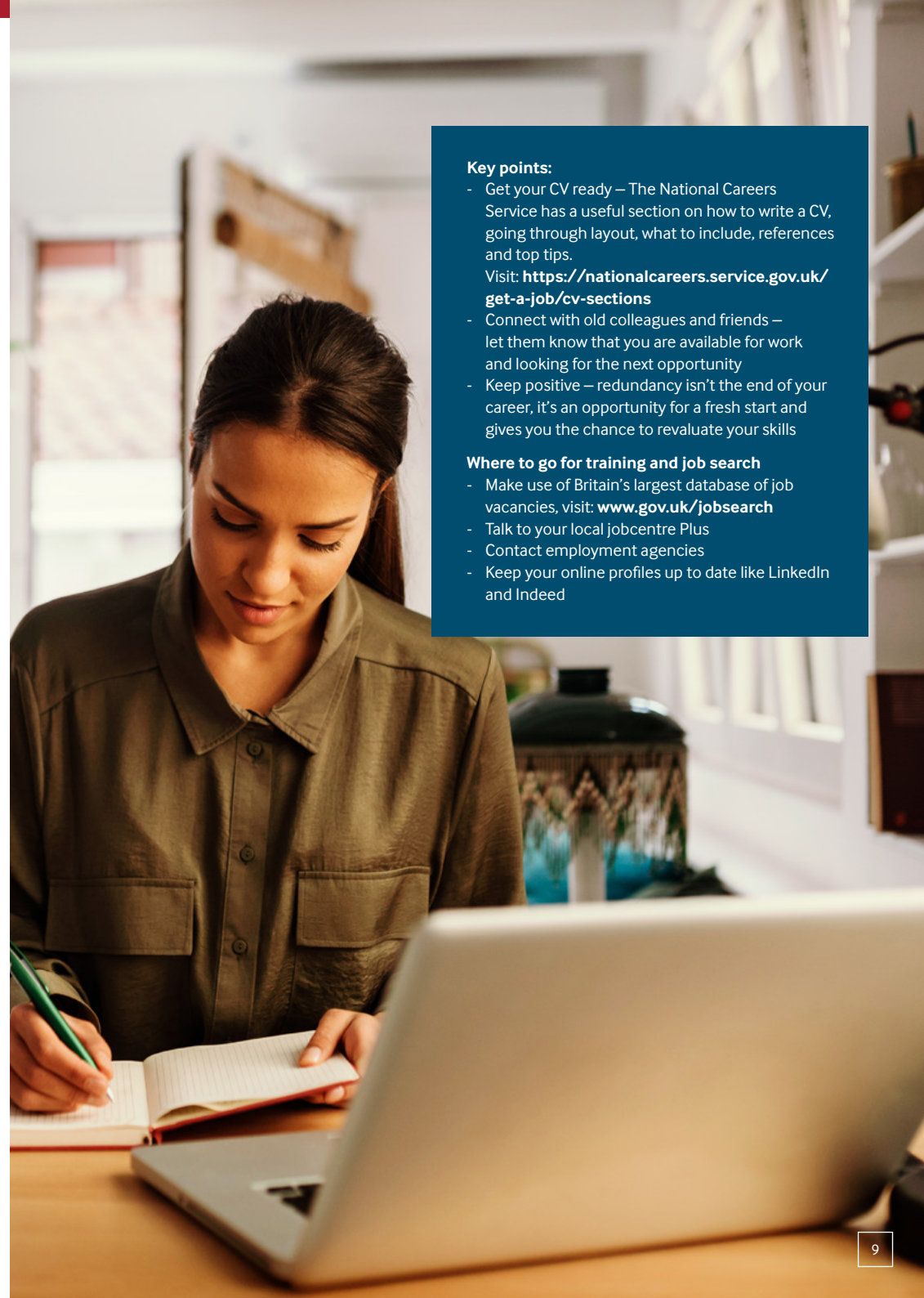
If you would like professional and impartial advice on any of the above, then take a look at our recommended organisations who can help below

Employment opportunities after redundancy

If you have been made redundant during an economic downturn, you may find that your whole sector is in trouble and that you need to broaden your job search.

To do this, find out which sectors are hiring and what key skills are required in those fields. Then, go through your experience and apply your relevant skills to gear your CV up for that sector. So many skills are transferable.

Think about successes you've had at work – whether that's with your team, with customers or in certain projects. It's often much easier to focus on areas that your confident with – like if you are passionate about the environment or find it easy to speak to people.



Key points:

- Get your CV ready – The National Careers Service has a useful section on how to write a CV, going through layout, what to include, references and top tips.
Visit: <https://nationalcareers.service.gov.uk/get-a-job/cv-sections>
- Connect with old colleagues and friends – let them know that you are available for work and looking for the next opportunity
- Keep positive – redundancy isn't the end of your career, it's an opportunity for a fresh start and gives you the chance to reevaluate your skills

Where to go for training and job search

- Make use of Britain's largest database of job vacancies, visit: www.gov.uk/jobsearch
- Talk to your local jobcentre Plus
- Contact employment agencies
- Keep your online profiles up to date like LinkedIn and Indeed

3. ADDITIONAL SUPPORT

It's important that you look at your finances and start to get them back on track as soon as possible or get professional help if you have fallen into arrears. You may want to take these five steps during your redundancy period or once you've found a new job.

Step 1 - Review your finances

The first step to becoming in control of your finances is to understand what money you have coming in and what you need to pay for. Write down everything that you need to pay for – splitting these payments out into priority and non-priority debts. Priority debts include rent arrears, mortgage and secured loan arrears, gas and electricity debts and council tax. Remember that keeping on top of your priority payments is a top priority financially as they carry more severe consequences for not being paid.

Step 2 – Maximise your income

Go through the options we talked about earlier – getting a new job, retraining, setting up your own business etc. Check that you are getting all of the benefits that you are entitled to by using our benefits checker – visit: <https://payplan.entitledto.co.uk/home/start>

Go through your current bills and expenses, check you're getting the best deals and cancel anything that you no longer need.

Step 3 - Clear your arrears

If you have arrears or are falling behind with repayments, then it is a good indicator that you should seek professional debt help. At PayPlan, our team of experts can talk you through your available options both now and in the future.

If your income has stopped completely, it may be that you are advised to pay temporary token payments towards some of these arrears and that you could move to a more suitable debt solution once your circumstances change.

Step 4 – Plan for the future - start saving and consider insurance

If you can, then get into the habit of saving. It's recommended that you build up a buffer of three times your net monthly salary over time. Start small and keep the money in a separate account to your daily spending. That way, you are less likely to dip into your savings or leave yourself short for your priority spending.

Once you start working again, you may even want to think about taking out mortgage payment protection or income protection insurance. As always, make sure that you take advice and are clear on what your policy will and will not cover before you agree to take out any form of insurance.

Step 5 – Get support from an expert organisation:

ACAS – can help with all employment rights issues. Call **0845 747 4747** or visit www.acas.org.uk

Citizens Advice – offers free and impartial advice. Find your local office on the website, visit: www.citizensadvice.org.uk

Gov.uk – provides general online advice about redundancy selection, consultation, redundancy pay and notice periods. Visit: www.gov.uk

Member of a trade union? – If you are a member then speak to your workplace rep, shop steward or contact your union directly

PayPlan – if you are struggling with repayments or have fallen into arrears, then speak to one of our expert advisers for free debt advice today – call **0800 280 2816** or visit: www.payplan.com

Pensions advisory service – offer free and impartial guidance to people with workplace and personal pensions, call **0800 011 3797** or visit: www.pensionsadvisoryservice.org.uk

Samaritans – are there to support you, no matter what you're going through. They are available 24 hours a day, 365 days a year. Call **116 123** or visit: www.samaritans.org



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