

REDUNDANCY

Important updates:

1. The new Acas Code of Practice changes how statutory dismissal and disciplinary procedures are handled. Perhaps the biggest change is that, the new Code does not apply to redundancy and therefore, cases arising after 6th of April 2009 will once again be governed by case law and what is reasonable in the circumstances.

Cases falling before 6th April 2009 will still be governed by the standard statutory dismissal and disciplinary procedures as well as the fairness principle found in s 98(4) of the Employment Rights Act 1996.

2. On 1 October 2009 the weekly limit used to calculate statutory redundancy pay will increase from £350 to £380 and will remain unchanged until February 2011.

Helpful hints and tips to avoid redundancy:

1. A selection of city firms are offering to pay graduates to defer their training. This approach will help maintain goodwill and a positive public image whilst avoiding having to withdraw a job offer. It is however essential that trainees agree to the new start date.
2. Some employees have agreed to work fewer hours, take a cut in salary or alternatively take fewer days off as holiday. If an employer decides to do this, they must ensure that there is a contractual right to this or must alternatively seek the employees express agreement to do so.
3. It may be worthwhile asking whether employees are willing to take voluntary redundancy, a job share, part-time working or even early retirement in order to cut costs.

Potential trips and traps when making redundancies:

1. Make sure that you make it clear prior to and throughout consultation with employees that redundancies are only a possibility. Redundancies should never be confirmed until after the end of the consultation period;
2. Make sure that you do not take any discriminatory factors such as sick leave or part-time working into account when scoring employees;
3. Make sure that you include employees that are on long-term sick leave and maternity leave in relevant pools;

Remember that the only way to ensure that an employee does not bring a claim against the company is to ask them to sign a compromise agreement – and even then, there can be exceptions!

This note does not constitute legal advice and is intended as general guidance only. If you would like further information or would like to arrange a meeting please email hina@partnerslaw.co.uk or call 07809 694400



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