

Avoid compulsory redundancies

You can avoid job losses by planning ahead and looking at other options.

Before making employees redundant you should see if you can:

- offer voluntary redundancy or early retirement
- agree to flexible working
- temporarily reduce working hours
- ask employees to stop working for a short time
- retrain employees to do other jobs in your business
- let go of temporary or contract workers
- limit or stop overtime
- not hire any new employees

2. Offer voluntary redundancy or early retirement

Your offer needs to cover the whole workforce and it must always be the employee's choice to volunteer. Make sure you do not pressure anyone or single a person out.

For example, you could be accused of age discrimination if you only offer early retirement to your older employees.

You do not have to select an employee just because they volunteered. For example, if your most experienced employee volunteers, you can explain that you're not selecting them.

It's a good idea to make clear to employees early on that voluntary redundancy or early retirement is not automatically given.

You must have a fair way of selecting employees who do get voluntary redundancy or early retirement.

You can offer extra redundancy pay if you want to encourage employees to volunteer.

Agree to flexible working

You can agree to update employment contracts to allow more flexible working.

This could include offering your employees:

- to work fewer hours

- homeworking
- job shares
- to work compressed hours

Ask employees to temporarily stop working or reduce hours

If it's included in employment contracts you can ask employees to:

- stop working for a while (known as a 'temporary lay-off')
- work fewer hours (known as 'short-time' working)

It must be a temporary solution and not a permanent change to agreed working hours.

If it's not included in employment contracts

You can ask to update an employee's contract to include these options. They do not have to accept.

[See the Acas guide on lay-offs and short-time working.](#)

Move employees into other jobs

You should try and move employees into other jobs within your organisation before you start the redundancy process.

Once you've made an employee redundant

If you're looking to fill another role that is suitable for the employee you're making redundant, you should offer it to them instead of redundancy. The redundancy could be judged an 'unfair dismissal' if you do not.

If you do offer an employee another job it needs to be:

- in writing
- made before their contract ends
- a different job to the one they're doing – you'll need to explain how it's different

They should not have to apply for the job. The new job must start within 4 weeks of their previous job ending.

Employees have the right to a 4-week trial period if they accept a new role. The trial period should start after they've worked their notice period and their previous contract has ended.

This avoids any confusion or disputes over dates if the trial does not work out. It's a good idea to set out the dates for the trial in writing.

If you both agree it's not working out, your employee can still claim redundancy pay. You can agree to a longer trial period but it must be agreed in writing.

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