Procedure: Redundancy and severance

Purpose

To outline the procedure for managing redundancy processes and severance payments for staff in accordance with the Redundancy and Severance provisions within the ANU Enterprise Agreement.

Procedure

1. A delegate must exercise their delegation in accordance with the conditions and approval arrangements specified in this procedure.

2. Approval of arrangement beyond those provided for through this procedure requires approval of the Director – Human Resources or the Vice-Chancellor.

Redundancy

3. This procedure applies to staff on continuing employment.

4. This procedure does not apply to:
   - fixed term employment (refer to Eligibility for severance payments below);
   - continuing (contingent funded) employment (refer to Eligibility for severance payments below);
   - tenure track appointments (refer to Eligibility for severance payments below);
   - casual employment;
   - staff members employed on Senior Management Contracts;
   - employment schemes listed in clause 14.8 of the ANU Enterprise Agreement; or
   - terminations due to disciplinary action.

5. By agreement, the University and the staff member, and where the staff member chooses their union or staff representative, may vary the redundancy provisions provided in this clause.
Grounds for redundancy

6. The University may determine that a position undertaken by a staff member is no longer required for reasons of an economic, structural or similar nature, including
   a. financial imperative and/or staffing constraints;
   b. a decision to vary the academic content in any academic program or course, including to reduce, cease offering or combining courses or subjects conducted on one or more campuses;
   c. reduced demand, student load or other workload factors; or
   d. changes in technology or work methods.

Initial procedures

7. A staff member whose position is identified as surplus will be advised in writing of this situation, including the reasons that this is to occur and the likely timeline. The staff member will also be advised that they can seek assistance from a union or staff representative and will be provided with a copy of this clause and the relevant policies and procedures.

8. This advice will signal the commencement of a 12 week period in which the staff member may be redeployed, or the staff member may seek approval for an early termination in accordance with clause 20 below.

Redeployment

9. The University will seek to redeploy a staff member whose position is declared surplus into a suitable alternative position within 12 weeks of the staff member’s position being declared surplus.

10. The procedure for redeployment is provided for under the ANU Procedure: Redeployment.

Notification of redundancy

11. Following the 12 week redeployment period, where the staff member cannot be redeployed, the University will notify the affected staff member in writing that their position is to be declared redundant and their employment may be terminated; a fair and objective reason for the redundancy; and the timeline for this action.

12. This notification advice will also provide the staff member with at least six weeks’ formal notice that their employment is to be terminated due to redundancy from a specified date. At the discretion of the University payment in lieu of notice may be provided.
13. A staff member may apply to the Director – Human Resources to have the notice period and/or redeployment period extended if the staff member has taken personal/sick leave on account of illness during any of these periods. The Director – Human Resources will not unreasonably reject such applications. Where accepted, the notice will be extended by the period of leave covered by a medical certificate (up to a maximum of six weeks).

14. A staff member who disagrees with the reasons given for their position being declared redundant may seek a Review of Decision in accordance with the relevant provision of the ANU Enterprise Agreement.

Redundancy payment

15. The following termination payments will apply to staff whose positions are made redundant:

- **For academic staff:** a redundancy payment of three weeks’ salary for each year of service with a minimum payment of five weeks’ pay and maximum of 68 weeks’ pay; and

- in recognition of the longer lead time for academic recruitment and engagement, an Academic Employment Transition Payment of up to 16 weeks’ salary for academic staff, provided that the total of the redundancy payment for academic staff does not exceed 78 week (excluding accrued annual and long service leave).

- **For professional staff:** a redundancy payment of three weeks’ salary for each year of service with a minimum payment of five weeks’ pay and maximum of 64 weeks’ pay.

- **All staff:** payment of accrued annual leave and long service leave.

16. All payments specified in clauses 16 (above) and 20 (below) will be calculated on the staff member’s salary at the date of cessation of employment. A staff member who has converted from full time to part time employment will receive payment based on the full time salary for their service up to the conversion to part time employment, and payment from then on will be based on their part time salary for the remaining period.

17. For the purposes of clause 16 (above) and 20 (below), ‘salary’ means the amount paid to a staff member, including any salary supplementation, market loading, clinical loading or responsibility allowance paid at the time that the staff member is given formal notice of redundancy.

18. A staff member may seek review of any decision concerning the level and nature of redundancy payments, salary maintenance and other entitlements arising from
redundancy through the grievance resolution provisions in the ANU Enterprise Agreement.

**Early termination payment**

19. A staff member may seek to waive the redeployment period and/or notice period for an early termination payment comprising:

- the unused balance of the 12 week redeployment period in accordance with clause 10 (above);
- the unused balance of the notice period in accordance with clause 13;
- the termination payments calculated under clause 16; and
- in recognition of the longer lead time for academic recruitment and engagement, an Academic Employment Transition Payment of up to 16 weeks’ salary for academic staff;

provided that the total termination payment does not exceed 78 week (excluding accrued annual and long service leave).

**Eligibility for severance payments**

20. Subject to clause 23 below, a fixed term staff member (including a staff member employed on a tenure track appointment) is entitled to severance pay if:

a. the staff member is on a second or subsequent fixed term appointment and the same or substantially similar duties are no longer required by the University; or

b. the work continues to be required but another person has been or will be appointed to the same or substantially similar duties.

21. Subject to clause 23 below, a continuing (contingent funded) staff member is entitled to severance if:

a. the staff member is on their second or subsequent appointment, and the same or similar duties are no longer required by the University; or

b. the staff member was initially or directly appointed to a continuing (contingent funded) position and their employment ceases in accordance with clause 13.5, and they have continuous service with the University of at least four years.

22. Severance pay will not apply where the staff member has:

a. been employed under a senior management contract or an employment scheme;

b. resigned or declined the offer of further employment;
c. been employed on a single fixed term contract;
d. has obtained further employment within the University without the loss of accrued entitlements; or
e. the University has assisted the staff member in securing the same or similar employment with another employer, with a transfer of all accrued entitlements.

**Severance payments**

23. All fixed term and continuing (contingent funded) staff members with an employment contract entered into prior to the commencement of the ANU Enterprise Agreement 2017 – 2021, will be entitled to the severance payments set out in The Australian National University Enterprise Agreement 2013 – 2016 subject to eligibility for severance payments within that Agreement.

24. All fixed term and continuing (contingent funded) staff members with an employment contract entered into after the commencement of the ANU Enterprise Agreement 2017 – 2021 will be entitled to severance payments set out in clause 26 (below) subject to severance eligibility outlined in clauses 21-23 above.

25. Severance pay will be paid in accordance with the following table:

<table>
<thead>
<tr>
<th>Period of continuous service</th>
<th>Severance pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>Nil</td>
</tr>
<tr>
<td>1 year and less than 2 years</td>
<td>4 weeks' pay</td>
</tr>
<tr>
<td>2 years and less than 3 years</td>
<td>6 weeks' pay</td>
</tr>
<tr>
<td>3 years and less than 5 years</td>
<td>7 weeks' pay</td>
</tr>
<tr>
<td>5 years and less than 8 years</td>
<td>8 weeks' pay</td>
</tr>
<tr>
<td>8 years and less than 10 years</td>
<td>10 weeks' pay</td>
</tr>
<tr>
<td>10 years and less than 12 years</td>
<td>12 weeks' pay</td>
</tr>
<tr>
<td>11 years and above</td>
<td>13 weeks’ pay</td>
</tr>
</tbody>
</table>

26. For the purposes of this clause, 'week’s pay' means the ordinary time rate of pay for the staff member concerned.

**Notice periods**

27. The relevant notice periods for fixed term and continuing (contingent funded) appointments are provided in the [ANU Policy: Termination of Appointment](#).

**Delay of payment**

28. Payment of severance may be delayed for up to nine weeks to facilitate continuation of service, but will be paid on termination if it is agreed the staff member is not likely to be offered further employment by the University.

29. By agreement, payment of outstanding leave may also be delayed for nine weeks to facilitate continuation of service. Leave balances will be reduced accordingly when payment is made.