

Q. I've worked at the same company for many years but I've been told I'm being made redundant. What redundancy pay am I entitled to?

A. If you're being made redundant, there are two types of redundancy pay you could get. 'Statutory' redundancy pay is the minimum that the law says you're entitled to, or 'contractual' redundancy pay, which is extra money your contract says you can get on top of the statutory amount.

You're usually only entitled to statutory redundancy pay if you've been an employee for at least two years. It's worth asking your employer or checking your contract to see if you're entitled to more than the statutory redundancy rules allow.

Statutory redundancy pay is based on age, weekly pay and number of years in the job, up to a max of £538 a week. The Citizens Advice and Gov.uk websites have calculators to help work out how much you'll get. For example if you're aged 41 and over, you'll get 1.5 week's statutory redundancy pay for each full year you've worked, up to a maximum of 20 years' service.

If your employer offers a suitable alternative job, but you refuse to take it without good reasons, they can refuse to pay your redundancy.

You won't get statutory redundancy pay if you've been employed for less than two years, are self-employed or are in certain jobs like the armed forces or police (though you may be entitled to contractual pay).

If you've been furloughed, the law now says that your redundancy pay should be worked out using your usual wages, even if you were paid 80% while you were furloughed. However, statutory redundancy pay still limits a weeks' pay to £538.

If your employer has told you that your redundancy pay will be based on your furlough rate of pay, you could explain to the employer that isn't what the Gov.uk website says about redundancy pay, or contact your nearest Citizens Advice.