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# Redundancy Checklist



Sequence of tasks		
<b>Preliminary steps — Prior to making a definite decision to make a position redundant</b>		
1.	<p>Assess the motivating reasons for the redundancy. Consider whether the reason for the redundancy would amount to a genuine redundancy. To be a genuine redundancy, one of the following criteria should be met:</p> <ul style="list-style-type: none"><li>• Do you no longer wish the job to be performed by anyone because of changes in the operational requirements of your enterprise or due to insolvency or bankruptcy?</li><li>• Are there reasons of an economic, technological or structural nature that necessitate a restructure of the business or a redundancy of the position?</li></ul>	
2.	<p>Consider alternatives to redundancy such as transfers, retraining or redeployment (within the employer's enterprise or the enterprise of an associated entity of the employer).</p> <p><b>IMPORTANT</b> - To protect your business from unfair dismissal claims, you must have ensured there were no other positions an employee could reasonably be redeployed to before making them redundant. This includes positions inter-State or in related businesses.</p>	
<b>Selection of employee to retrench</b>		
3.	<p>Identify employees for retrenchment by merit based selection criteria, which are applied consistently to employees whose position may be made redundant. Relevant factors may include a consideration of an employees:</p> <ul style="list-style-type: none"><li>(i) qualifications;</li><li>(ii) skill set;</li><li>(iii) experience; and</li><li>(iv) performance.</li></ul>	
<b>Consultation</b>		
4.	<p>Consider obligations contained in awards, agreements, contracts, legislation and employer policies that require consultation and notification with employee(s) and/or unions about the proposed redundancies before they take effect.</p> <p><b>IMPORTANT</b> - To protect your business from unfair dismissal claims, you must ensure that you comply with all award and enterprise agreement consultation obligations applicable to redundancies.</p>	
5.	Consider whether you are obliged to offer voluntary redundancies before making people redundant involuntarily - there may obligations in a policy or enterprise agreement that deals with voluntary redundancies.	
6.	Notify affected employee(s) and relevant unions (where required) of impending redundancies.	
7.	Discuss re-deployment opportunities with employees.	
8.	Notify the employee of his/her redundancy and final date of employment in writing. Ensure sufficient notice is provided (as required by a contract, award or Statute) so that the employee can work out their notice period. If the notice period cannot be worked out, it will need to be paid out.	



<b>Entitlements</b>		
9.	Identify any entitlement to redundancy/severance pay an employee might have under an applicable award or agreement, contract of employment, employer policy or legislation.	
10.	Consider whether there are exclusions from paying redundancy pay under the applicable award or agreement, contract of employment, employer policy or legislation.	
11.	Discuss with an accountant, tax adviser or ATO any applicable tax-free components of the redundancy/severance payments.	
12.	Calculate termination entitlements.	
<b>General</b>		
13.	Consider if the employee is subject to any post-employment obligations and ensure that the employee is aware of these obligations.	
14.	Notify other parties affected by the redundancy, e.g. employee's superannuation fund, workers' compensation and other insurers (where relevant), other employees and managers, payroll, key customers etc.	
15.	Issue an employment separation certificate if requested.	
16.	Check the applicable award, agreement or contract of employment, employer policies and legislation to see whether you must issue a statement of service.	
17.	Notify Centrelink 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.	
18.	Arrange the return of any property of the employer, which is in the employee's custody, possession or control (e.g. company vehicle, mobile phone, laptop, business cards, office keys, security passes etc.). Also, change any passwords and other security measures, which would allow the employee in question to continue to gain access to the business or its computer network.	