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## Redundancy policy / redundancy clause

**Description:** These precedent redundancy provisions can be used (with minor edits) as either a policy or clause.

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## Redundancy

[Please note that the Fair Work Act 2009 sets out mandatory minimum criteria in relation to redundancy before implementing this policy or inserting the obligation to make redundancy payments to small business employers (small business employers with fewer than 15 employees, calculated on a headcount basis).

### 1. Application

This redundancy [policy / clause] applies to [all / certain] employees / only those employees [in the / in the / in the] section].

### 2. Definition of redundancy

A redundancy occurs if the position ceases to be performed by the employer for [any / any / any] reason.

### 3. Severance pay [alternative 1]

If [the employee's / an employee's] service is terminated in accordance with the provisions set out in clause 2, then in addition to the notice period, the employee is entitled to receive severance pay in respect of a continuous period of service.

#### Years of Continuous Service

- 1 year or less
- 1 year and up to 2 years
- 2 years and up to 3 years
- 3 years and up to 4 years
- 4 years and up to 5 years
- 5 years and up to 6 years
- 6 years and up to 7 years
- 7 years and up to 8 years
- 8 years and up to 9 years
- 9 years and up to 10 years
- 10 years and over

**Weeks pay** means the employee's ordinary time rate of pay for the period of [ ] weeks.  
OR

### 3. Severance pay [alternative 2]

- (a) If [insert] position is made redundant, then in addition to notice, the employee is entitled to receive severance pay calculated in accordance with the provisions of clause 2 in respect of continuous service up to a maximum of [ ] years.
- (b) A pro-rata amount of severance pay in respect of continuous service.
- (c) **Weeks pay** means the employee's ordinary time rate of pay for the period of [ ] weeks.

### 4. Exemption

- (a) [The employee / An employee] is exempt from the provisions of this clause upon the redundancy of the employee.

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- (i) requests the employer to vary the terms and conditions of employment if the employee is redundant; or
  - (ii) procures an offer of employment if:
    - (A) the employee is on terms and conditions that have not been made redundant; and
    - (B) the employer recognises the employee's skills and experience.
- (b) The exceptions to the making of a redundancy payment (Cth) apply to severance payments.

Notes

1. Please note, this is the table provided for the purposes of the Act. Entitlements to which all national system employees are entitled.

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