Redundancy pay & entitlements

When an employee's job is made redundant their employer has to give them redundancy pay, also known as severance pay.


Redundancy pay doesn't need to be paid in some circumstances eg. by some small businesses and to casual employees. To find out when redundancy doesn't need to be paid, go to Who doesn't get redundancy pay (www.fairwork.gov.au/Ending-employment/Redundancy/who-doesnt-get-redundancy-pay).

**Redundancy pay**

The amount of redundancy pay the employee gets is based on their continuous service with their employer. Continuous service is the length of time they are employed by the business and doesn't include unpaid leave. Read about whether casual service counts for redundancy pay (https://www.fairwork.gov.au/library/k600005_does-casual-service-count-for-redundancy-pay-notice-) in our Library.


Find information about specific redundancy entitlements in your award by selecting from the list below.

Employees who were made redundant before 31 December 2014 may have been entitled to more generous redundancy pay under an old award. If you think this may apply to you or for more information, Contact us (www.fairwork.gov.au/contact-us/default).

**Reducing redundancy pay**

An employer can apply to the Fair Work Commission to have the amount of redundancy they have to pay reduced if:

- the employer finds other acceptable employment for the employee, or
- the employer can't afford the full redundancy amount.


**Think a mistake might have been made?**

**For employees:**

If you've lost your job, contact the Fair Work Commission (the Commission) first if you think you were sacked because of:

- a reason that is harsh, unjust or unreasonable
- another protected right.

You have 21 days starting from the day after you were dismissed to lodge an application with the Fair Work Commission. Check the information at the Commission website to find out if you can apply for:


If you think you haven't been paid everything you're owed:

- read about Notice and final pay (www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default) to find out what you should get
- see our Help resolving workplace issues (www.fairwork.gov.au/How-we-will-help/How-we-help-you/Help-resolving-workplace-issues/default) section for practical advice on:
  - talking to your employer about fixing your notice and final pay if it's wrong
• getting help from us if you can’t resolve it.

For employers:

• check that the right Notice and final pay (www.fairwork.gov.au/Ending-employment/notice-and-final-pay/default) has been given
• read our Help resolving workplace issues (www.fairwork.gov.au/How-we-will-help/How-we-help-you/Help-resolving-workplace-issues/default) section for practical advice on:
  • talking to fix any problems
  • getting help from us if you still can’t resolve it.

What to do next

• Use our Notice and Redundancy Calculator (http://calculate.fairwork.gov.au/EndingEmployment) to calculate redundancy entitlements
• Check Dismissal - how much notice? (www.fairwork.gov.au/Ending-employment/notice-and-final-pay/dismissal-how-much-notice) for any longer minimum notice periods that apply
• Visit the ATO (https://www.ato.gov.au/) to learn about redundancy tax obligations
• Contact us (www.fairwork.gov.au/contact-us/default) if you need help working out redundancy pay entitlements that applied before 31 December 2014
• See what support is available in the Department of Jobs and Small Business Redundancy Information Statement (https://what-snext.employment.gov.au/support-retrenched-workers) for information about waiting periods that may apply before receiving income support payments

Help for small business


You might also be interested in

• Redundancy (www.fairwork.gov.au/ending-employment/redundancy/default)
• Unfair dismissal (www.fairwork.gov.au/ending-employment/unfair-dismissal)

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Contact us

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