

# Redundancy – a guide for PDA members



**This guide offers a general overview of your rights but should not be taken as legal advice. Redundancy cases can be complex, and every case is different. Contact the PDA for further detailed information.**

## What is redundancy?

Redundancy is when an employee is dismissed because their employer no longer needs anyone to do their job. This might be because the business is:

- Changing what it does
- Doing things in a different way, for example using new technology
- Changing location or closing down.

## I am under threat of redundancy. What does this mean for me?

For a redundancy to be genuine, your employer must demonstrate that your job will no longer exist.

If your employer is saying that you are 'redundant' but the job still exists, is using the redundancy instead of a performance process, is employing other people to do the same job, or is singling you out in a discriminatory way, then this is unlikely to be a genuine redundancy situation.

Redundancy can count as unfair dismissal if your employer has unfairly picked you out for redundancy, not consulted you properly, or failed to offer you suitable alternative employment.

## Should my employer be looking to avoid redundancies?

Your employer should take steps to avoid compulsory redundancies, for example by:

- Seeking applicants for voluntary redundancy or early retirement
- Seeking applications from existing staff to work flexibly
- Laying off self-employed contractors and freelancers
- Not using casual labour
- Restricting recruitment
- Reducing or banning overtime
- Using short time working or temporary layoffs
- Filling vacancies elsewhere in the business with existing employees.

In the case of a workplace closure, redundancy may realistically be the only option for your employer to consider.



## What are my rights?

Your employer should always take steps to avoid redundancies before dismissing you or your colleagues.

You have certain rights and may be entitled to redundancy pay if you're made redundant.

If you are under notice of redundancy, you have the right to:

- Information from your employer, which includes the reason for redundancy, the number of proposed redundancies, the proposed selection procedure, method and timescale of dismissals, and details of any agency workers being used
- Reasonable time off to look for a new job or arrange training
- Not be unfairly selected for redundancy.



## What is a redundancy consultation?

Your employer is required to consult you if you are at risk of redundancy and they cannot dismiss you until the end of the consultation period, with the correct notice.

If your employer does not consult you in a redundancy situation and you are made redundant, you may have a case for unfair dismissal. If there are fewer than 20 redundancies planned, there are no set rules to follow, but it's good practice for your employer to fully consult you, other affected colleagues, and their representatives.

If your employer fails to consult, then you may be entitled to a protective award in the employment tribunal.

Consultation does not have to end in agreement, but it must be carried out with the aim of reaching it, including ways of avoiding or reducing the number of redundancies.

## What does 'collective consultation' mean?

'Collective consultation' rules must be followed by your employer if 20 or more employees are being made redundant within any 90-day period at a single establishment (such as a shop or office). These rules do not apply if your employer is making many redundancies in different locations.

If your employer is making more than 20 staff redundant in one location, they would have to consult with the recognised trade union or elected employee representatives at least 30 days before dismissal. If your employer is proposing to make 100 or more employees redundant in one location, they would be expected to carry out a 45-day consultation.

If your employer fails to consult, then you may be entitled to a protective award in the employment tribunal.

Even if you are not at risk of redundancy, if you are affected by proposed redundancies then you should be kept informed throughout the process and of any potential changes. This is because, even if your job is safe, redundancies could affect the quantity and nature of work that you may be expected to carry out in future.

## What is a restructure?

Before announcing a consultation period on redundancies, your employer should make a plan. This plan should set out the proposed changes, using a current organisational chart and a proposed organisational chart. It should also set out clear job roles and responsibilities and show where potential redundancies would be made. There should be a clear timeline and all details should be available in writing for you.



## How are employees selected for redundancy?

Unless the whole business is closing, your employer must decide who is selected for redundancy. Your employer must ensure that they do not discriminate or act unlawfully in how they make their selection and should use fair and reasonable selection criteria.

Although your employer is allowed considerable flexibility, the more objective and measurable the selection criteria are, the more the law will consider the criteria to be fair. Therefore, your employer must not use age, disability, sex, sexual orientation, pregnancy and maternity status, gender reassignment, race, religion or belief as criteria for selection. You can ask your employer to carry out an equality impact assessment (EIA), which is designed to show the impact of any proposed redundancies on specific groups of employees.

Furthermore, you cannot be selected or discriminated against on the basis of trade union membership.

## Can your employer make you an offer of alternative employment?

If you have been selected for redundancy, your employer should offer you alternative work, if available.

For an offer to be valid, it should meet the following criteria:

- It should be unconditional and in writing
- It must be made before your current contract ends
- It should show how the new job differs from your old job
- The job must actually be offered to you – you should not have to apply
- The new job must start within four weeks of the old job ending. If you accept an offer of alternative work, you are allowed a four-week trial period to see if the work is suitable.

If you turn down a suitable alternative post that is offered by your employer before you are made redundant, your employer may be able to refuse to pay you a redundancy payment.

Seek advice from the [PDA Member Support Centre](#) if you are unsure whether to accept an offer of alternative employment. You can contact us via 0121 694 7000 or [enquiries@the-pda.org](mailto:enquiries@the-pda.org).



## What is my notice period?

You must be given notice and an agreed leaving date once the redundancy consultations have finished. The statutory notice periods are as follows:

- If your length of service has been one month to two years, the notice period should be at least a week
- If your length of service has been two to 12 years, the notice period should be a week for every year employed, e.g. three weeks if you have worked there for three years
- If your length of service has been 12 or more years, the notice period should be 12 weeks.

## What notice pay should I receive?

Your employer must pay you notice pay, which is based on your pay rate and notice period, or make a payment in lieu of notice (often called PILON). Your notice pay will be based on the average you earned per week over the 12 weeks before your notice period starts. This should include any regular overtime if your contract says you must get paid for it.

When your employer makes a payment in lieu of notice, you should receive the basic pay you would have received during the notice period (with the appropriate tax and national insurance deductions). This pay should include pension, private health care insurance, or other contributions if it's in your contract.

## Am I entitled to redundancy pay?

To be eligible for a statutory redundancy payment, you must:

- Be an employee working under a contract of employment
- Have at least two years' continuous service
- Have been dismissed, laid off, or put on short time working.

If you opted for early retirement, you do not qualify.

You also have the right to a written statement setting out the amount of redundancy payment and how it has been worked out.



## How much redundancy pay am I entitled to?

Your redundancy pay is based on your age and length of employment and is counted back from the date of dismissal.

Depending on your age you should receive:

- Half a week's pay for each full year of employment up to your 22nd birthday
- A week's pay for each full year of employment after your 22nd birthday
- One and a half weeks' pay for each full year of employment after your 41st birthday.

The length of service is capped at 20 years.

## I am on maternity leave. Do I have any specific protection?

If you are made redundant whilst on statutory maternity leave, then you have special rights.

If a redundancy situation arises, this is one of the few areas of law where your employer is allowed to 'positively discriminate'. You have the right to be offered any suitable alternative vacancy, if one is available, without an interview. This right is over and above what your colleagues, who aren't on maternity leave, are entitled to, so you could effectively 'jump the queue' in relation to a new role.

The reality, however, is that employers do not always pro-actively source new positions as much as they should, so this needs to be carefully monitored. If your employer cannot offer you suitable alternative work for genuine reasons, you may be entitled to redundancy pay.

## What steps should you follow if you are under notice of redundancy?

If you are under notice of redundancy, you should do the following:

- Find your contract or written statement of particulars
- Keep copies of relevant emails and documents that relate to your case
- Find out what policies your employer has on redundancy in the workplace
- Contact your PDA Workplace Rep or, if your workplace doesn't have one, contact the PDA.

For individual advice on redundancy, please speak to the [PDA Member Support Centre](#) on 0121 694 7000 or email [enquiries@the-pda.org](mailto:enquiries@the-pda.org).



Please also consider contacting [Pharmacist Support](#), which has a free, confidential helpline and resources. If you are living in Northern Ireland, contact [Pharmacist Support and Advice Service, PASS](#).

## Stronger together

Often you will not be the only person at risk of redundancy in your workplace. When several PDA members are affected, you can work together with PDA staff to support each other, ask the right questions of your employer, and ensure that your rights are met. Your first point of contact is your PDA Rep if you have one at your workplace. If not, the PDA can support you and your colleagues and arrange to meet with you individually or as a group.

## Learn more

- [PDA: Discrimination in the workplace booklet](#)
- [ACAS: Your rights during redundancy and collective consultation on redundancy](#)
- [TUC: Handling redundancies guide](#)