

Redundancy Policy

Scope

During the consultation process it was agreed that LloydsPharmacy would “lift and shift” all Sainsbury’s policies for the 12 months following transfer. The following policy applies only to colleagues who joined LloydsPharmacy from Sainsbury’s via TUPE and have not taken on a new LloydsPharmacy role. The policy has been altered to reflect the LloydsPharmacy reporting structure and contact details.

Redundancy Policy

Last updated by Sainsbury’s: 13th January 2015

In a nutshell...

Sometimes redundancies are unavoidable. We will always do our best to keep redundancies to a minimum, and if possible we’ll try to find you another position instead. This policy provides the information to support you if you’re affected by a redundancy situation.

Who this policy is for...

- All colleagues of all grades and in all divisions
- It excludes contractors.

When it applies...

- If you’re worried about redundancy
- If you’re at risk of redundancy
- If you’re being made redundant.

This policy explains...

- How we calculate redundancy pay
- What garden leave is
- What happens if you are made redundant when away from work i.e. on maternity, adoption, additional paternity leave, shared parental leave or whilst on a career break
- When you wouldn’t be entitled to redundancy pay
- What happens if you’re on a secondment
- If you are redeployed as an alternative to redundancy
- When you can take time off to look for another job
- What happens to your benefits
- Who you can talk to externally for additional support
- Support in finding other vacancies

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Status	Final	Issue Date	June 2016

Our Redundancy policy – in detail

What happens if my job is at risk of redundancy?

If there is a possibility that your job will be made redundant, we will consult with you about this, your Great Place to Work Group or a colleague consultative group and also with Trade Union representatives if appropriate. Together we will consider all the possible options. For further guidance on election of consultative bodies click [here](#).

If a number of colleagues are affected by possible redundancies and a selection process is needed to decide who will be made redundant and who will stay, we will ensure that the selection process is as fair and objective as possible. Whatever happens, we'll make sure that we continue to keep you fully informed throughout the process.

What happens if I am selected for redundancy?

If you're selected for redundancy you will be given written notice of the termination of your employment. This will be in line with the terms and conditions of your employment contract but we'll continue to try and identify suitable alternative positions for you during your notice period.

Can I take voluntary redundancy instead of going through the redundancy process?

We reserve the right on occasion to seek voluntary redundancies in times of business need or during otherwise compulsory redundancy situations. Should voluntary redundancy be considered, each situation will be treated on its own merits and we have the absolute discretion to accept or decline any request for voluntary redundancy according to the needs of the business. Further details would be provided at the relevant time.

Could I take up another role instead of being made redundant?

If at all possible, yes. We'd much prefer to find another role for you than make you redundant. You'll have the chance to consider all vacancies and we'll talk with you to identify which of these might be suitable for you. If you're suitable for the vacant role you'll be offered it in priority to other colleagues who aren't at risk of redundancy.

What if I choose to take up another role at a lower grade instead of being made redundant?

This is known as redeployment and is considered an alternative to redundancy. If you accept redeployment (as an alternative to redundancy) to another role that is graded lower than your current one, you'll receive a lump sum payment.

The lump sum payment is equivalent to one year's worth of the difference between your new and current base pay* (this is capped at 20% of your existing salary.). Any lump sum payment is subject to normal tax and NI deductions.

Should you decide to leave the business after receiving the lump sum you will need to repay the amount as follows:

- If your lump sum is £7500 or less you'll need to pay back your lump sum amount if you leave within one year of receiving it.
- If your lump sum is more than £7500 you'll need to pay back your lump sum amount if you leave within two years of receiving it.

In both the above situations you'll pay back the lump sum, in proportion to the amount of time left within the above timelines. The amount you need to pay back will be calculated by taking the payment amount you received, divide it by the relevant timeline above (either 1 or 2 years) and then multiply by the number of weeks left within the relevant timeline. Your HR manager will provide you with a net figure and ensure you pay back the correct amount by making adjustments for tax and National Insurance.

If there's a difference in other benefits between the new role and your old role (such as bonus) you'll receive the correct benefits for the grade of the new role from the date you start it.

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*Base pay is calculated as follows:

For hourly paid colleagues:

Total hourly rate (including location and skills payment) x weekly contracted hours + normal weekly contractual premiums (e.g. nightshift premium, Sunday premium) + annual contractual premiums e.g. first aid

For salaried colleagues:

Annual salary + annual contractual premiums (e.g. nightshift premium, common inconvenience) + annual contractual premiums e.g. first aid / 52

NOTE: As worked or adhoc premiums and payments should not be included in this calculation (e.g. first aid, standby and call-out, overtime)

How much time can I take off during my notice period to look for a new job?

If you're working under notice of redundancy we'll let you take reasonable paid time off work to look for another job. You must ask your line manager and have the request approved in advance.

How is redundancy pay calculated?

A redundancy payment is to compensate an individual for loss of employment. The actual payment is calculated by reference to the contractual terms you're working to at the time that you're given notice of your redundancy. If you've previously worked different hours, been paid a different wage or salary, or been differently graded this won't affect your redundancy calculation. For example, if you had transferred from full time to part time, your current part time hours will be used as the basis for your base salary, using the rules on how to calculate 'base pay'. We'll also check your personnel file to make sure there's nothing documented that could change the way we work out your payment.

The law sets out minimum requirements for redundancy pay that you're entitled to receive if you're made redundant. The redundancy payment due under the statutory redundancy payment scheme depends on your age and length of service (up to twenty years). This determines the statutory redundancy pay due. There's a limit on the amount of weekly pay for statutory redundancy pay (currently £464).

Statutory redundancy pay is:

- 0.5 week's pay for each full year of service where your age is less than 22
- 1 week's pay for each full year of service where your age is 22 or above, but less than 41
- 1.5 weeks' pay for each full year of service where your age is 41+

However we offer Company Redundancy Pay that's much more generous than the statutory redundancy pay scheme. Unlike the statutory redundancy scheme, we don't cap a week's pay. If you're eligible for our Company Redundancy Pay this is what you'll currently receive. Your age and length of service is measured at the last day of your employment (the date you actually leave):

Number of years' service aged	Company Redundancy Pay
Up to and including 40	One and a half weeks pay for each year of service at this age
41 up to and including 50	Two weeks' pay for each year of service at this age
51+	Two and a half weeks pay for each year of service at this age

When we work this out, we start by using the age you'll be on your last day of employment.

Company Redundancy Pay is capped at 40 years' service and 79 weeks' pay.

Any break in your service won't count as continuous service, apart from a career break, where your previous service, excluding the break year/s, will be linked to your later service.

Base pay is calculated by using your current weekly base pay* (excluding overtime) immediately before the last day of your employment.

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*Weekly base pay is considered as the following:

For hourly paid colleagues:

Total hourly rate (including location and skills payment) x weekly contracted hours + normal weekly contractual premiums (e.g. nightshift premium, Sunday premium)

For salaried colleagues:

Annual salary + annual contractual premiums (e.g. nightshift premium, common inconvenience) / 52

NOTE: As worked or adhoc premiums and payments should not be included in this calculation (e.g. First Aid, Standby and Call-out, Overtime)

It's a condition for receiving our redundancy pay that you must have at least one complete calendar years' service with us at the last day of your employment date.

The current maximum payment we can make to you tax-free is £30,000. We can't provide any promises about this because the government, not us, decides your tax liability. In circumstances where your payment exceeds £30,000 or you are grade 6 or above, you will be required to sign a settlement agreement in return for the payment of the Company's redundancy payment. If you refuse to sign the settlement agreement you'll only be paid the statutory redundancy payment.

Please note: Company Redundancy Pay includes the statutory redundancy payment, so you don't get the statutory payment in addition to Company Redundancy Pay.

If I'm made redundant will I be given notice of you terminating my contract?

If you're made redundant you will be given written notice of the termination of your employment in line with the terms and conditions of your employment contract. If you're unsure then please ask your line manager for a copy of your contract.

What are the guidelines on garden leave?

As per your contract of employment if either you or we give notice to terminate your employment, we may require you at any time and for the whole or part of the notice period:

- Not to attend your place of work and any other of our premises reasonably notified to you or to have access to any of our computer systems or any associated company.
- Not to carry out some or all of your employment duties.
- To return to us all documents and other property belonging to us and any associated company.
- Not to communicate or deal with suppliers or our employees and any associated company.

However we shall, subject to any relevant scheme rules, continue to pay you your basic salary and other benefits, to which you are entitled during the notice period up to and including your last day of employment. Any outstanding holiday accrued and accruing up to the termination date must be taken during this garden leave period. This garden leave provision shall not prevent you from shopping in our stores that is not your normal place of work.

I'm currently on maternity, adoption, additional paternity, or shared parental leave and my role is at risk of redundancy, will I still be included in the consultation process?

If you're on maternity, adoption, additional paternity leave or shared parental leave, you'll be consulted with in line with the consultation process. Your line manager will contact you to discuss how you're impacted and invite you to be involved in the group consultation as well as one to one meetings.

I'm currently on maternity, adoption leave, shared parental leave; if I'm made redundant will I still receive my maternity, adoption or shared parental leave pay?

If you're made redundant whilst on maternity, adoption leave or shared parental leave we give special consideration to maternity, adoption or shared parental leave pay. We'll pay you the full amount of the pay as if you had completed the leave. We'll pay it as a lump sum on the date you leave.

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What happens if I'm made redundant just before I start my maternity, adoption leave am I still entitled to receive the relevant pay?

If you qualify for Statutory Maternity Pay (SMP) or Statutory Adoption Pay(SAP) and you're made redundant before going on your leave but after the beginning of the 15th week before the baby is due/child is placed we'll pay the full amount of SMP/SAP as if you had completed maternity or adoption leave. We'll pay this as a lump sum on the date you leave.

Will my recent career break affect my redundancy calculation?

Yes. If you return from a career break and are then made redundant once you have returned to your employment, your previous service (excluding the time you were on career break) will count towards the redundancy calculation.

What happens if I'm on a career break when a redundancy situation occurs that would have affected me if I was back at work?

If you're on a career break when a redundancy situation takes place, you won't receive a redundancy payment. We'll write to you, telling you that the restructuring has taken place and has affected your type of job. If you wish to come back to work but we can't find you a suitable position, we won't offer you redundancy.

I've already given notice to leave before I was told my job was being made redundant will I still be eligible for a redundancy payment?

If you handed in your notice before receiving notification of your job being made redundant, you're not eligible for redundancy pay, unless the termination date for redundancy is before the date you leave.

I am on a term time contract how will my redundancy payment be calculated using my base pay?

Your 'base pay' is calculated in exactly the same way as all other colleagues. It's calculated by using your normal weekly pay (excluding as worked or adhoc premiums and payments) immediately before the last day of your employment.

Are colleagues on fixed term contracts eligible for redundancy?

Yes. Colleagues on fixed term contracts are eligible for redundancy, subject to the Redundancy policy eligibility rules.

What happens if I'm on secondment to another area of the business but my base job/location is going through a redundancy situation?

If you're on a secondment and a redundancy exercise takes place at your base location, you will be considered alongside your colleagues at the base department/team at the time of the redundancy. You may decide to fulfil your secondment role and then take redundancy as soon as this ends (if an alternative role is not available for you to apply for). However if your base job has been permanently replaced and no vacancy exists for you to return to, or where your secondment has lasted for longer than 24 months, you'll be treated as a permanent member of the new team and will not be part of any redundancy exercise at the base location. In all cases, we'll check your personnel file for any special arrangements that may have been agreed and liaise with the Head of HR if any questions are raised as a result of this.

I'm currently on secondment which is now included in a redundancy situation, can I go back to my base role/location?

If your base role/location is vacant at the time of the redundancy situation then yes you can go back to your original role. If you role is no longer available then you will continue in the redundancy process.

I have been seconded to another role which is about to come to an end, my base role/location no longer exists and there are no other suitable alternative positions available, what happens to me?

In these situations you may be made redundant.

If I am part of a redundancy situation but am successful in applying for a secondment, when that comes to an end will I still have the option of taking redundancy?

Yes. Towards the end of your secondment we will discuss suitable alternative roles with you but if none are available then you will be made redundant.

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What happens if my fixed term contract/seconded role and base role are both part of a redundancy situation?

You'll be consulted about possible alternative roles available, but if nothing is suitable, you'll be made redundant.

What happens to my benefits if I'm made redundant?

On the next few pages you'll find all the information you need regarding the benefits you receive. If you have any further questions about your benefits then you should talk to your line manager.

Holidays

Your holiday entitlement under redundancy is calculated based on your service up to the end of your notice period. If you have taken fewer days than you're entitled to, we'll make a taxable payment in lieu of this as part of your final salary payment. If you've taken more days than you are entitled to, we will deduct this from your final pay or your redundancy payment. If you're on garden leave, you will need to take any outstanding holiday during the garden leave period.

Store Support Centre colleagues – if you've bought additional holiday this will also be calculated on a pro-rata basis in the same way as normal holidays above.

Colleague Discount

You need to hand back your discount card on the last day of your employment.

Loans

We'll recover any loans from your redundancy payment or final salary.

Season Ticket Loans

If you've taken a company loan to purchase your own season ticket, you'll need to repay this loan in full. This loan will be deducted from your final pay, as long as this doesn't reduce it below the statutory redundancy amount. You can either keep the season ticket or you can request a refund from the relevant travel company for any unused period of travel. If there's a shortfall between the value of the loan and the redemption value of the season ticket we'll repay it to you on request, as long as you have tried to return your season ticket within 14 days of the end of your contractual notice period.

Course Fees and Subscriptions

If we've already paid or committed to pay these, we won't ask you to repay the money.

Professional Fee Qualification

If we're paying for the qualification and you're made redundant you won't be required to pay back any of the amount.

Qualification Loan

If you have a qualification loan, you'll have to pay back any outstanding amount you owe when you leave. This will be deducted from your final pay.

Expenses

Any expenses you incur up to the last day of your employment should be submitted and signed off. We will refund any 'out of pocket' expenses incurred as a result of travel to and from outplacement appointments. You should claim them through Global Expense before your last day of employment.

Company Property

If you have any company property (e.g. laptop, tablet, USB stick, mobile phone, blackberry, mobile device, security pass, and data/information on any type of format) you should return it on or before the last day of your employment. For company cars please refer to the company car section further on in this policy.

Cycle to Work Scheme

If you're part of the Cycle to Work scheme you can keep the bike and any cycling equipment however you'll have to pay the total amount remaining for the year, and you won't benefit from the tax and National Insurance exemptions on this.

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Relocation Agreement

If you're part of a current relocation agreement we will require you to pay this back in line with the terms and conditions stipulated in your relocation agreement.

Pensions

You will need to discuss your pension options with Legal and General on 0845 302 0323

Company Car

This applies to both status and allocated business need cars. If you're made redundant, you can keep your company car until the last day of your employment. You should contact Fleet to arrange the collection of your vehicle before your last day via telephone.

If you're not actually at work during your notice period because you're on garden leave you still need to ensure that you use your company vehicle safely and you must let us know about any accidents promptly during this period. In some cases we might not release all of your redundancy payment until you've returned the car in satisfactory condition. If you have any driver fines outstanding, we'll deduct these from your redundancy payment and/or final pay.

You can only buy your car from us if the car is not needed for reallocation and if you bear all the financial costs yourself.

Company Car - Cash in Lieu Payments/Trade down Allowance

If you're receiving cash in lieu payment or a trade down allowance you'll continue to receive this payment up until your last day of employment.

Private Healthcare Benefit

Your private healthcare membership will cease on the last day of your employment. If you are receiving treatment then you will continue to be covered by our healthcare until the end of your current treatment or the end of the current healthcare year, whichever comes first. Please contact the Reward Team to ensure that your healthcare is continued after you leave Sainsbury's. Please refer to the Private Healthcare policy for further information.

Bonus Entitlement

If eligible you will receive the cash bonus payment if:

Below C4/4S - you leave through redundancy or are currently under notice to leave four weeks before the bonus payment is made.

Above C4/4S – you leave through redundancy on or before the bonus payment date

To understand whether you're eligible for a bonus payment refer to the relevant Bonus Scheme Rules.

The payment will be made to you at the same time as other colleagues receive their Bonus (it will not be paid to you on your last day of employment). We will use the bank account details that were recorded on our system on your last day of employment.

If you're eligible for bonus shares:

Under the rules of the bonus scheme, if you leave through redundancy on or before the date the bonus shares are made you're not entitled to the award.

If you've already been awarded bonus shares:

We'll pro rate your bonus shares according to the number of days you've been employed during the relevant three year retention period. Dividends will cease to accrue at the last day of your employment and will only apply to the pro-rated award for the purposes of determining the number of dividend shares you'll receive. Your shares will be released shortly after your last day of employment.

However if you accept an offer of employment with a competitor company (as defined in your contract of employment) while serving notice, your award will lapse on the day you notify the company.

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Extra information

What happens if my current role is re-graded to a lower grade?

If your role is re-graded one grade lower than your current grade, your base salary will be red-circled at its current level. For the majority of your benefits and incentives, including annual bonus, you'll receive the level of benefit that applies to the grade of your new role from the date you start it. The only exceptions are for company cars, healthcare and holidays and these will be treated as follows:

If as part of your current role you receive a company car benefit (e.g. C5 market need or C6/6S and above), we'll handle the transition as follows:

If you currently have a company car then you'll retain the vehicle for the remainder of its lease. When the lease is due for renewal your car will be returned and you'll be eligible for the company car choice relevant to your new grade, if applicable. If you currently choose to take the cash allowance then you'll start receiving the cash allowance amount for the grade of your new role from the date you start it. However, you'll receive a one-off payment equivalent to the difference between your current and new annual cash allowance. Should you decide to leave the business after receiving the one-off payment you'll need to repay the amount as follows:

If your lump sum is £7500 or less you'll need to pay back your lump sum amount if you leave within one year of receiving it. If your lump sum is more than £7500 you'll need to pay back your lump sum amount if you leave within two years of receiving it.

In both the above situations you'll pay back part of the one-off payment in proportion to the amount of time left within the above timelines. The amount you need to pay back will be calculated by taking the payment amount you received, divide it by the relevant timeline above (either 1 or 2 years) and then multiply by the number of weeks left within the relevant timeline. Your HR manager will provide you with a net figure and ensure you pay back the correct amount by making adjustments for tax and National Insurance.

If your grade change affects your healthcare eligibility, you may remain at your current level of cover until:

The end of the health year (30th April)

Or

When your treatment that you're already receiving comes to an end.

At the end of either the health year or your current treatment the healthcare cover will change in accordance with your new grade and your membership will be updated.

If your grade change affects your holiday entitlement you'll retain your current holiday allowance for the remainder of the holiday year in which your new grade is effective and your entitlement will be red circled for one further full holiday year. At the start of the new holiday year following the red circled year, your new holiday entitlement will be calculated in line with your new grade.

If I'm made redundant will I get any support to prepare me for finding another job?

Yes. We'll provide you with outplacement support from an independent external organisation called Penna, a leading HR consultancy in the UK. Outplacement support can include a combination of workshops, seminars, one to one sessions, research support and lots more to support you to explore your future career options. Your line manager will talk to you about this support in more detail during your one-to-one meetings.

I feel I'm being made redundant unfairly. What can I do?

You can appeal against the decision. The process for this is outlined in the Disciplinary & Appeals Policy. Your line manager will also tell you how to appeal in your final one-to-one meeting.

What if I apply for a new job with the company after I've been made redundant?

If you'd like to apply for a new job with us after being made redundant, you need to contact your HR manager who will tell you what you need to do. If you get the job, we would treat you as a new employee. We might ask you to repay any redundancy payment you received, depending on how long you've been away.

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Should I have any further questions about being made redundant who can I talk to?

If you have any concerns or queries then you should discuss these in your consultation meetings with your line manager.

Additional note

This policy isn't contractual – that means the company reserves the right to change all or part of the policy at any time or in any way.

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