

Factsheet: what to do when you've been made redundant after being on furlough

Case reference:

You have certain rights when you're made redundant. These include getting redundancy pay and a paid notice period.

Normally, your employer would pay you these. However, because your employer has gone insolvent you can apply to the Insolvency Service (a government agency) for them instead.

What you can apply for

What you can apply for depends on your circumstances. You may be eligible for more than one type of payment. If so, it's very unlikely that we'll send all your payments at the same time.

The Insolvency Service can pay:

- redundancy pay: if you have worked for your employer for at least 2 years including any time you have been on furlough

You have 6 months from the day you're dismissed to apply for statutory redundancy pay

- holiday pay:
 - days you have accrued but not used so far during your current annual leave year. You continue to accrue holiday entitlement during furlough and your employer can ask you to take holiday during furlough.

However, holidays must have been paid at your full salary. This means that your employer must have topped up your furlough pay. Days off that you received furlough pay for (rather than your full salary) do not count against your annual leave entitlement. You can claim these as holiday pay.

- holiday you have already taken but not been paid for
- money you're owed by your employer, for example unpaid wages, overtime and commission.

You should have been paid 80% of your monthly wage, up to £2,500 a month on the CJRS scheme. We cannot pay you the difference between your furlough pay and your full salary.

- statutory notice pay: if you've worked for your employer for at least 1 month

There are limits on what we can pay you for each type of claim.

If you are owed more than the Insolvency Service can pay, you can register as a creditor in the insolvency. For more information on how to register as a creditor, please contact the insolvency practitioner handling the case.

Further information about how much we can pay and the deductions that we must make, is available on GOV.UK: <https://www.gov.uk/insolvency-service/your-redundancy-payment>

How to apply:

There are 2 separate applications you must complete. Both must be completed online.



You cannot apply without a case reference number (begins CN). If you do not have one, contact the insolvency practitioner handling your employer's insolvency.

Claim for redundancy and other money you are owed (RP1) is for:

- redundancy pay
- holiday pay
- other money you're owed, including wages, overtime, bonuses and commission

Claim for loss of notice (RP2) is for:

- statutory notice pay

Claim for redundancy and other money you are owed (RP1)

Apply online by visiting: www.gov.uk/claim-redundancy

Completing an application takes between 25 and 45 minutes.

Once you start, you cannot save your application and come back to it later. If you cannot complete the application in full, you will need to start a new application.

It is important that you have the information below with you to complete the application:

- your bank account details
- your National Insurance number
- your email address
- start date of your employment
- the date of your redundancy
- the date of your last working day (including the time you were furloughed)
- gross rate of pay – this is your full normal rate of pay, rather than your pay during furlough
- any breaks in employment
- the number of holiday days you're entitled to and holiday days you've taken
- details of wages and other money you're owed by your employer
- details of any money you still owe your employer (for example season ticket loans)

You need to provide your email address for us to contact you, and your bank details so that we can pay you. Failure to provide these will cause a delay to processing your claim.

The application will also ask if you want to claim compensation for loss of notice



Ticking 'Yes' does not mean that you have applied for loss of notice compensation. You need to complete the RP2 application to apply for loss of notice.

You can only apply for loss of notice pay once your notice period ends. The Insolvency Service will contact you to let you know when you can claim.

Processing your application

Some payments are quicker to process than others. In order to ensure we get money to you as quickly as possible we will pay each element as soon as it is ready. This means you are likely to receive multiple payments from us.

We use the information you provide in your application to make sure we pay you the correct amount, so it's very important you complete your application as accurately as possible.

We expect all payments (redundancy pay, holiday pay and arrears of pay) to be made within 6 weeks of receiving your complete application and information from the insolvency practitioner. We will contact you if we need any further information from you to pay your claim.

To allow us to deal with everyone's application as quickly as possible, please do not contact us to check the status of your application until after the 6 weeks have passed.

Next steps

Because you've been made redundant, it's very important you apply for employment related benefits such as Universal Credit and/or New Style Jobseeker's Allowance.

Information about the benefits you can apply for can be found at:

<https://www.understandinguniversalcredit.gov.uk/employment-and-benefits-support/making-a-new-claim/>

Benefits calculators are available at: <https://www.gov.uk/benefits-calculators>

When you apply for benefits, please keep any letters, or take screenshots of the acceptance/rejection that confirms what you are eligible for. You may need these when you apply for loss of notice pay.



Later, when we calculate your loss of notice payment, we are required to subtract the amount of JSA or UC you were eligible to receive during your notice period. We do this even if you did not apply for either benefit.

If you were not consulted prior to being made redundant, you may be entitled to a compensation payment called a protective award. To get a protective award, you have to make a claim to an employment tribunal.

You can make an employment tribunal claim online: <https://www.gov.uk/employment-tribunals>

More information about protective awards can be found at:

<https://www.gov.uk/government/publications/explaining-your-protective-award/explaining-your-protective-award>

Getting help

If you have any questions, please contact the insolvency practitioner dealing with your case.

Further information about the redundancy payments process can be found on GOV.UK:

<http://www.gov.uk/insolvency-service/redundancy-payments>

Information we collect about you

We'll collect data about you from the Insolvency Practitioner dealing with your employer's insolvency. This may include personal data. We'll process this information even if you decide not to go ahead with your redundancy claim. Details of how The Insolvency Service treats your personal information can be found at <http://www.gov.uk/insolvency-service/personal-information-charter>.