



# Redundancy Pay 2025-2026

It is rare for redundancy pay to become payable for carers, but just occasionally it does and so we have put together a brief summary.

## **Redundancy**

The ending of an employee's contract because of the death of their employer is known as "Frustration of Contract".

You'll normally be entitled to statutory redundancy pay if you're an employee and you've been working for your current employer for 2 years or more continuously.

You'll get:

- Half a week's pay for each full year you were under 22
- One week's pay for each full year you were 22 or older, but under 41
- One and half week's pay for each full year you were 41 or older

Length of service is capped at 20 years.

Your weekly pay is capped at £700 and the maximum statutory redundancy pay you can get is £21,000.

## **Tax**

Employees who've been made redundant only pay tax on payments over £30,000. They do not pay any National Insurance.

Tax and National Insurance are deducted from other termination payments, for example payment in lieu of a holiday or notice.

There is a calculator for redundancy pay on gov.uk website

[www.gov.uk/calculate-employee-redundancy-pay](https://www.gov.uk/calculate-employee-redundancy-pay)

## **Notice**

Statutory Notice does not apply to a Frustration of Contract