

HR People Policies

Redundancy policy

Last updated: 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.

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. We will also consult with the Great Place to Work Group or a colleague consultative group and also with Trade Union representatives where 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.

*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.

*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.

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.

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 your redundancy calculation.

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 your 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.

are available then you will be made redundant.

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. You can only retain your discount card if you become a Sainsbury's veteran (have 25 or more years of continuous company service). If so, your discount will be at the normal rate all year (currently 10%). Colleague discount uplift does not apply to veterans. Please see the Retirement and Veterans Policy for further detail.

Loans

We'll recover any loans from your redundancy payment or final salary. For further information, please contact reward&hrpolicy@sainsburys.co.uk.

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. To do this please email central.salaries@sainsburys.co.uk

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.

Is there any extra independent support that I can use to help me through the redundancy process?

Yes. Our Employee Assistance Programme, Validium provides free support via a helpline that offers short term counselling, legal advice and debt advice. The counsellor you speak to will listen to anything you want to tell them and can give you advice and support for coping with your situation. Validium are an independent body and their services are completely confidential and free of charge to all colleagues. You can contact them by:

- Phone 0800 027 7777, or 0330 123 9653 from mobiles with contract minutes.
- For online support you can join the vClub at www.validium.com with the username: Colleague and the password: Sainsburys

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.

Who is the policy owner?

The Head of Reward and Policy owns this policy.