



Australian Government

Fair Work
OMBUDSMAN

Redundancy

This is when a boss no longer needs an employee's job to be done by anyone. It can also happen when a business becomes bankrupt or insolvent, meaning they run out of money and have to close.



About our artwork: **Stepping forward**

Stepping forward represents taking the next step on the journey towards reconciliation and the potential possibilities when everyone is included.

Connecting with diverse people, meeting, listening and sharing together, can build respect and trust. Working in concert for a common purpose and united in the mission to make meaningful change.

It serves as a reminder of the dynamism and vibrancy of First Nations people and the lands from which they come, making the emergence of new ideas and ways of being possible that enables the envisioning of a brighter future.

Artist: **Timothy Buckley**

Redundancy



Who gets redundancy pay?

- ▶ Most full-time and part-time employees must get redundancy pay when their job is made redundant. This is sometimes called severance pay.
- ▶ To get this pay, employees must have worked for the business for at least 12 months.
- ▶ Casual employees, apprentices and employees who are hired for a specific period of time or season do not get redundancy pay.
- ▶ A business with less than 15 employees usually doesn't have to pay redundancy.



How much is redundancy pay?

- ▶ Redundancy pay is at least 4 weeks pay. The amount an employee gets is based on how long they've worked with the business. The longer they have worked, the more they should get.
- ▶ To calculate how much redundancy pay an employee should get, go to our Notice and redundancy calculator at [fairwork.gov.au/pact](https://www.fairwork.gov.au/pact).
- ▶ Employees get redundancy pay at their base rate of pay. This doesn't include overtime, bonuses, loadings or penalties.



How much warning do employees get?

- ▶ Bosses must give notice of termination to an employee whose job is redundant. This is a warning that the job will end and should be given in writing.
- ▶ A boss can choose to have their employee stay and work during their notice period, or end their job and pay it out instead.



What if my boss offers me another job?

- ▶ If a boss offers an employee another job with the business and they accept the job, they may get less redundancy pay (or none at all).



Find out more

For more information about redundancy go to [fairwork.gov.au/redundancy](https://www.fairwork.gov.au/redundancy).

Some awards and agreements contain special rules about redundancy. Find out more about the rules for your job at [fairwork.gov.au/employment](https://www.fairwork.gov.au/employment).

You can also talk with someone from a community organisation or community legal centre, an HR officer, an Indigenous liaison or employment officer, an employer association (if you're a boss) or a union representative (if you're an employee).

Contact us

Fair Work online: [fairwork.gov.au](https://www.fairwork.gov.au)

Fair Work Infoline: **13 13 94**

Need language help?

Contact the Translating and Interpreting Service (TIS) on **13 14 50**

Help for people who are deaf or have hearing or speech difficulties

You can contact us through the National Relay Service (NRS).

Select your **preferred access option** and give our phone number: **13 13 94**



The Fair Work Ombudsman is committed to providing you with advice that you can rely on. The information contained in this fact sheet is general in nature. If you are unsure about how it applies to your situation you can call our Infoline on 13 13 94 or speak with a union, industry association or a workplace relations professional.

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