

Letter of termination of employment (redundancy) Notes

You can use this letter to provide an employee with written notice of termination due to redundancy.

Generally, employers must not terminate an employee's employment unless the employer has given the employee written notice of the day of the termination of the employment (which cannot be earlier than the day the notice is given). When you make an employee redundant, you may also have to pay redundancy entitlements and notify Centrelink.

Visit www.fairwork.gov.au/termination for more information about redundancy and notice periods.

Important: it is unlawful to make a job redundant for discriminatory reasons or reasons that include discriminatory grounds.

Are you a small business owner?

If you operate a small business it is important that you follow the [Small Business Fair Dismissal Code](#) when terminating an employee's employment. Using this template may help you to comply with the code.

Suggested steps for preparing a letter of termination of employment

If at any time you need more information or assistance, call the Fair Work Infoline on 13 13 94 or visit www.fairwork.gov.au.

Step 1: Communicate changes to the employees affected

Regular communication with employees is important during periods when a business is undergoing major workplace change. Most modern awards and enterprise agreements require employers to consult with their employees regarding changes, including changes to production, organisation, structure or technology.

An employer should:

- inform employees about changes within the business that may affect their working arrangements
- provide employees with an opportunity to ask questions, and
- consider all options and alternatives to redundancies, such as redeployment, job sharing and reduced overtime.

For further information on this topic, see the [Best Practice Guide: Consultation & cooperation in the workplace](#).

Step 2: Find out about notice periods and redundancy entitlements

Determine what the minimum notice of termination and redundancy pay entitlements are for affected employees. Notice of termination and redundancy entitlements are contained in the National Employment Standards, however awards and enterprise agreements often include additional

redundancy entitlements for employees. If there is an applicable industrial instrument, contract of employment or workplace policy that provides different redundancy amounts than the National Employment Standards, you need to provide the employee with whichever is more generous.

The employee can work the notice period or the employer can pay the employee in lieu of that notice.

If you decide that you no longer want an employee's job to be done by anyone, except where you have made this decision because of becoming insolvent or bankrupt or due to the ordinary or customary turnover of labour, then the job (not the employee) becomes redundant and you can end the employment relationship.

Redundancy does not occur because of the performance or conduct of the employee.

For more information on redundancy and notice periods, visit www.fairwork.gov.au, or contact the Fair Work Infoline on 13 13 94.

Step 3: Inform Centrelink

If you decide to terminate the employment of 15 or more employees **and** it is for reasons of an economic, technological, structural or similar nature (or if the reasons include any of these things) you must provide Centrelink with written notice of the dismissals.

Step 4: Create your letter of termination of employment

If an employee's position becomes redundant you need to give the employee written notice of the termination of their employment.

The letter of termination should specify:

- the reason for the termination of the employee's employment
- the notice period and whether the employee will be paid in lieu of notice
- the date of the employee's last day of work
- details of the employee's redundancy pay entitlements, and
- any other entitlements to be paid (like annual leave and long service leave).

This template has been colour coded to assist you to complete it accurately. You simply need to replace the red < > writing with what applies to your employee and situation. Some of the sections are optional because they might not apply to your employee and can simply be deleted. Explanatory information is shown in blue italics to assist you and should be deleted once you have finished the letter.

Step 5: Meet with the employee to provide notice of termination

Meet with the employee to give them the letter, explain the reasons the position has been made redundant and provide them with the opportunity to ask questions. Carefully explain the information in the letter and ensure the employee understands.

The written notice can also be delivered or posted to the employee's last known address.

You should keep a copy of the letter for your records.

Important: An employee may choose to submit a complaint or claim against you (e.g. unfair dismissal, discrimination) even if you follow these steps.