

## Questions and answers for those affected by redundancy.

| Questions?   | Answers  |
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| <b>What's happened to the company?</b>                                       | <p>As we're sure you are aware the company has been experiencing some financial difficulties and we have for some time been trying to seek alternative solutions for the business.</p> <p>Having exhausted all options, the directors have taken the very difficult decision that the business cannot continue to operate and are commencing steps to appoint liquidators. As a result of this, the operations in Coventry have ceased with immediate effect and it is anticipated that in the course of the next couple of weeks that a Liquidator will be appointed.</p> |
| <b>What is a CVL?</b>  | <p>A Creditors' Voluntary Liquidation (CVL) is a formal insolvency procedure which involves the directors of an insolvent company voluntarily choosing to bring their business to an end, and wind the company up.</p>   |
| <b>What does this mean for me?</b>   | <p>Unfortunately, you have been made redundant as of today [date]. You will be able to make a claim to the Redundancy Payments Service ("RPS") following the appointment of a Liquidator, which we anticipate will be in the next couple of weeks.</p>   |
| <b>Why does it take so long to appoint a Liquidator and for me to claim?</b> | <p>The company has to give notice to its shareholders and creditors before it can go into CVL, rather than it happening immediately. These notices will be issued shortly. As you are owed money, you will be classed as a creditor and will therefore receive a copy of this notice by post. Please note that you can only make a claim to the RPS following the appointment of a Liquidator.</p>   |
| <b>As my employer can't pay my redundancy pay, what should I do?</b>         | <p>Because your employer is insolvent, it cannot pay you amounts that may be due to you as a result of your redundancy. There is a claims process which is administered by the Redundancy Payments Service, ('RPS') and details of the process and how to make your claim can be found at <a href="http://www.gov.uk">www.gov.uk</a>. Please note that you can only make a claim to the RPS following the appointment of a Liquidator.</p>   |
| <b>What about money that I'm owed as a result of my redundancy?</b>          | <p>As the Company which employed you is insolvent, it can't pay you for amounts owed to you which might include notice pay, redundancy pay, unpaid wages and pay in lieu of holiday pay accrued but not taken.</p>   |

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The Redundancy Payments Service (“RPS”) will consider claims for statutory payments, more details of which can be found at <https://www.gov.uk/claim-redundancy>.

If the RPS payment means you are owed any amounts under the terms of your Contract of Employment, you will be a creditor for these amounts. What you can be paid for by the RPS depends on your circumstances. The Insolvency Service can pay:

- Statutory Redundancy pay: if you’ve worked for your employer for at least 2 years
- Holiday pay accrued but not taken in the current holiday year
- Unpaid wages, overtime and commission
- Compensation for failure to receive statutory notice : if you’ve worked for your employer for at least 1 month.

You can find more information [here](#) or by searching for “Explaining your redundancy payments” at [www.gov.uk](http://www.gov.uk).

If you’ve been furloughed and your pay has been reduced to 80%, because you will have agreed to a temporary change in your terms’ and conditions of employment you can’t claim the difference between the furlough pay amount and your contractual pay.

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#### **How do I claim?**

You can make your claim by using Redundancy Payments Online. More details can be found by clicking on this link or by searching for the Redundancy Payments Service fact sheet at [www.gov.uk](http://www.gov.uk) . If you need help with the online form, or if you do not have internet access and so need to make your claim over the phone, please contact the **RPS on 0330 331 0020**.

Before you can make your claim you will need to receive a unique reference which will associate your claim to the Company which made you redundant. We will provide this reference in the written confirmation of redundancy.

Details of the information that you’ll need to make your claim can be found at <https://www.gov.uk/claim-redundancy>.

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#### **How much notice will I be paid?**

The RPS will consider claims for compensation for not receiving statutory notice, this may be more or less than the notice period set out in your Contract of Employment. More information can be found [here](#).

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**When will my P45 be sent out?** These will be issued by the Company following their usual processes and will be posted to the address held in the Company records for you. Please note that a duplicate P45 can't be issued if your address details are out of date and so you don't receive this.

You do not need a P45 to start a claim for benefits or to start a new job. More information can be found [here](#).

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**If I have no work, am I able to claim benefits?** Your entitlement to claim will depend on your circumstances. You can find out more information [here](#).

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**What happens if I have a company car or other benefits such as private medical insurance?** As you are no longer employed, any benefits provided by your employer will stop with immediate effect.

If you have access to a Company car, you may drive the vehicle home but after that, the vehicle will no longer be insured to be driven by you or any member of your family. The owner of the vehicle (which may be the Company or a third party) will contact you to arrange collection. If you have not heard anything within 7 working days, please contact HR.

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**Who can I contact if I have any queries?** If the information provided in this Q&A document doesn't answer all of your questions, you should:

Wait to receive your redundancy letter as that may deal with some of your questions. If you have not received a letter within 7 working days of your redundancy please contact [HR].

If you believe that the information contained in the Company records is incorrect you should contact [HR] or in the first instance.

If you have been provided with the code to access the RPS online claims but have been unable to access the system or you have not received your payment please contact the RPS whose details can be found <https://www.gov.uk/government/publications/redundancy-payments-rp1-fact-sheet>].

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**Why can't I remain on furlough rather than being made redundant?** In line with Government guidance and the rules, a company can only continue to apply for furlough funding if they believe there is a reasonable prospect that there will be a role for you to return to. It has unfortunately been identified that there's no longer a requirement for your role and so, you are unable to remain on furlough.

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**Why am I losing my job whilst the government is providing funding / support to the business affected by COVID-19?**

Unfortunately, given the financial circumstances of the company, rapid commercial decisions have had to be taken. The difficult decision was made by the directors to commence an Insolvency process.

The Job Retention Scheme was introduced by the government to provide funding for wages and salaries of employees who cannot work because of Coronavirus. Unfortunately, some roles have been identified as being no longer needed in the business and as those roles are not redundant specifically as a result of the Coronavirus, the scheme does not apply to those employees.

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**Is there anywhere else that I can obtain assistance?**

Contacts:

General queries, employment rights - [www.gov.uk](http://www.gov.uk)

Statutory Maternity Pay or Sick Pay – Statutory Payments Disputes 03000 560 630

Claiming benefits, support or job search – Job Centre Plus 0800 055 6688

PAYE queries – HMRC 0300 200 3200

Tax Credit Helpline – HMRC 0345 300 3900 / 0300 200 3200

Money Advice Service – 0300 500 500 [www.moneyadvice.org.uk](http://www.moneyadvice.org.uk)

Charity offering support for those in Retail -

<https://www.retailtrust.org.uk/helping-your-business/financial-support>

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