December 2020

Your voice
DUWC
Your rights

Where to start?

Losing your job through redundancy is a shock both emotionally and financially. The aim of this guide is to give you the information you need to make sure you are able to access the benefits system and claim what you are entitled to.

Here are a few things you should know about redundancy and your rights before you consider what you may be entitled to from the Benefits and Credits System.

You do have redundancy rights if:

- You're legally classed as an employee (seek specific employment advice if not sure),
- You've worked continuously for your employer for at least two years before they make you redundant.

Redundancy Check list:

- You have the right to challenge your redundancy if you think you have lost your job unfairly.

If you are in a Trade Union – talk to your local or area representative or seek employment advice from your local Law Centre or Citizens Advice Bureau, if you feel you may have been unfairly dismissed from your job.

- Check how much statutory redundancy pay you are entitled to.
- Know your rights to a minimum period of notice and time off to look for another job.

You have the same redundancy rights during the Covid-19 crisis as you would in normal times.

Redundancy Pay

You may be entitled to Statutory Redundancy Pay –a lump sum to compensate for the loss of your job; this is the minimum required by law. Some employers offer more generous redundancy packages.

Your final pay packet is likely to include other payments as well as redundancy pay. The following payments will be due to you under your contract of employment (rather than being paid compensation for losing your job). They will be taxable in the same way as your normal pay.

- **Wages owing and bonus payments** – tax and national insurance will be deducted as usual from these payments before you get them.
- **Pay in lieu of notice** – if your employer does not want you to work out your notice period, you will be offered a lump sum instead. This is called pay in lieu of notice (Pilon). This is subject to your employment contract entitling you to this payment or it is normal practice where you work (this money is taxable).
- **Holiday pay owing** – your employer may ask you to take some holiday during your redundancy notice period. Generally, you only have to do this if your employment contract says you must. Otherwise it is up to you. You may decide the money is more useful if you are about to become unemployed. If your employer does try to force you to use your holidays and there is no contractual term allowing this, seek advice.

Statutory Redundancy Pay

You are entitled to redundancy pay as long as you have worked continuously for your employer for at least two years. The amount of money you get depends on how long you have continuously worked for your employer, how old you are and how much you are paid.

If your employer has gone out of business and is unable to pay you redundancy pay and other payments, an application will have to be made to the Government's Redundancy Payments Service (RPS) for all monies owed to you.

By law you are entitled to the following from your employer:

- **Aged 17 to 21** - half a week's pay for each full year worked,
- **Aged 22 to 40** - one week's pay for each full year worked from the age of 22 and half a week's pay for each full year before that,
- **Aged 41 or over** - One and a half weeks' pay for each full year worked from age 41 – one week's pay for each full year you worked when you were between 22 and 40 and half a year's pay for each full year worked when you were between 17 and 21.

You must be informed by your employer in writing how your redundancy pay has been worked out. The Gov.UK site - redundancy calculator is a useful tool for calculating your redundancy pay.

Furlough and Redundancy Pay - If you have been on furlough during the Covid-19 Pandemic, your redundancy pay must be worked out using your full normal pay.

Redundancy Pay is calculated up to a maximum of 20 years' service and pay up to a maximum weekly amount of £538.00. The maximum statutory redundancy pay you can get is £16,140 in total.

Cutting through the red tape - DUWC have been in Amber Valley since 1993 with a base in Alfreton and outreach offices now in Somercotes, Heanor and Belper.

Statutory Notice of Redundancy

The minimum period of statutory notice that should be given is as follows:

If you have been Employed:	The minimum notice you should be given is:	Example:
At least one month up to two years.	One week.	If you have been employed 18 months, you should be given at least one week's notice.
Over two years up to 12 years.	One week's notice for each year worked.	If you have been employed five years, you should be given at least five weeks' notice.
More than 12 years.	12 weeks' notice.	If you have been employed 20 years, you should be given at least 12 weeks' notice.

You should always check your contract of employment to see whether you have a right to contractual notice that is more generous than the statutory minimum set out above.

Time off to look for work or training - You are entitled to time off to search for work or undergo training, provided you have worked continuously for your employer for at least two years.

Garden Leave – Your employer may ask you to serve out your redundancy notice period away from work – this is called 'garden leave'. In this situation your employer could call you back to work if you are needed. During this period, you receive your normal salary – but are not allowed to start a job with a new employer.

Benefits, Credits and Redundancy

You may be able to claim certain benefits and credits depending on your particular circumstances when you lose your job.

If you are already in receipt of some benefits or Tax Credits – it is important to seek advice about how redundancy could change your entitlements.

The main out of work benefit to claim is New Style Jobseekers Allowance. But if you have a low income you may be able to claim other benefits such as Universal Credit and Council Tax Reduction.

DUWC is well respected throughout Derbyshire and in 2018 was recognised with an award for its outstanding contribution to the voluntary sector.

New Style Jobseekers Allowance (NSJSA)

If you are redundant, able to and seeking work and have paid sufficient national insurance in the last two full tax years, you could claim New Style JSA.

It can be claimed for 6 months and is paid fortnightly in arrears –the rates are:

- Under 25: £58.90 from April 2020.
- 25 and over: £74.35 from April 2020.

Once you have used up any days paid for, such as pay in lieu of notice or holiday pay you should receive JSA payments.

The JSA payment is for you only (based on your NI contributions) – if you need extra money or help paying rent, you may be able to claim a 'top up 'of Universal Credit.

New style JSA can be claimed even if your partner works or you have an amount of savings in the bank. JSA will be affected if you work or receive occupational pension income. Payments are reduced pound for pound by any occupational pension above £50.00 a week.

To receive JSA payments you will be required to commit to seeking work –under a 'claimant commitment' agreed with your Job Centre Work Coach.

Universal Credit (UC)

Universal Credit is a means-tested credit and tops up you and your family's income if it is low. It can include topping up JSA, income from work and other benefits or pensions. It also provides help with rent, there are also amounts for children and carers.

UC payments are affected by any savings over £6,000 and if you have over £16,000 you cannot get UC.

Redundancy and help with Housing Costs and Council Tax

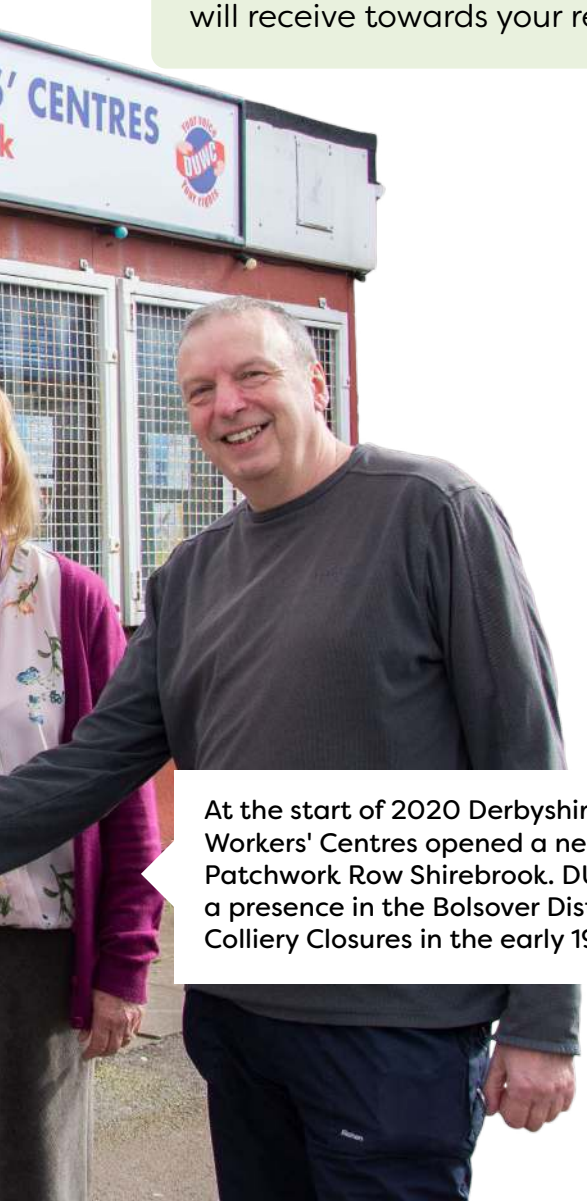
The benefits system has changed for working age people claiming help with rent. New claims for Housing benefit are usually not available, help with your rent is usually through Universal Credit (UC).

If you are in temporary or supported accommodation and severely disabled, you can still claim Housing Benefit instead of UC for help with your rent. For further details contact our advice line.

Help with rent on Universal Credit

If you claim Universal Credit your rent will be included in your UC payment. Housing costs under UC work in a similar way to Housing benefit as your circumstances may mean that your entitlement may not cover the full amount of your rent.

From April 2013, the 'Under Occupancy Rules' came into force – usually referred to as the 'Bedroom Tax' for you if you are living in social housing (council and housing association properties). Both help with rent in Universal Credit and Housing benefit is worked out by the size of your household and the number of bedrooms you need. Having a spare room can mean a reduction in the amount of help you will receive towards your rent.



At the start of 2020 Derbyshire Unemployed Workers' Centres opened a new office on Patchwork Row Shirebrook. DUWC have had a presence in the Bolsover District since the Colliery Closures in the early 1990s.

Discretionary Housing Payments (DHP)

If you are receiving help with you rent through benefit and for some reason you are not receiving the full amount of help to cover your rent. You can apply for a Discretionary Housing Payment from your local council, a DHP is only paid to you to cover the shortfall in your rent for a short period of time.

Redundancy and help with Mortgage interest

If are a homeowner with a mortgage and you receive 'means –tested' benefits such as Universal Credit, you may receive help with the interest on your mortgage – this is in the form of an interest bearing repayable loan, secured on your home.

If you or anyone in your household works and you claim Universal Credit – you will not receive help with Mortgage Interest -For more information about how Mortgage Interest support works –call our benefits helpline.

Help with Council Tax – Council Tax Reduction

If you are liable to pay Council Tax and have a low income, you may be able to claim means tested Council Tax Reduction (CTR). You may also be able to reduce your Council Tax bill by applying for a discount on your bill eg. if you are living alone or someone who lives with you is permanently disabled. Discounts are based on your circumstances and not your income or savings.

Remember! All means-tested benefits such as Universal Credit – Housing Benefit and Council Tax Support are affected by savings over £6,000. If you have savings over £16,000 you will not be entitled to any means-tested benefits.

Any **Redundancy Payments** received will be treated as capital when claiming any means-tested benefits.

Help with health costs and free school meals

Entitlement to means tested benefits such as Universal Credit (UC) may qualify you for help with health costs and free school meals for your children.

Help with health costs could include prescriptions, wigs, eye tests/glasses, dental treatment and travel to hospital.

You can qualify for help with health costs if you claim UC and either have no earnings or have net earnings of £435 or less a month (in your last UC assessment period).

You can qualify for help with free school meals if you claim UC and your earned income does not exceed £616.67 a month.

Redundancy and unable to work due to sickness

At the time of your redundancy you may find yourself unable to work due to sickness or disability – you may be able to claim New Style Employment and Support Allowance (NSESA)

New Style ESA – can be claimed if you are ill or have a health condition or disability that restricts your ability to work – you may be able to claim NSESA for a minimum of 12 months, but it could be longer – it is paid fortnightly beginning at:

- £73.10 for over 25.
- £57.90 for under 25.

NSESA is a contributory benefit and claimed if you have paid sufficient National Insurance Contributions in the two full tax years before the claim.

NSESA is a fortnightly payment that can be claimed on its own or with Universal Credit if there is a need for a top up of benefit due to low income.

NSESA is reduced by 50p for every £1 of occupational pension income you receive above £85 a week.
If your sickness is long term you may have to attend a Work Capability Assessment to determine your fitness for work.

Redundancy, caring and Disability benefits

Whilst working you may have been someone's carer – you may need to become a full time carer and not be in a position to look for work; you may be able to claim Carers Allowance (CA).

Joanna Zon and her colleague Marcin Proc offer help to migrant workers from our Shirebrook office. The 'Help is Here' project has volunteers so that we can support people for whom English is not their first language.

Carers Allowance

Carers Allowance (CA) is a benefit you could claim if you care for someone for at least 35 hours a week and they get a disability benefit – Personal Independence Payment (PIP) – Disability Living Allowance (DLA) and Attendance Allowance (AA).

CA is a non-contributory non means-tested benefit it is worth £67.25 a week – can be paid weekly or monthly. You do not have to be related or live with the person you are caring for.

Whilst claiming CA you will get a national insurance credit (stamp paid) – if you start work and earn above £123.00 a week you lose entitlement to CA.

CA can be claimed on its own or with Universal Credit if there is a need for a 'top up' of benefits because of low income.

Always seek advice before claiming Carers Allowance, as the person you care for may see the loss or reduction in their benefit entitlement.

Debt Issues

Many people will have debt issues prior to being made redundant or will generate debt problems in the period after losing employment. Do not bury your head in the sand – please seek advice. Contact DUWC and we will put you in touch with an appropriate service.

Personal Independence Payment (PIP)

Personal Independence payment is a working age disability benefit –paid to you if you have difficulties getting around out of doors and or you need help with activities of daily living such as, preparing food, washing and bathing, dressing and undressing or toileting (there are others).

The real value of PIP is that it is non-taxable, non means-tested and you do not have to have paid national Insurance contributions to get it. PIP is not taken into account when calculating means-tested benefit, which means overall that you would not see a reduction in or loss of other benefits by claiming it.

PIP is usually paid monthly – it has two rates – Mobility and Daily Living and has to rates Standard and Enhanced.

You can be entitled one or both components together. There is usually an assessment to decide whether you meet the rules for getting PIP and awards are based on points scored.

Industrial Injuries Disablement Benefit

You might get Industrial Injuries Disablement Benefit (IIDB) if you become ill or disabled as a result of an accident or disease through work.

The amount you will get depends on your level of disability. The level of your loss of function (your ability to do everyday activities) will affect the amount of benefit you may receive. You are usually medical assessed on a scale of 1 to 100% -loss of function- normally you must be assessed as 14% or more disabled to get the benefit.

IIDB is non means-tested, but is classed as an income and can affect any means-tested benefits that you may be receiving – seek advice!

This booklet has been put together as a basic guide to redundancy and benefits and does not take into account your particular circumstances. We strongly recommend that before you consider making any claims to benefit, that you seek advice.

Chesterfield DUWC Headquarters.

Derbyshire Unemployed Workers Centres

Established in 1983, the Derbyshire Unemployed Workers Centres are part of a larger network of TUC Unemployed Workers Centres. We aim to prevent or relieve poverty amongst the unemployed, underemployed, unwaged and those in receipt of or entitled to benefits and credits as well as other disadvantaged people in Derbyshire.

The Organisation has now become a Charitable Incorporated Organisation with Trustees drawn from the considerable wealth of support and expertise around the Centres.

The founders of the organisation would be pleased that the organisation has maintained its aims and objectives, continuing the links with the communities it supports.

All the staff at the Derbyshire Unemployed Workers Centres started off as volunteers. Commitment runs through the Trustees, staff and volunteers. DUWC has been built by some legendary members of our local communities and everyone realises that they have a duty to continue the vital work started back in the early 1980's. Originally funded by Chesterfield Borough Council, who continue to offer tremendous support, the DUWC is grateful for grants from Amber Valley Borough Council, Bolsover District Council and many Town and Parish Councils throughout Derbyshire, The Centres also receive funding from the Big Lottery Community Fund, Henry Smith Charity, Tudor Trust, and the Alex Ferry Foundation. The support of the Trade Unions, in particular the GMB Trade Union and Unite the Union has been crucial in all our work helping those made redundant and those who are unemployed.

The Coalfields Regeneration Trust have made it possible for DUWC to produce and distribute this Guide.

What we Provide

The Derbyshire Unemployed Workers' Centres has gained a fine reputation for the services we provide. Our work is recognised locally, regionally, nationally and internationally. We provide advice, support and representation for all who come to us for help. However, we don't just wait for people to come to us, we proactively make our services known to the hardest to reach and most vulnerable within our communities.

We offer free, independent and confidential advice on benefit and credit entitlements. We carry out benefit checks, help fill in claim forms and help challenge decisions made by the Department for Work and Pensions right through to Tribunal if necessary.

We help with Personal Independence Claims and advice, Industrial Injuries Disablement Benefit and Carers Allowance. We also help with queries regarding Pension Credit and Attendance Allowance. **Our vast experience in the advice sector means that if we do not provide a service directly we can signpost to someone who does!**

Each year we deal with thousands of enquiries at our Centres and outreach venues. We have recovered over 6 million in lump sum payments and increased weekly benefits for the people of Derbyshire. This money is vital both for the recipients but also for the regeneration of the local economy. Money gained is mostly spent locally helping to preserve jobs and aid local businesses.

Our services are provided by a few paid staff and a team of volunteers across Chesterfield, North East Derbyshire, Bolsover and Amber Valley. We have been successful in training volunteers from our communities many of whom move on, into employment.

Do you need to discuss your circumstances, your redundancy and what benefits may be available to you?

If you do, we can arrange an appointment or possibly a confidential face-to-face interview. All our services are Free.

Our offices and outreach venues throughout Chesterfield, North East Derbyshire, Bolsover and Amber Valley operate a telephone advice service from 8am until 4pm weekdays.

Call Derbyshire Unemployed Workers Centres on 01246 231441

Visit our website www.duwc.org.uk

Email info@duwc.org.uk

Facebook message us [@DerbyshireUWC](#)

Main Centres

Chesterfield Office

1 Rose Hill East, Chesterfield, Derbyshire S40 1NU (in the Town Hall basement).

Open Monday to Friday 8am for telephone enquiries and 9:30am-4pm for appointments or face to face interviews.

Tel: **01246 231441**

Shirebrook Office

54 Patchwork Row, Shirebrook, Mansfield, Nottingham NG20 8AL.

Open Monday to Wednesday 9–11:30am and 1-4pm.

Thursday and Friday 9-11:30am.

Tel: **01623 748161**

Alfreton Office

Alfreton House, High Street, Alfreton, Derbyshire DE55 7HH.

Open Tuesdays 9am-12pm.

Wednesday and Thursday 9am-12pm and 1pm-4pm.

Tel: **01773 832237**

ALEX FERRY FOUNDATION

Amber Valley Borough Council

the coalfields regeneration trust

Bolsover District Council

CHESTERFIELD BOROUGH COUNCIL

GMB UNION

unite theUNION

Designed by Bolsover District Council 20-254