**Redundancy**

If you end the employment of an employee with more than two years' continuous service because their role is redundant and no longer exists, the PA has the right to a statutory redundancy payment. The amount depends on the employee's age and length of continuous service with you. At or before the time the redundancy payment is made, you must provide the employee with a statement in writing showing how it has been calculated.

Ensure all employment alternatives have been discussed with employee before redundancy process is started. A fair process would include an informal at risk meeting, followed by a formal consultation where the employee would have the opportunity for a union representative to be present. In these meetings you would discuss any concerns raised by the employee, discuss any alternatives to redundancy the employee’s may present, and discuss any financial reward should a redundancy take place.

When dealing with redundancy it is very important that a fair consultation is completed in line with the ACAS code of practice. Not following the process could itself result in a claim at tribunal, even if the reason for the redundancy is deemed to be fair.

If you feel you have covered all grounds that you need to informally then you can proceed with the redundancy dismissal.

**Disability Tax Reform Group**

Statutory redundancy pay is not taxable/NICable and should not be included on a worker’s P45. As such, you can pay it outside of your normal [payroll processes](https://disabilitytaxguide.org.uk/paying-wages), although you should give the worker a cover letter explaining what it is, in case they need a record of the income for other reasons – e.g. for benefits purposes. Keep a copy of the letter for your [own records](https://disabilitytaxguide.org.uk/paying-wages/keeping-records1).

PAs with two years' or more continuous service are entitled to [statutory redundancy pay](https://www.gov.uk/calculate-employee-redundancy-pay) and redundant PA’s have the right to reasonable paid time off to look for other work. In cases where a [private employer dies](https://disabilitytaxguide.org.uk/Employment-law/employing-staff-in-more-detail/terminating-the-employment1#when-employer-dies), a PA is still entitled to receive redundancy pay.

Further information on redundancy can be found on [GOV.UK](https://www.gov.uk/staff-redundant) and ACAS have produced an advisory booklet called '[Redundancy Handling](http://www.acas.org.uk/index.aspx?articleid=747)' that is available from their website.

Premier Care Home Employment and FISH insurance. Certain policies include redundancy and notice cover. Clients can claim for statutory redundancy and notice payments when certain criteria are met and this must always be explored during the employment ending.

Payment amounts are capped so if a redundancy payment exceeds that cap the Direct Payment will need to make up any difference (unless a proportionate contribution agreement exists). If there is not a surplus available for this, a one-off payment will need to be arranged.

**Key Points:**

* Payable to PA’s who have worked for their employer for 2 years or more.
* Redundancy Payment is;
* half a week’s pay for each full year the PA was under 22
* 1 week’s pay for each full year the PA was 22 or older, but under 41
* 1 ½ week’s pay for each full year the PA was 41 or older
* Length of service is capped at 20 years.
* Redundancy pay (including any severance pay) under £30,000 isn’t taxable.
* Employer will deduct tax and National Insurance contributions from any wages or holiday pay they owing.

Notice pay is paid to all employees with over 1 month’s service. I would check the employee’s contract to see if you have agreed any enhanced contractual notice to be paid by the employer. If it doesn’t say anything in the contract, then the employee will be entitled to statutory notice pay. Statutory Notice pay is calculated as 1 week’s pay for any employee with over 1 month’s service up to two years service. After two years service, it is calculated as 1 week’s pay for every year worked.

If the PA is made redundant on or after 6 April 2018, their weekly pay is capped at £508 and the maximum statutory redundancy pay they can get is £15,240.

[Calculate your redundancy pay](https://www.gov.uk/calculate-your-redundancy-pay).