

**REDUNDANCY PAY CALCULATION – KEY FACTS AND FIGURES
(as at February 2011)**

Redundancy pay entitlements and basic unfair dismissal awards are calculated in the same way using a set formula based on age, complete years of service and gross weekly salary.

The number of complete years of service is currently capped at 20 years.

The gross weekly salary is currently capped at £400.

The multiplier for age is based on the following age bands:

Employees Age	Multiplier
Below 22 years	0.5 weeks' pay
Between 22 and 40 years (inclusive)	1 weeks' pay
41 and over	1.5 weeks' pay

If your employment spans over two age brackets you will need to do a separate calculation for the number of complete years of employment served in each age bracket.

Examples of calculations:

Example 1

Age at redundancy 39 years
Complete years of service 12
Weekly pay £400

12 weeks due x £260 = £4,800

This is based on a calculation as follows:
12 x 1 week x £400

Example 2

Age at redundancy 48 years
Complete years of service 8
Weekly pay £260

11.5 weeks due x £260 = £2,990

This is based on a calculation as follows:
1 x 1 week x £260
7 x 1.5 weeks x £260