



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



Direct Payments

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:

- Peninsula (Fish Insurance) – Tel: 0844 8922 772
- MSL (Premier Insurance) – Tel: 0161 6032 167

A redundancy application form will be forwarded to you to complete, which will help the insurance company determine if they will contribute towards the redundancy costs. They can also provide letter templates that 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.

The gov.uk website offers a redundancy pay calculator: www.gov.uk/calculate-your-redundancy-pay

For more information about Direct Payments, visit our website:

www.durham.gov.uk/directpayments

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

Email: directpayment@durham.gov.uk Telephone: 0300 268 200