Redundancy Pack

Redundancies need to be handled carefully and in accordance with the relevant Employment legislation. Redundancies can be subject to ‘unfair dismissal’ claims, not necessarily because the need for a redundancy was incorrect but the process followed was. There is an obligation to ensure that the termination is not ‘unfair, unjust or unreasonable’. To meet these criteria you need to follow a process.

In the case of Volunteer you need to….

* Arrange to contact the volunteer post the consultation session to confirm that [Company] will be outsourced and let them know what this means for their role moving forward. If the role is no longer needed, thank them for their time and commitment to date.

In the case of a casual or permanent employee your need to…..

* Meet with both casuals and permanent part-time employees to advise them that their role is at risk of redundancy.
* The employer should offer each individual employee access to a support person, if they would like to have one present.
* The employer needs to let them know they are considering whether there are redeployment opportunities for the employee and ask whether the individual has any thoughts around this. In this circumstance, it is highly unlikely - but in order to follow due process this is important
* At this point the employer should share with their permanent part-time employees an indicative redundancy package in the event the redundancy progresses. This would include annual leave and notice (if there are under 15 employees then no redundancy package is payable). If there is a headcount of 16 or more employees, (and casual employees are included in this headcount), then redundancy payments would be required. It would also include Long Service Leave (in NSW casual employees also get this), if the individual has over five years of service. This payment would be pro-rated and if they had been continuously employed for ten years this would be 8.67 weeks.
* If the discussion is with a casual employee that has over 5 years’ continuous service, they would be entitled to prorated Long Service Leave but not annual leave, notice or redundancy.
* In the event that the employee confirms they see no other alternative roles, the employer might be able to finalise the redundancy discussion in the one meeting. If not, they can arrange to meet the next day to consider the employee’s suggestions. If any roles are considered viable, the employer might look to transfer them to another role, otherwise the redundancy can be finalised. The payout needs to be paid on or before the next regular pay day.

Script for Redundancy conversation might look something like this……

*Thank you for meeting with us today. We have called you in because we wanted to share with you the final decision around [Company] and therefore some structural changes that will happen as a result.*

*At this point, I wanted to see whether you would like to bring in a support person?
(You may offer this at the time of booking the meeting. If the individual does not want a support person ideally have them sign to having waived this right)*

*As you know, the situation with [Company] has been problematic for some time and as a result, we have been reviewing our structure to meet our financial and operational requirements. With this is mind, we believe that we need to make the role of* ***[role title]*** *redundant.*

*What this means is that your role is at risk of redundancy. We are still thinking through whether there may be an opportunity to use your skills elsewhere in the company at this time. We would also like* ***you*** *to think this through to see whether there may be other suitable roles for you.*

*Now I understand that this may be a challenging time for you and we are doing our best to think through all of the alternatives. Should your role be redundant, we have checked and the redundancy payment would look like this:*

|  |  |
| --- | --- |
| Redundancy Payment      | $ |
| Notice Period          | $ |
| Annual Leave accrued      | $ |
| Long Service Leave     | $ |
| 1 weeks’ notice (45yrs)     | $ |
| **Total**  | **$** |

*This is obviously taxed at a more favourable rate and would be payable to you next Pay Day. I understand that this may be a disappointment to you. Do you have any questions at this point?*

*OK, what I would like to do is for you to go home now and have a think about whether you see any alternative roles for you or not. We will do the same. Let's meet back here tomorrow to discuss next steps. (If the individual wants to finalise the process today, this is possible but make note that this was at the individual’s request) Would [X am/ pm] tomorrow suit you?*

*This will either be to discuss an alternative role and way forward or to finalise the redundancy of your role. If you have any questions in the interim, please do give me a call anytime.*

*Are you ok to get home? Do you have any more questions? Thank you for your time today.*

Role at Risk of Redundancy Letter template

[Logo]

[Date]

[Name]
[Address]

[Address]

Dear [Name]

Further to our [discussion / recent meeting], I am writing to inform you that following a [review of roles /loss of account] that has been undertaken within [Company], your current role of [role title], unfortunately, will no longer be required by [Company] from [date]. Your current role will therefore be redundant from that date. This decision is in no way a reflection on you or your performance within the business but rather it is driven from a need for us to ensure that the canteen is suitably structured for the future.

The effective date of your retrenchment is [date]. Over the next 24 hours we will try to identify alternative roles for you elsewhere in the business. I would also encourage you to consider any other available options within the business and we can discuss our findings when we meet. I propose to make this on [date] at [time]. Please let me know if this date is not acceptable to you for any reason.

An indicative Redundancy Benefit Statement has been enclosed with this letter to ensure that you are fully informed about the package which would be payable to you, on retrenchment.

[Name], I recognise that this may be a difficult time for you and I am committed to providing you with support and assisting you in any way that I can.

Please contact me if you have any questions regarding this letter or the information it contains.

Yours sincerely

[Name]
[Title]
[Company]

Indicative Redundancy Benefit Statement

|  |  |
| --- | --- |
| Redundancy Payment  | $ |
| Notice Period  | $ |
| Annual Leave accrued  | $ |
| Long Service Leave  | $ |
| 1 weeks’ notice (45yrs)  | $ |
| **Total** | **$** |

Final Redundancy Letter template

[Logo]

[Date]

[Name]
[Address]

[Address]

Dear [Name]

Following our [meeting / discussion] regarding a review of roles within [Company] which resulted in your current role of [role title] being made redundant, I am writing to advise you that we have been unable to identify any other suitable roles within [Company]. Therefore, as previously advised, you will be retrenched on [date].

Please see enclosed a Redundancy Statement which outlines your redundancy entitlements. In addition, a Certificate of Service will be sent to you at your home address in the coming weeks.

I would like to thank you for your contribution to company and wish you the best for the future. Please contact me if you have any questions regarding this information.

Yours sincerely,

[Name]

[Title]

[Company]

Redundancy Benefit Statement

|  |  |
| --- | --- |
| Redundancy Payment  | $ |
| Notice Period  | $ |
| Annual Leave accrued  | $ |
| Long Service Leave  | $ |
| 1 weeks’ notice (45yrs)  | $ |
| **Total** | **$** |