

REDUNDANCY CHECKLIST

What is a redundancy?

A redundancy is the end of an employment contract when, an employer, no longer requires a role to be filled by an employee. It is a form of dismissal which carries with it the concept of involuntary termination of the employee's employment. Redundancies are caused by economic factors or conditions, business efficiencies or technology developments, and are not created out of a performance response.

What is a genuine redundancy?

A redundancy is considered a genuine redundancy when the role is no longer required to be performed by anyone and that you as the employer have followed the consultation process required by the employee's general award. Should a redundancy be a genuine redundancy an employee is unable to make a claim for unfair dismissal.

Is everyone entitled to a redundancy?

Not everyone is entitled for a redundancy. Some small businesses (under 15 employees) are not required to pay a redundancy, nor are redundancies required to be paid to casual employees, seasonal staff, those employed under 12 months with a business, or let go due to serious misconduct.

The checklist below is designed to help you make an informed decision on the fairness of a proposed redundancy and ensure that you follow not only the consultation requirements, but to ensure that entitlements are correctly calculated and paid upon end of employment.

Redundancy requirements		
INITIAL STEPS You must consider this before you make a definite decision to make a role redundant	YES	NO
1. Assess reason/s for the redundancy. Consider whether the reason for the redundancy would be considered to be a genuine redundancy.	⚙	⚙
2. Is the job no longer required to be performed by anyone because of changes in the operational requirements of your enterprise or due to insolvency or bankruptcy?	⚙	⚙
3. Are there reasons for an economic, technological, structural nature that requires a restructure of the business? Obtain supportive data (This does not need to be supplied to the employee however maintained and kept as supporting documentation to the redundancy)	⚙	⚙
4. Consider alternative employment options to redundancy, such as internal transfers, retraining or redeployment (within the employer's enterprise or the enterprise of an associated entity of the employer).	⚙	⚙
5. Do you still need to consider redundancies?	⚙	⚙

SELECTION OF REDUNDANT EMPLOYEE/S	YES	NO
6. Select employees for redundancy, in a fair and non-discriminatory way.	☺	☺
7. Identify employees for redundancy by an objective selection criterion which is applied consistently to employees whose position may be made redundant. Considerations include but not limited to. a. b. c. d.	☺	☺
CONSULTATION	YES	NO
8. Consider obligations contained in awards, agreements, contracts, legislation, and employer policies that mandate consultation and notification with employee(s) and/or unions about the proposed redundancies before they take effect.	☺	☺
9. Consider whether you are obliged to or will elect to offer voluntary redundancies.	☺	☺
10. Discuss redeployment opportunities with employees. * if and where possible allow an employee an opportunity to come back to you presenting alternative options to a redundancy which circumstance may not have been considered.	☺	☺
11. Comply with obligations in awards, agreements, contracts, and legislation.	☺	☺
12.	☺	☺
13.	☺	☺
14.	☺	☺
ENTITLEMENTS	YES	NO
15. Identify any entitlement to redundancy/severance pay an employee might have under an applicable award or agreement, contract of employment, employer policy or legislation.	☺	☺
16.	☺	☺

17. Discuss with an accountant or tax adviser any applicable tax-free components of the redundancy/severance payments.	<input type="checkbox"/>	<input type="checkbox"/>
18.	<input type="checkbox"/>	<input type="checkbox"/>
19. Check applicable award or agreement, contract of employment and legislation for minimum notice periods. Comply with these notice periods.	<input type="checkbox"/>	<input type="checkbox"/>
20. Calculate termination entitlements.	<input type="checkbox"/>	<input type="checkbox"/>
GENERAL	YES	NO
21.	<input type="checkbox"/>	<input type="checkbox"/>
22. Issue an employment separation certificate. These can be downloaded from Services Australia (Centrelink) via	<input type="checkbox"/>	<input type="checkbox"/>
23.	<input type="checkbox"/>	<input type="checkbox"/>
24. Notify Services Australia - Centrelink (and Employee Representatives) where a decision has been made to terminate the employment of 15 or more employees for reasons of an economic, technological, structural, or similar nature before termination.	<input type="checkbox"/>	<input type="checkbox"/>

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