



COPING WITH REDUNDANCY

With parts of the economy now starting to show signs of weakness in the face of the global financial crisis, Adrian looks at ways to cope if you are made redundant.

One consequence of a slowing economy is that more people are likely to experience redundancy. Redundancy is a stressful event, but if it happens to you, there are ways in which its impact can be reduced.

Your legal rights

There are strict guidelines that employers must follow when dismissing an employee due to redundancy. If you feel that you have been unlawfully terminated or dismissed, for example discrimination based on sex, race, sexual preference, the Australian Industrial Relations Commission can provide an overview of your rights. If you intend to make a claim about your termination, it must be lodged within 21 days of receiving notice.

Get the tax right

Redundancy payments provide many people with a welcome lump sum and bona fide payments receive special tax treatment. The tax-free limit is currently \$7,350 plus a further \$3,676 for each completed year of service. Anything in excess of the tax-free amount is treated as an "employment termination payment". The first \$145,000 of an employment termination payment is taxed at 16.5% if you are over 55, or 31.5% if under 55. Any payment in excess is taxed at 46.5%.

Spend wisely

As a redundancy payment may be the last pay cheque you receive for some time, it's important to make sure it's put to good use. This is where budgeting comes to the fore. When money is tight, it's time to reassess the difference between needs and wants. Budgeting can be a chore, so why not approach it as a game? Get the family involved, and you'll be surprised where you can find savings. Don't treat your situation as all doom and gloom. Decide now how the family will celebrate when things get back to normal.

Manage debt

Managing debt is a vital part of the budgeting process. Talking to your lenders from the start will give them the greatest opportunity to help you. Good financial advice is crucial at this time, so make a point of getting in touch with your adviser as soon as possible.

Re-train yourself

Many companies provide employees with outplacement assistance to help them find a new job. Make the most of any offers. This is a chance to review your career path, to try a new direction, or maybe to start your own business. Redundancy is the trigger for many people to undertake training in areas quite different to their previous occupation.

Get support

Redundancy results from events beyond individual control, but it's still easy to feel a sense of personal rejection. In addition to support from your families, it's important for anyone going through redundancy to seek any help you may need in dealing with the emotional upheaval that can occur at this time.

Stressful as redundancy is, it can be a great opportunity. Many people emerge from the redundancy experience with fresh motivation, happily embracing a new career.

WHERE TO GET MORE HELP

- **My Future** www.myfuture.edu.au – practical information on careers and tools to help formulate an action plan to secure your new career
- **Centrelink** www.centrelink.gov.au - **Ph 13 10 21** – they have a free career information centre with information on training & education
- **Job Guide** www.jobguide.dest.gov.au – a detailed look at a range of occupations and their education and training pathways
- **Workplace Authority** www.workplaceauthority.gov.au – information on specific entitlements under various awards and workplace agreements
- **Australian Industrial Relations Commission** www.airc.gov.au – **Ph: 1300 799 675** - overview of your rights and the steps involved if you feel you have been treated unfairly
- **Australian Workplace** www.workplace.com.au – information on various workplace issues

- **Relationships Australia** www.relationships.com.au – Ph: 1300 364 277 – support if employment issues are affecting your relationship
- **Family Relationship Services Australia** www.frsa.org.au – Ph: (02) 6281 1788 – Federal Government funded organisation that provides family support

Lifeline Australia www.lifeline.org.au – Ph: 13 11 14 – useful information and counselling services about dealing with trauma or providing care in times of crisis