

The redundancy handbook

What's New?

24 March 2011

The chapters in the **redundancy handbook** were as up to date as we could make them. But things change all the time. In particular, benefits and tax rates change every April and other changes are announced in the Budget each Spring.

This **What's new?** information sheet describes the main changes which have happened recently and says where the information in this copy of the redundancy handbook is no longer accurate or complete.

Most of the changes are minor – a few pounds more on a benefit or a change of website address.

The redundancy handbook

Who we are

We are the Money Advice Service, here to help you manage your money better. We give clear, unbiased information and money advice to help you make informed choices.

Our information and money advice is available in print, online, over the phone and face to face. It is tailored to help you make choices at key points throughout your life, whatever your circumstances.

moneyadviceservice.org.uk/redundancy

Make the most of your money with our new online **health check** (coming mid-2011). Answer some straightforward questions and get your personal action plan to help you with your money must-do's and longer-term goals.

moneyadviceservice.org.uk

Job worries

Statutory guarantee pay: from February 2011, it is increased to £22.20 a day (was £21.10). This means the maximum for five days is now £111 (was £106).

Redundancy rights

Statutory redundancy pay

From February 2011, the maximum pay on which statutory redundancy pay is based is £400 a week (was £380).

From 2011-12 any pay you receive after you have left your employer will have tax deducted at the highest rate you were paying before you left (was the basic rate) and without any tax-free allowance. If your income is now lower, you may have paid too much tax on this pay. Contact your tax office to claim back the excess.

Tied accommodation

If you rent your home and you are an assured shorthold tenant, the right to two months' notice can be reduced to just two weeks if you have broken the tenancy agreement - for example, by failing to pay the rent.

Next steps

Starting a business

From Autumn 2011, you may qualify for the New Enterprise Allowance (NEA) scheme if you have been claiming Jobseeker's Allowance for 26 weeks or more. NEA can provide mentoring, loans and an allowance for six months to help you get started. (You may be able to claim NEA before Autumn if there is a pilot scheme in your area.) This scheme replaces the £50 a week Self-employment Credit which stopped in March.

Managing money

Cash ISAs (Individual Savings Accounts)

In 2011-12, the maximum you can save in a cash ISA is £5,340 (was £5,100).

Pension contributions

From 2011-12, you may have to pay tax on pension contributions of more than £50,000 in one year.

Jobseeker's Allowance (JSA)

In 2011-12, the rates of contribution-based JSA are increased to £67.50 a week if you are aged 25 or over (was £65.45). If you are younger it is £53.45 (was £51.85).

State entitlements

Contribution-based Jobseeker's Allowance (JSA)

In 2011-12, the rates of contribution-based JSA are increased to £67.50 a week if you are aged 25 or over (was £65.45). If you are younger it is £53.45 (was £51.85).

Income-based Jobseeker's Allowance (JSA)

In 2011-12, the rates of income-based Jobseeker's Allowance are increased to £67.50 a week if you are aged 25 or over (was £65.45). If you are younger it is £53.45 (was £51.85).

Housing Benefit

If you are in private rented accommodation, the amount you get will be linked to the cheapest three-tenths of rents and capped according to the number of bedrooms in your home from April 2011 if you are making a new claim and from January 2012 if you are already claiming.

Support for Mortgage Interest

This scheme has been extended. Until 31 December 2012, you will continue to be able to get this help from the 13th week after you claim and to cover interest on up to £200,000 of your mortgage.

NHS costs

Free prescriptions are available if you're on a low income and receiving certain benefits in Scotland, as well as Wales and Northern Ireland.

Tax credits

From 2011-12, tax credits have been cut back. Now, families will not normally qualify if their household income comes to more than £41,329 a year.

Your home

Support for Mortgage Interest

This scheme has been extended. Until 31 December 2012, you will continue to be able to get this help from the 13th week after you claim and to cover interest on up to £200,000 of your mortgage.

Money worries

Illegal lenders (loan sharks)

For help and information if you have been targeted by a loan shark see www.direct.gov.uk/stoploansharks.

Debt Collection Guidance

To report lenders who breach the Guidance, contact Consumer Direct (or Consumerline if you live in Northern Ireland) - see Useful Contacts below.

Early retirement

State Pension age (SPA)

SPA for men and women is increasing and will reach 66 by 2020. There will be further increases after that linked to changes in the average length of time people are living.

Useful contacts

Updated contact details

- Association of Chartered Certified Accountants.
0141 582 2000
- Chartered Accountants Ireland.
www.charteredaccountants.ie
- Apprenticeship schemes (Wales)
www.wales.gov.uk/apprenticeships
- Age UK. There are separate websites for each nation in the UK:
www.ageuk.org.uk (England)
www.agecymru.org.uk (Wales)
www.agescotland.org.uk (Scotland)
www.ageni.org (Northern Ireland)
- Army Families Federation
01264 382324
- Association of British Credit Unions
www.abcuk.coop
- British Franchise Association
01234 820 470

- Flexible Support for Business (Wales) now Business Wales
www.business.wales.gov.uk
- Illegal Lending Teams
www.direct.gov.uk/stoploansharks
- Jobcentre Plus
0800 055 6688
- Payplan
0800 716 239

New contacts

For credit unions in Northern Ireland

- Irish League of Credit Unions
+353 1 614 6700
www.creditunion.ie
- Ulster Federation of Credit Unions
028 9030 1204 or 028 9030 9994
www.ufcu.co.uk

To report firms who don't follow the OFT's Debt Collection Guidance

- Consumer Direct
0845 04 05 06
0845 04 05 05 (in Welsh)
www.direct.gov.uk/consumer
- Consumerline (Northern Ireland)
0300 123 62 62
www.consumerline.org