

Factsheet Ten

Redundancy

If you lose your job because the job disappears permanently, according to the law you are considered to be redundant. This may happen due to changing operational requirements, the introduction of new technology, economic downturns, company mergers, take-overs or restructuring. This means that that job is not required anymore because of one of these reasons. Before making you redundant, the employer should follow any consultation requirements in your Modern Award or agreement. If it is reasonable, your employer should redeploy (offer to move) you to another position with the employer or a related company. If the redundancy is not a genuine redundancy, you may be able to claim unfair dismissal.

In addition to the employer providing the relevant notice or pay in lieu of notice (see below), you may also be entitled to severance pay. This is to compensate you for the loss of benefits (such as accrued long service leave) and for the inconvenience and hardship caused by the loss of employment.

Severance pay is calculated on how long you have worked there. You should check your Modern Award or agreement for redundancy payments, including when those payments apply. For those not covered by any such clause, there is an entitlement to redundancy pay under the National Employment Standards (NES). The NES sets the minimum employment rights. This entitlement will apply to all employees who have been employed for at least one year, except unless where the employer has less than 15 employees.

However, you should note that:

- Unless you had an entitlement to redundancy pay under a Modern Award, agreement or contract of employment as of 31 December 2009, only your service with your employer from 1 January 2010 is counted towards your NES redundancy entitlement;

- If your employer has 14 or less than 15 employees, you do not have an entitlement to redundancy pay under the NES;
- You may not be entitled to redundancy pay if you are moving from one employer and your entitlements have been transferred to your new employer (for example, your employer's business has been bought by another business and you are going to work for the new business); and
- Generally, casuals, employees on fixed term contracts and employees on training contracts are not entitled to redundancy pay.

The entitlements under the NES are as follows:

Employee's period of continuous service with the employer on termination		Redundancy entitlement
At least	but less than	
1 year	2 years	4 weeks
2 years	3 years	6 weeks
3 years	4 years	7 weeks
4 years	5 years	8 weeks
5 years	6 years	10 weeks
6 years	7 years	11 weeks
7 years	8 years	13 weeks
8 years	9 years	14 weeks
9 years	10 years	16 weeks
10 years	-	12 weeks

Sometimes your 'continuation of service' is broken by having a long break such as during unpaid leave. It is best to check and get advice about this if you are unsure about what is the correct redundancy payment.

If you believe that the redundancy is not genuine, for example if the position still exists, or if you were not redeployed and reasonably could have been, or if the consultation requirements in your Modern Award or agreement have not been followed, you may be able to make a claim for unfair dismissal.

Where can I get more help?

NT Working Women's Centre Ph: 1800 817 055 www.ntwwc.com.au	Your Union Unions NT Ph: 8941 0001 www.unionsnt.com.au	NT Anti-Discrimination Commission Ph: 1800 813 846 adc.nt.gov.au
Australian Human Rights Commission Ph: 1300 656 419 www.humanrights.gov.au	Fair Work Ombudsman Ph: 13 13 94 www.fairwork.gov.au	Fair Work Commission Ph: 1300 799 675 fwc.gov.au
NT Police Ph: (emergency) 000 If calling from a mobile: 112	Office of the Commissioner of Public Employment (OCPE) Ph: 8999 4129 www.ocpe.nt.gov.au	NT WorkSafe Ph: 1800 019 115 www.worksafe.nt.gov.au
Your HR Department	Aboriginal Interpreter Service Ph: 1800 334 944 www.ais.nt.gov.au	To access an interpreter Interpreting and Translating Service NT Ph: 1800 676 254 www.itsnt.nt.gov.au/

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