

In these unprecedented and difficult times, we are being asked questions around paying staff, lay off and redundancy. The government are announcing measure to try to preserve jobs and at the time of writing, we hope there are more to come. However, if you feel you need to consider your options we have put together the following summary.

We are working with [Harwood HR](#) to advise our clients on these difficult issues. They are offering a free consultation to any client that would like advice on the options available and the associated risks. They will take a pragmatic and sensible view and provide, what is needed at this time, straight forward advice.

If you would like to speak to Harwood HR about any of the areas covered in this summary or any other HR issue, please contact your client manager, who will make the introduction.

### Lay-offs and short-time working

You can lay off an employee (ask them to stay at home or take unpaid leave) when you temporarily cannot give them paid work - as long as the employment contract allows for this. You typically need a (lay off) clause in the employee's contract, meaning you can then enforce this as necessary. However, this clause is rare and is most common in manufacturing companies.

Short-time working, when an employee works reduced hours or is paid less than half a week's pay. Short-Time working can be introduced, however to implement this you would need to consult with and gain an agreement from the employees. Dependent on the numbers you may need to consult collectively.

### Statutory payments

Please note that there is a statutory scheme enabling an employee to resign and claim a redundancy payment, from the employer, where they have been laid off or put on short-time working for a period of time. In order for the scheme to trigger, the employee must have been laid off or kept on short-time working either for four consecutive weeks or for a total of six weeks (no more than three being consecutive) in any period of 13 weeks.

A week of short-time working takes place where the employee receives less than half a week's pay for work done, because of the reduction in available work.

Most employees are entitled to a statutory guarantee payment for any complete "workless" day (current rate £29 per day / up to 5 days' pay in any 3 month period).

Laying off staff or short-time working can help avoid redundancies - but you have to agree this with employee's first.

## Redundancy pay

Employees you make redundant might be entitled to redundancy pay - this is called a 'statutory redundancy payment'.

To be eligible, an individual must:

- be an employee working under a contract of employment
- have at least 2 years' continuous service
- have been dismissed, laid off or put on short-time working - those who opted for early retirement do not qualify

## Statutory redundancy pay rates

These are based on an employee's age and length of employment and are counted back from the date of dismissal.

Employees get:

- 1.5 weeks' pay for each full year of employment after their 41st birthday
- a week's pay for each full year of employment after their 22nd birthday
- half a week's pay for each full year of employment up to their 22nd birthday

Length of service is capped at 20 years and weekly pay is capped at £525. The maximum amount of statutory redundancy pay is £15,750.

You can give your staff extra redundancy pay if you want to, or have a qualifying period of less than 2 years.

If you would like to discuss any of this article in more detail, please contact the office

Kind regards

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