

## Redundancy Pay Policy

### 1.0 Policy Summary

This policy sets out Stonewater's approach to calculating redundancy pay.

### 2.0 Policy Objectives

- 2.1 To provide Stonewater with a clear and transparent approach to calculating redundancy pay that meets our statutory obligations.
- 2.2 To provide Stonewater with an approach to redundancy pay that recognises that the loss of a job through redundancy is a difficult time for an employee, but balances this with the commercial needs of the organisation.
- 2.3 The Structure Change Management Policy and Voluntary Redundancy Policy should be read alongside this policy and provide further details on the approach to be taken in redundancy situations.

### 3.0 Policy Details

- 3.1 Employees whose roles are made redundant and have more than 2 years of complete service will be entitled to a redundancy payment.
- 3.2 This policy covers both permanent employees as well as employees on fixed term contracts with more than 2 years service.
- 3.3 The calculations for redundancy pay depend on the terms and conditions of the individual employee. The Payments Schedule outlines the different approaches in more detail.

### 4.0 Key Outcomes

- 4.1 That when an employee's role is made redundant, they receive the appropriate level of redundancy pay.
- 4.2 Compliance with our legal obligations relating to redundancy payments.

### 5.0 Equality and Diversity

- 5.1 The policy and supporting procedure will be applied in a non discriminatory and consistent way.
- 5.2 We undertake to treat all employees fairly to ensure that no discrimination takes place in line with our Equality and Diversity policy ensuring that this is applied fairly and consistently.

### 6.0 Technical Data

Risk Assessment	A failure to comply with this policy risks:- <ul style="list-style-type: none"><li>• compliance with employment law legislation and best practice</li></ul>
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	<p>thus leaving Stonewater open to challenge at an Employment Tribunal.</p> <ul style="list-style-type: none"> <li>• compliance with the Group's commitment to adopt the NHF Code of Conduct principles.</li> </ul>
Value for Money	The Stonewater redundancy pay rates have been externally benchmarked.
Consultation	The board and employees have already been consulted on the rates of redundancy pay outlined in this policy through the consultation on Stonewater's terms and conditions in Autumn 2014.
Executive Director Lead	David Blower
Responsibility for Implementation	<p>All staff are responsible for familiarising themselves with the policy so that they are aware of their contractual rights regarding redundancy payments.</p> <p>Line managers are responsible for ensuring that they understand the policy, seeking HR support where necessary/</p> <p>HR is responsible for ensuring that the appropriate procedure is followed, providing advice on implementation and observing consistency and fairness in the application of this policy and supporting procedure.</p>
Date of Issue Date of Review Date agreed by Board	
Performance Reporting & Tenant Scrutiny	

## REDUNDANCY PAY POLICY – PAYMENTS SCHEDULE

This schedule sets out criteria and entitlements for redundancy compensation. These vary depending on the terms and conditions on which you are employed.

### STONEWATER TERMS AND CONDITIONS

*The following applies if you have a Stonewater contract of employment:*

- Employees with more than two years of continuous service will qualify for Stonewater Occupational Redundancy pay.
- The maximum number of years of employment that can be taken into account is 20.
- A week's pay will be calculated based on actual salary i.e. not capped at the statutory maximum.
- The multiplying factors that will be used to calculate the number of weeks' pay is as follows:
  - half a week's pay for each year of service up to the age of 21.
  - one week's pay for each year of service in which the employee was aged between 22 and 40; and
  - one and a half weeks' pay for each year of service in which the employee was aged 41 or over.
- For the avoidance of doubt, Stonewater Occupational Redundancy pay is inclusive of statutory redundancy pay. Statutory redundancy pay will not be paid in addition to Occupational Redundancy pay.

### JEPHSON/MARCHES TERMS AND CONDITIONS

*The following applies if you were employed by Jephson or Marches on 31<sup>st</sup> December 2014 and do not have a Stonewater contract of employment:*

- Staff made redundant are entitled by law to compensatory payments providing that they have 2 years' continuous service by the date the redundancy takes effect. The law sets out the minimum payments to be made.
- The Association at its discretion will consider enhancing those payments, as follows:
  - Payments will be based on the employee's actual pay and not capped at the weekly rate set out in law.
  - The number of weeks for which compensation will be paid will be calculated in accordance with the law and increased by 75%.
  - The enhanced redundancy payment includes compensation for the loss of all contractual benefits.
- Where a member of staff is within five years of retirement, he/she may negotiate with the Chief Executive to have the non statutory part of the compensatory payment paid into the pension fund to provide the employee with improved pension rights.
- For the avoidance of doubt, the Redundancy pay outlined in this section is

inclusive of statutory redundancy pay. Statutory redundancy pay will not be paid in addition.

### **RAGLAN TERMS AND CONDITIONS**

*The following applies if you were employed by Raglan on 31<sup>st</sup> December 2014 and do not have a Stonewater contract of employment:*

- For all staff redundancy compensation will include both statutory and occupational provision.
- The maximum service that can be credited in the calculation of Statutory Redundancy Pay is set at 20 years. The maximum value of the weekly compensation figure is set on an annual basis by Her Majesty's Revenue & Customs (HMRC), and the rate prevailing at the time of the redundancy will be implemented. Information on Statutory Redundancy Rates is available from the Payroll & HR Systems Manager at Head Office.
- There is no limit to the maximum service credited for the calculation of Occupational Redundancy Pay and "weekly pay" will be calculated from the current salary of the staff concerned.
- Statutory Redundancy Pay:
  - 1. Age 17 to 22: ½ a week's pay for every year of service or the statutory weekly limit, whichever is the lesser amount.
  - 2. Age 23- 40: 1 week's pay for every year of service or the statutory weekly limit, whichever is the lesser amount.
  - 3. Age 41+: 1½ weeks' pay for every year of service or the statutory weekly limit, whichever is the lesser amount.
- An Occupational Redundancy payment will be added to the Statutory Redundancy payment. All service over 2 years will qualify for occupational redundancy pay. The weekly pay will be calculated from the current salary of staff concerned.
- For employees whose employment started on or before 5th September 2011, the multiplying factors used for Occupational Redundancy Pay will be the same as those used for calculating Statutory Redundancy pay:
  - 1. Age 17 – 22: ½ a week's pay for every year of service
  - 2. Age 23 - 40: 1 week's pay for every year of service
  - 3. Age 41+: 1½ weeks' pay for every year of service
- For employees whose employment started on or after 6th September 2011, occupational redundancy pay is as follows:
  - All employees (regardless of age): ½ a week's pay for every year of service.
- Staff who have been notified of impending redundancy will receive a minimum 3 months' notice of termination of employment, irrespective of the terms expressed in their contract of employment.