

Employer Obligations: Coronavirus and dismissing employees with less than two years' service

With things seeming bleaker by the day, businesses are looking at ways to reduce their costs. If you are in this situation, you may be looking for a quick fix.

I need to cut costs now

If you have employees who have been with you for less than two years (including their notice period), terminating their employment is the quickest way to cut your wage bill.

Telling the employees

This isn't an easy conversation to have with anyone, but in times like this, you will need to make sacrifices to keep your business afloat.

Call the employee into a private room and explain to them what's going on. If they understand that the only reason for making these decisions is to keep the business trading, they may understand.

As you are terminating their employment due to the reduction in work, it would technically be classed as a redundancy. This will mean that they may be eligible for benefits. The local job centre will be able to help them, but more information can be found [here](#).

Do they get their normal monthly / weekly pay?

You will only need to pay your employee for any days / hours they have worked. If their employment has been terminated on 17th of the month, and your pay day is the 31st, you do not need to pay them up until the end of the month.

Holidays

If your employee has accrued holidays and not used them then you can pay them for these holidays in their final pay.

If the employee has used more holidays that they have accrued, then make the decision about whether you are going to reclaim the holiday pay back or just let them go without making any deductions.

Notice

As you are dismissing your employee, this means that you need to give the employees their contractual notice to terminate their employment.

You need to give your employees the correct amount of notice and agree a leaving date with them once you've finished the redundancy consultations.

Check the contract of employment. If there is nothing in there, then you should look at the statutory notice period.

Length of service	Notice you must give
1 month to 2 years	At least a week
2 years to 12 years	A week's notice for every year employed
12 or more years	12 weeks

Writing to the employee

You should send a letter to your employee to confirm that their employment has been terminated. In this letter it should confirm their last date of employment with you, when they will receive their last pay, and any other details that you need to cover i.e. return of company equipment.

More information

There will be daily updates on the [NHS 111 online](#) service and the [Government website](#)



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