



Redundancy Guide

How to manage your finances in uncertain times

Losing your job or facing redundancy can be stressful. But you're not alone. **We're here to help you understand your options and manage your finances during this uncertain time.**



What to do if you're in debt after being made redundant

Redundancy can make existing debts feel even more overwhelming. But there is support available. When you speak to our team, we will:

- Review your budget
- Look at your income and expenses
- Help you understand which payments are priorities
- Talk you through your next steps

If redundancy might be coming

Try not to panic. You may still have options, including retraining, applying for a new job, or even starting your own business.

Before deciding on your possible next steps, speak to your family, friends, or a professional.

Consider how each option could affect you both financially and emotionally.

What you're entitled to when you're made redundant

You may be eligible for:

- Redundancy pay
- A notice period
- A consultation with your employer
- A new job with the same company
- Time off to look for work elsewhere

Statutory Redundancy Pay

Statutory Redundancy Pay is the legal minimum your employer must pay if you:

- Are selected for redundancy.
- Have the legal status of an employee.
- Have continuously worked for your employer for **two years or more**.

Check your contract too, as you might be entitled to more than the legal minimum.

How much redundancy pay will I get?

The amount of Statutory Redundancy Pay you receive depends on:

- Your age
- How long you've worked there
- Your weekly pay before tax (known as gross pay)

Use the Government's calculator to work out your Statutory Redundancy Pay at www.gov.uk/calculate-your-redundancy-pay.

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

When will I receive my redundancy pay?

- On your final day of work, or
- On your regular payday (if agreed)

Ensure you get this agreement in writing and receive your P45.

What if my employer doesn't pay my redundancy?

- Contact them quickly
- Explain what you're owed and include any proof (payslips, contract, etc)
- Ask for payment by a specific date
- You can claim through an Employment Tribunal if they still don't pay. Time limits apply, so act fast. Learn more about making a claim to an Employment Tribunal at www.acas.org.uk/employment-tribunals.

Notice periods

Your employer must:

- Tell you your notice period
- Pay you up to the end of it

The length of your notice period will depend on how long you've worked there for.

Redundancy consultation

You're entitled to have a consultation with your employer to discuss the following:

- Why you're being made redundant
- Any alternatives
- Your questions and concerns

If you're offered a job at another company

- Turning it down without a good reason could affect your redundancy pay if you're offered a different role.
- You shouldn't be asked to reapply. Otherwise, it could be classed as unfair dismissal.



Tips for job hunting

- Use the **National Careers Service** to help get your CV ready – visit: nationalcareers.service.gov.uk/careers-advice/cv-sections.
- Let **friends and old colleagues** know you're available for work.
- Check **gov.uk** for vacancies at: www.gov.uk/find-a-job.
- Contact your local **Jobcentre Plus**.
- Register with **employment agencies**.
- Keep your **LinkedIn** and **Indeed** profiles updated.
- If you've worked for your employer for **over two years**, you're entitled to reasonable time off to search and attend interviews, with pay up to 40% of your weekly salary.



Managing your money after redundancy

Focus on these **five areas** to support you during your redundancy:

1

Review your finances

- Write a list of your income and expenses.
- Split your expenses into essentials (rent, utilities, fuel) and non-essentials (hobbies and leisure, subscriptions).
- If you have debts, understand which are your priority debts (rent arrears, mortgage arrears, utilities arrears and council tax) and which are your non-priority debts (credit cards, overdrafts and store cards).
- Learn more about priority and non-priority debts at:
www.payplan.com/debt-info/collection-of-debts/creditors/priority-non-priority-debt.

2

Maximise your income

- Look for a new job or retrain.
- Consider starting a business.
- Use our Benefits Calculator: budgetsmart.payplan.com/benefits-calculator.
- Switch providers to get better deals.
- Cancel anything you don't need.

3

Clear your debts

- Seek professional debt help when you have debts or are falling behind with repayments. Our advisors can talk you through all your options.
- When your income has reduced or you have no money left over, make temporary token payments of at least £1 as a sign of goodwill and to show your creditors you're doing everything you can to pay back your debts.

4

Plan for the future

- Get into the habit of saving.
- Keep the money separate from your daily spending. That way, you're less likely to dip into your savings or leave yourself short.

5

Get support from an expert organisation:

- **PayPlan** – Confidential debt advice, visit: www.payplan.com.
- **ACAS** – Employment rights advice, visit: www.acas.org.uk.
- **Citizens Advice** – Free and impartial advice, visit: www.citizensadvice.org.uk.
- **GOV.UK** – Information on redundancy pay, notice periods, visit: www.gov.uk.
- **Member of a trade union?** – Contact your rep or your union directly.
- **Money & Pensions Service** – visit www.maps.org.uk.
- **Samaritans** – Emotional support, visit: www.samaritans.org.





We're here to help

Thank you for trusting us to support you through these uncertain times.

Our goal is to help you move forward with your finances as quickly and smoothly as possible. If you have any questions about the ways in which we can help, you can reach us at:

help@payplan.com

We're just a call away. If you need more help or support at any stage, simply call us:

0800 316 1833

Calls are free from all landlines and mobiles.

Need this in Braille, large print or another language? Let us know – we'll be happy to help.

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