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Department for
**Employment
and Learning**
www.delni.gov.uk

ER17 Help with meeting redundancy costs **for employers** in financial difficulty



Introduction

This booklet outlines what help the Redundancy Payments Service (RPS) can give if you need to reduce your workforce but are unable to meet the cost of statutory redundancy payments without your business becoming insolvent. It also explains what we will need from you to consider your request for assistance. Please note that this booklet gives general guidance only and should not be regarded as a complete or authoritative statement of the law. Authoritative interpretations of the law can only be given by the courts. Readers should be alert to the possibility of developments in case law that may affect the rights described.

Further information can be obtained from the Labour Relations Agency (LRA). For the addresses of its two offices see [Appendix 2: Useful addresses](#).

The contents of this booklet apply equally to men and women. For simplicity, however, the masculine pronoun is used throughout.

Any reference throughout this booklet to Jobs and Benefits offices includes JobCentres. This booklet, [others in the series](#) and [related publications](#) are free to download from the Departmental website at: www.delni.gov.uk/erpublications. Alternatively they may be obtained upon request from your local [Jobs and Benefits office](#). For information on [Jobs and Benefits offices](#): FREEPHONE 0800 353530.

Upon request, consideration may be given to making this booklet available in alternative formats and in other languages for people who are not proficient in English.

The Employment Rights ('ER') series of booklets is updated on a regular basis. As part of this updating process the Department would welcome any comment/s from members of the public regarding the content of these booklets.

All comments should be addressed to:

Department for Employment and Learning
Employment Relations Policy and Legislation Branch
Room 203
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Alternatively, comments may be sent via e-mail to: erbooklets@delni.gov.uk

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Your legal obligations

Broadly, an employee dismissed as redundant with two or more years' service is entitled to a lump sum payment from their employer calculated according to their weekly pay, age and length of service. The legal obligation to make this payment lies with the employer and payment should normally be made promptly at the time of the dismissal.

An employee who claims entitlement to a redundancy payment but is not paid, or not paid in full, may complain to an Industrial Tribunal. To apply to an Industrial Tribunal contact the [Office of the Industrial Tribunals and the Fair Employment Tribunal \(OITFET\)](#) for a claim form ET1 and an explanatory leaflet.

If you need further general information about redundancy payments you should consult the booklet: '**Redundancy Entitlement - Statutory Rights**' **ER3** which is available free to download from the Departmental website at: www.delni.gov.uk/erpublications or free of charge from Jobs and Benefits offices across Northern Ireland or contact the free Helpline on 0800 585811.

How can we help employers in severe financial difficulty

If you need to make redundancies but cannot finance the payments without running the risk of insolvency we may, subject to certain conditions, be able to make payment direct to the employees on your behalf. You will be expected to repay the debt as quickly as possible.

What you will need to show

We expect you to demonstrate that:

- the redundancies are genuine;
- your financial circumstances are such that you cannot make the statutory payments; and
- you have explored all other reasonable sources of finance without success.

We cannot pay sums in excess of those required by the legislation and we will expect you to use all available funds to make such statutory payments as you can *before* we become involved.

Information you will need to supply

We will ask you to supply at least:

- an explanation of why you need to make the redundancies and why you cannot make payments;
- your latest management accounts, supported by bank statements;

- evidence of an overdraft will not itself be conclusive;
- your last set of audited accounts;
- evidence that you have explored other sources of finance, without success, e.g. letter(s) from your bank proving that further overdraft facilities are not available;
- if you are part of a group of companies or have any legally associated companies, information about links between the companies, including shareholdings; and
- wage and employment details for the individuals concerned so that we can quantify individual payments.

What about repayments

We will agree repayment arrangements with you, taking account of your financial position. **We normally expect the debt to the Northern Ireland National Insurance Fund to be repaid within a 2-3 year period.** Repayment terms will be reviewed periodically.

We will normally expect you to complete a banker's order before payments are made.

If you are unable to start repayment on the agreed date or to keep up agreed repayments you should contact us at once to discuss a review of the terms. You should be aware that where we make payment on your behalf we may take legal action if necessary to recover the debt. We also use the services of a commercial agency to recover debts in appropriate cases.

How to apply

If you think we may be able to help, please phone the RPS for an appointment to discuss the matter further.

You should collect as much of the supporting documentation as possible prior to the meeting. We may ask you to visit the RPS or send one of our officers to visit your premises and inspect records.

How long will it be before you get a decision

That will depend on the availability of the information we need to satisfy ourselves that we can make payment. Generally, however, decisions are made within a few days of the meeting.

Appendix 1: Booklets in this series

Booklets in this series are available online from www.delni.gov.uk/erbooklets or can be obtained by contacting the Department.

ER 1	<i>Individual rights and responsibilities of employees</i>
ER 2	<i>Written statement of employment particulars</i>
ER 3	<i>Redundancy entitlement statutory rights</i>
ER 4	<i>Redundancy consultation and notification</i>
ER 5	<i>Your rights if your employer is insolvent</i>
ER 6	<i>Unjustifiable discipline by a trade union</i>
ER 7	<i>Time off for public duties</i>
ER 8	<i>Continuous employment and a week's pay</i>
ER 10	<i>Suspension from work on medical or maternity grounds</i>
ER 12	<i>Pay statements: what they must itemise</i>
ER 13	<i>Unfairly dismissed?</i>
ER 14	<i>Guarantee payments</i>
ER 15	<i>Rights to notice and reasons for dismissal</i>
ER 16	<i>Maternity rights: a guide for employers and employees</i>
ER 17	<i>Help with meeting redundancy costs for employers in financial difficulty</i>
ER 18	<i>Dismissal: fair and unfair - a guide for employers</i>
ER 19	<i>Limits on payments and awards</i>
ER 21	<i>Contracts of employment: changes, breach of contract and deductions from wages</i>
ER 22	<i>Criminal records and employment</i>
ER 23	<i>Payment of union subscriptions through "check off"</i>
ER 24	<i>Time off for dependants</i>
ER 25	<i>Parental leave: a guide for employers and employees</i>
ER 26	<i>Time off for study or training</i>

- ER 27 *Industrial action and the law: a guide for employees*
- ER 28 *Trade union executive elections*
- ER 29 *Industrial action and the law: a guide for employers*
- ER 30 *Industrial action and the law: a guide for individuals whose supply of goods or services is affected by unlawful industrial action*
- ER 31 *Union membership: rights of members and non-members*
- ER 33 *Trade union political funds*
- ER 34 *Rights to paternity leave and pay*
- ER 35 *Adoptive parents: a guide for employers and employees*
- ER 36 *Flexible working: a guide for employers and employees*

Additional employment rights publications, covering a range of other issues, can be found online at www.delni.gov.uk/erpublications or can be obtained from the Department.

Appendix 2: Useful addresses

Certification Officer for Northern Ireland

10-12 Gordon Street
Belfast
BT1 2LG

Tel: 028 9023 7773
Fax: 028 9023 2271
Textphone: 028 9023 8411
Website: www.nicertoffice.com
E-mail: info@nicertoffice.com

Department for Employment and Learning

Redundancy Payments Service
Room 203
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: 028 9025 7956
Freephone: 080 0585 811
Fax: 028 9025 7555
Website: www.redundancyni.gov.uk
E-mail: rpsquery@delni.gov.uk

The Health & Safety Executive for Northern Ireland

83 Ladas Drive
Belfast
BT6 9FR

Tel: 028 9024 3249
Fax: 028 9023 5383
Textphone: 028 9054 6896
Freephone Helpline: 080 0032 0121
Website: www.hseni.gov.uk

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Employment Relations Policy and Legislation Branch
Room 203
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: 028 9025 7580
Website: www.delni.gov.uk/er
E-mail: erbooklets@delni.gov.uk

The Equality Commission for Northern Ireland

Equality House
7-9 Shaftesbury Square
Belfast
BT2 7DP

Tel: 028 9050 0600
Fax: 028 9033 1544
Textphone: 028 9050 0589
Website: www.equalityni.org
E-mail: information@equalityni.org

Industrial Court

Room 203
Adelaide House
39-49 Adelaide Street
Belfast
BT2 8FD

Tel: 028 9025 7599
Fax: 028 9025 7555
Website: www.industrialcourt.gov.uk
E-mail: enquiries@industrialcourt.gov.uk

Labour Relations Agency

Head Office
2-8 Gordon Street
Belfast
BT1 2LG

Tel: 028 9032 1442

Fax: 028 9033 0827

Textphone: 028 9023 8411

Website: www.lra.org.uk

E-mail: info@lra.org.uk

NI Business Info

(website giving information on a wide range of issues for employers)

Website: www.nibusinessinfo.co.uk

Labour Relations Agency

Regional Office
1-3 Guildhall Street
Londonderry
BT48 6BJ

Tel: 028 7126 9639

Fax: 028 7126 7729

Textphone: 028 9023 8411

Website: www.lra.org.uk

E-mail: info@lra.org.uk

**Office of the Industrial Tribunals
and the Fair Employment Tribunal**

Killymeal House
5 Cromac Quay
Ormeau Road
Belfast
BT7 2JD

Tel: 028 9032 7666

Fax: 028 90250100

Website: www.employmenttribunalsni.org

people:skills:jobs:



Department for
**Employment
and Learning**
www.delni.gov.uk



INVESTOR IN PEOPLE

THE DEPARTMENT:

Our aim is to promote learning and skills, to prepare people for work and to support the economy.

This document is available in other formats upon request.

Further information:

Telephone: 028 9025 7493

E-mail: employment.rights@delni.gov.uk

Website: www.delni.gov.uk