

Redundancy pay

You have the right to statutory redundancy pay if you:

- are selected for redundancy
- have continuously worked for your employer for 2 years or more
- have the [legal status of employee](#)

You are not likely to be an employee if you're:

- an agency worker
- a casual worker
- on a zero-hours contract

You will not qualify for statutory redundancy pay if you work in the following types of work:

- armed forces
- crown servants
- domestic service, where you're a member of your employer's immediate family
- police

Working out redundancy pay

How much redundancy pay you get depends on:

- your age
- how long you've continuously worked for your employer

Your employer might top up the 'statutory' minimum amount (required by law) - this is called enhanced or contractual redundancy pay.

Up to £30,000 of redundancy pay is tax free.

You may not be eligible for statutory redundancy pay if your employer offers you a [suitable alternative job](#) and you turn it down.

Redundancy pay is based on:

- your weekly pay before tax (gross pay)
- the years you've worked for your employer ('continuous employment')
- your age

Weekly pay should also include:

- 'guaranteed overtime' agreed in your contract – this is overtime your employer must offer and you must work
- any contractual bonuses or commission you're entitled to

If your weekly pay varies, your redundancy pay will be based on your average hourly rate over a 12-week period.

[Find out how to work out average pay for bonuses and commission on GOV.UK](#)

If you're aged 21 or under

Your employer must give you half a week's pay for each full year you've worked.

If you're aged 22 to 40

Your employer must give you:

- 1 week's pay for each full year you worked from age 22
- half a week's pay for each full year you worked before that

If you're aged 41 or over

Your employer must give you:

- 1.5 week's pay for each full year you worked from age 41
- 1 week's pay for each full year you worked when you were between 22 and 40
- half a week's pay for each year you worked when you were 21 or under

Your employer must tell you in writing how your redundancy pay has been worked out.

[Use the redundancy pay calculator on GOV.UK](#). You'll need to know your weekly pay (before tax and other deductions) to use the calculator.

If you have questions about your redundancy pay, you can [contact the Acas helpline](#).

Working out redundancy pay when you are paid in lieu of notice

'Payment in lieu of notice' (PILON) is when you stop work straight away but still get paid for your notice period.

When working out redundancy pay, your employer must calculate how long you have worked for them based on the 'relevant date'. If you have been given payment in lieu of notice, the relevant date is the date your employment would have ended if you had worked all of the statutory notice period.

This might mean you have worked for your employer for another year for redundancy pay calculations.

If you have a contractual notice period and you're taking payment in lieu of notice, the relevant date is worked out differently.

Example of calculating redundancy pay when you have been given payment in lieu of notice

If you have worked for your employer for 8 years and 11 months you would be entitled to 8 weeks' statutory notice. If your employer pays you in lieu of notice they would have to add those 8 weeks to the amount of time you have worked for them when calculating your redundancy pay. This means you would have worked for your employer for 9 years and 1 month. You must get redundancy pay for 9 years of work, not 8 years of work.

If you have contractual notice

It might be written in your contract that you get more than the statutory notice period. This can be called 'enhanced' or 'contractual' notice.

If you have a contractual notice period and you're taking payment in lieu of notice, the relevant date is worked out differently.

To work out your relevant date:

1. Work out how many weeks the statutory notice would have been.
2. Add those weeks to your actual leaving date.

Limits on redundancy pay

There are limits to how much statutory redundancy pay you can get. You can only get it for up to 20 years of work.

For example, if you've worked for your employer for 22 years without a break, you'll only get statutory redundancy pay for 20 of those years.

The maximum weekly amount used to calculate statutory redundancy pay is £719 – even if your wage is more per week.

The maximum statutory redundancy pay you can get in total is £21,570.

When you'll get paid

Your employer should tell you the date you'll get your redundancy pay – payment should be made when your employment ends or on your final pay date.

You and your employer can agree to a different date, which should be put in writing, for example an email or letter.

They should also tell you how you'll get paid, for example in your monthly pay or in separate payments.

If your employer does not pay you

If you do not get your redundancy pay you should:

- write to your employer as soon as you can
- tell them what you are entitled to and include copies of any evidence – for example payslips, a letter with your start date or a breakdown of redundancy pay
- ask your employer to make the redundancy payment and specify a date for this – you should allow the employer a reasonable amount of time to make the payment

If you still do not get paid, you can make a claim to an employment tribunal. There are strict time limits for making a claim. You have either:

- 6 months minus 1 day from the date your job ends – for a statutory redundancy pay claim
- 3 months minus 1 day from the date your job ends – for a contractual redundancy pay claim

[Find out more about employment tribunals](#)

If your employer is insolvent

If your employer is insolvent, you can apply for redundancy pay from the government's Redundancy Payments Service (RPS).

[Find out about your rights if your employer is insolvent on GOV.UK](#)

If your employer is no longer trading but has not registered as insolvent, you might be able to either:

- make a claim to an employment tribunal
- contact the Redundancy Payment Service if your employer registers as insolvent later

To talk through your options, you can [contact the Acas helpline](#).

Related content

[Redundancy pay after a TUPE transfer](#)