

Rights for redundancy

Jobs for life are a thing of the past, but when you're made redundant, it can be awful.

Many Kiwis will experience redundancy at some point in their working lives. It happens. Organisations evolve and change and sometimes your job is no longer needed for genuine reasons such as:

- New technology
- A slowdown in demand for the organisation's product
- The business is sold, or an organisation's functions contracted out
- Your department or business is restructured
- The business becomes insolvent

What's more, there are laws to protect you and most employers are careful to stay within the law. Employment lawyer Jennifer Mills at Anthony Harper in Christchurch makes clear what you need to know.

Finally, one of the best defences you have is understanding your entitlements, says the Ombudsman's office.

- **Do I have a say?** Employers have a duty under the Employment Relations Act to consult with you whenever a decision is likely to have an adverse effect on the continuation of your employment.

"Consult" means more than just telling you. Your employer must not have predetermined the outcome before receiving your feedback, says Mills. If you're not consulted you can apply to the Employment Court for an injunction, ordering your employer to carry out proper consultation. In addition you may be entitled to bring a personal grievance, alleging unjustified dismissal or unjustified disadvantage.

- **What about my employment agreement?** Employers must adhere to applicable clauses set out in your employment agreement, says Mills. This includes any procedural steps or redundancy pay, as well as other compensation. Employment agreements will usually also include a notice period for redundancy.
- **What are my rights to compensation?** There is no statutory entitlement to redundancy pay in New Zealand, says Mills. You will be entitled to redundancy pay, however, if it's

written into your employment agreement.

A redundancy is unjustified if your employer is unable to demonstrate that there were genuine business reasons supporting the decision, or if they failed to act fairly, reasonably and in good faith.

- **Can I take a personal grievance claim?** Employees that have been made redundant can take a personal grievance to the Employment Relations Authority. If that doesn't work, the decision can be appealed to the Employment Court.
- **When is redundancy unjustified?** If you have been made redundant, double check that your [final pay is correct](#) and that you have been taxed at the right rate. If you think you have been treated unfairly by your employer during the redundancy process, call Ministry of Business, Innovation and Employment (MBIE) on 0800 20 90 20. Alternately, you can contact an employment lawyer. Work & Income also has a useful [guide](#) about redundancy for employees.

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