

Redundancy Letter UK

Governed by: Employment Rights Act 1996 | TULRCA 1992 | ITEPA 2003 | Employment Rights Act 2025 | ACAS Code of Practice

A. EMPLOYER DETAILS

Employer / Company Name: _____

Registered Address (Line 1): _____

Address (Line 2): _____

Town/City: _____ Postcode: _____

Contact Name / HR Manager: _____ Telephone: _____

Email: _____

Date of this Letter (DD/MM/YYYY): _____

B. EMPLOYEE DETAILS

Employee Full Name: _____

Home Address (Line 1): _____

Address (Line 2): _____

Town/City: _____ Postcode: _____

Job Title / Position: _____ Department: _____

Employee Number (if applicable): _____ Date of Birth (DD/MM/YYYY): _____

Employment Start Date (DD/MM/YYYY): _____ Continuous Service (years / months): _____

Dear _____

Re: NOTICE OF DISMISSAL BY REASON OF REDUNDANCY

C. CONFIRMATION OF REDUNDANCY

I write to confirm the outcome of the individual consultation process that has been conducted with you regarding the proposed redundancy of your position. Having carefully considered all matters raised during the consultation process, including any representations you made, the employer has concluded that your position of

Position made redundant: _____

is redundant. This letter serves as your formal notice of dismissal by reason of redundancy in accordance with Part XI of the Employment Rights Act 1996.

Individual consultation commenced on (DD/MM/YYYY): _____

Consultation meetings held: _____ meeting(s)

D. REASON FOR REDUNDANCY

The reason(s) for this redundancy are (tick all that apply):

- ☐ Business reorganisation or restructure
- ☐ Closure of establishment or business unit
- ☐ Diminished requirement for employees to carry out work of a particular kind
- ☐ Introduction of new technology, automation, or change in working methods
- ☐ Economic, financial, or market conditions requiring a reduction in headcount
- ☐ Other (specify below): _____

Further details of reason: _____

E. SELECTION CRITERIA

Your position was identified for redundancy by applying the following selection criteria, which were applied consistently and objectively across the affected pool of employees:

You were informed of your provisional selection and given a full opportunity to challenge the scoring and criteria applied during the consultation process. No protected characteristic under the Equality Act 2010 formed any part of the selection process.

F. TERMINATION AND NOTICE PERIOD

Termination Date / Last Day of Employment (DD/MM/YYYY): ____ Notice Period: ____

Notice Commences (DD/MM/YYYY): ____ Notice Expires (DD/MM/YYYY): ____

Notice is served as follows (tick one):

- ☐ Working notice — the employee works throughout the notice period
- ☐ Garden leave — the employee is placed on garden leave during notice
- ☐ Payment in lieu of notice (PILON) — the employment terminates immediately

Your statutory notice entitlement under Section 86 of the Employment Rights Act 1996 has been considered and, where it exceeds your contractual notice entitlement, the statutory minimum has been applied. You are entitled to your contractual or statutory notice period, whichever is the greater.

G. PAYMENT IN LIEU OF NOTICE (PILON)

If PILON applies, the following amount will be paid in lieu of your notice period. In accordance with Section 402A of the Income Tax (Earnings and Pensions) Act 2003, any PILON (whether contractual or non-contractual) is calculated as Post-Employment Notice Pay (PENP) and is subject to income tax and National Insurance Contributions as ordinary earnings. PILON cannot be offset against the £30,000 tax-free redundancy payment threshold.

PILON Gross Amount: £ ____ PILON Period (weeks / months): ____

PENP Calculation (basic pay × post-employment notice period): ____

H. STATUTORY REDUNDANCY PAY CALCULATION (s.165 ERA 1996)

An employer is legally obliged to provide a written statement showing how the amount of the statutory redundancy payment has been calculated (Section 165, Employment Rights Act 1996). Failure to provide this statement without reasonable excuse is a criminal offence. The calculation below applies the statutory formula: service years × weekly pay (capped at £751 per week from 6 April 2026) × age-band multiplier.

Qualifying service: ____ Total continuous service used in calculation: ____

Weekly pay used (gross, capped at £751 per week): £ ____

Age Band	Service Years in Band	Multiplier	Sub-Total £
Under 22 (0.5 wk/yr):	Years: ____	Rate: ____	£ ____
Age 22 to 40 (1 wk/yr):	Years: ____	Rate: ____	£ ____
Age 41+ (1.5 wk/yr):	Years: ____	Rate: ____	£ ____

TOTAL Statutory Redundancy Pay: £ ____ Maximum statutory service cap (20 years applied): ____

Enhanced / Contractual Redundancy Pay (if any): £ ____ Basis of enhancement: ____

Ex-Gratia Payment (if any): £ ____ TOTAL Redundancy Payment: £ ____

Tax treatment: The first £30,000 of a genuine statutory or enhanced redundancy payment may be paid free of income tax and National Insurance Contributions pursuant to Section 401 of the Income Tax (Earnings and Pensions) Act 2003. Any amount above £30,000 is subject to PAYE income tax (but not employee National Insurance). Notice pay (PILON) does not form part of this threshold and must be taxed separately as set out in Section G above.

I. ACCRUED HOLIDAY PAY

Annual holiday entitlement (days): ____ Holiday days taken to termination date: ____

Outstanding holiday days owed: ____ Daily pay rate: £ ____

Holiday pay to be paid: £ ____ (subject to deduction of income tax and NICs)

J. SUITABLE ALTERNATIVE EMPLOYMENT (s.138 ERA 1996)

Has suitable alternative employment been offered? (tick one):

- ☐ Yes — details below. An offer of alternative employment has been made.
- ☐ No — no suitable alternative employment is available within the organisation.

Alternative Job Title (if applicable): ____ Department / Location: ____

Proposed Start Date (DD/MM/YYYY): _____ Salary / Rate: £ _____

Statutory 4-Week Trial Period: Where an offer of suitable alternative employment is accepted, the employee shall be entitled to a statutory trial period of four weeks, beginning with the date on which the employee starts work under the new or modified contract, in accordance with Section 138(2) of the Employment Rights Act 1996. If the employee terminates the contract, or gives notice to terminate, during the trial period for a reason connected with the new or different work, the dismissal shall be treated as having been for redundancy for the purposes of statutory redundancy pay entitlement.

Unreasonable Refusal: If the employee unreasonably refuses an offer of suitable alternative employment, they shall lose their entitlement to statutory redundancy pay pursuant to Section 141 of the Employment Rights Act 1996.

K. RETURN OF COMPANY PROPERTY

You are required to return all company property, including but not limited to the items listed below, on or before your last day of employment:

Return deadline (DD/MM/YYYY): _____

L. POST-EMPLOYMENT OBLIGATIONS

Any post-termination confidentiality obligations, restrictive covenants, or garden leave provisions contained in your contract of employment remain in full force and effect following the termination of your employment. You are reminded to comply with all such obligations.

Post-termination restriction period (if applicable): _____

M. COLLECTIVE CONSULTATION (s.188 TULRCA 1992)

Does this redundancy form part of a collective process? (tick one):

- ☐ No — fewer than 20 redundancies within 90 days (individual process only)
☐ Yes — 20 or more redundancies within 90 days at one or more establishments

If collective consultation applies, the employer is required to notify the Secretary of State via Form HR1 before the first dismissal takes effect. For 20–99 redundancies, notification must be given at least 30 days before the first dismissal; for 100 or more redundancies, at least 45 days before. Failure to file Form HR1 is a criminal offence carrying an unlimited fine under Section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992. From 6 April 2026, protective award penalties for failure to consult may reach 180 days' uncapped gross pay per affected employee.

Total employees proposed for redundancy: _____ Form HR1 submitted (DD/MM/YYYY): _____

N. REFERENCES

The employer's reference policy for this employee (tick one):

- ☐ Standard reference (dates of employment and job title only)
☐ Character reference (confirm to be provided in writing)
☐ Reference available on written request

O. SUPPORT AVAILABLE

The following support is being made available (tick all that apply):

- ☐ Outplacement / career transition support
☐ Employee Assistance Programme (EAP) / counselling access
☐ Reasonable paid time off to seek new employment (s.52 ERA 1996)

Additional support details: _____

P. RIGHT TO APPEAL

You have the right to appeal against this decision to make your position redundant. This right is afforded in accordance with the ACAS Code of Practice on Disciplinary and Grievance Procedures. Failure by an employer to provide a right of appeal may render the dismissal procedurally unfair under Section 98 of the Employment

Rights Act 1996 and may lead an Employment Tribunal to award an uplift in compensation.

To exercise your right of appeal, you must submit a written notice of appeal within _____ working days of the date of this letter, addressed to:

Appeal to be addressed to (Name / Role): _____

Appeal submission method: _____

Your notice of appeal should set out the grounds on which you are appealing the decision. An appeal hearing will be arranged and you will be notified of the date, time, and location in writing. You are entitled to be accompanied at the appeal hearing by a trade union representative or a workplace colleague in accordance with Section 10 of the Employment Relations Act 1999.

Q. SUMMARY OF PAYMENTS

Statutory Redundancy Pay: £ _____ Enhanced / Ex-Gratia Pay: £ _____

PILON (if applicable): £ _____ Accrued Holiday Pay: £ _____

Other Outstanding Payments: £ _____ TOTAL TERMINATION PAYMENT: £ _____

Expected payment date (DD/MM/YYYY): _____

R. CLOSING

We recognise that receiving this letter is difficult news. We thank you for your contribution and service to the organisation. If you have any questions regarding the contents of this letter, the payments set out above, or the next steps in the process, please do not hesitate to contact us using the details at the top of this letter.

You are strongly advised to seek independent legal advice from a qualified solicitor or trade union representative regarding your statutory and contractual rights.

S. EMPLOYER SIGNATURE

Yours sincerely,

Signature: _____

Full Name (Print): _____

Position / Title: _____ Date (DD/MM/YYYY): _____

On behalf of: _____

T. EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT

I acknowledge receipt of this letter constituting notice of dismissal by reason of redundancy. I understand that this acknowledgement does not indicate acceptance of or agreement with the decision, and does not prejudice my right to appeal or any other rights I may have.

Employee Signature: _____

Full Name (Print): _____

Date (DD/MM/YYYY): _____ Trade Union / Companion Name (if applicable): _____