



**Your Life
Your Choice**
care and support designed with you



Direct Payments

11. Redundancy

Redundancy is when an employer reduces their workforce because a job or jobs are no longer needed.

If an employee has worked continuously for you for at least two years and is being made redundant, they have the right to redundancy pay.

Please note redundancy is required even when an employer has passed away.

The legal company connected to your insurance can help advise you on when redundancy is required and how much would be required. Your first step is to call your insurance company who will direct you to the correct person to speak to.

A redundancy application form will be forwarded to you to complete which will help the insurance company determine if they will contribute toward the redundancy costs.

They can also provide letter templates which you can use to send to your employees.

In some cases the insurance company may ask for a personal bank statement of the person who was receiving the care.

If the insurance company agree to contribute towards the redundancy payment you will need to inform the Direct Payments team as soon as possible.

The amount of statutory redundancy an employee should receive depends on how long they have been employed, their age, and their weekly pay before tax.

- For each year of continuous employment between the ages of 16 and 21 an employee should get half a week's pay;
- For each year of continuous employment between the ages of 22 and 40 an employee should get one week's pay;
- For each year of continuous employment between the ages of 41 and 65 an employee should receive one and a half weeks' pay.

Any period of continuous employment is capped at 20 years.

GOV.UK offer a redundancy pay calculator which can be found at:

<https://www.gov.uk/calculate-your-redundancy-pay>

Useful contacts:

Telephone: 03000 268 200

Email: directpayments@durham.gov.uk

www.durham.gov.uk/directpayments

Please ask us if you would like this document summarised in another language or format.

**directpayments@durham.gov.uk
03000 268 200**

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