



The Four-Week Rule and Redundancy Payments NEU guidance for members in England & Wales

This guidance document supplements the NEU factsheet, Redundancy Pay and Entitlements. It provides members with an explanation of the circumstances in which the four-week rule will apply. Attached to this guidance is a four-week rule flowchart.

What is the four-week rule?

The four-week rule is a provision in the Employment Rights Act 1996 which sets out the circumstances in which the renewal of a contract or re-engagement following redundancy may invalidate entitlement to a redundancy payment.

In what circumstances will the four-week rule be triggered?

The four-week rule will be triggered and, therefore, entitlement to a redundancy payment may be lost, where:

- the same employer or another employer listed in the Redundancy Payment (Local Government) (Modification) Order 1999 (as amended) offers a redundant employee a 'suitable' job before their existing employment terminates, and
- the employee accepts the new job which starts within four weeks of the termination of their existing job.

When will employment be treated as terminated?

In the case of a permanent contract, termination may take effect from the date stated in the notice of termination. In the case of a temporary contract, termination may take effect either from the date stated in a notice of termination or the pre-determined date of expiry of a fixed-term contract.

For the purposes of applying the four-week rule, the fact that inadequate notice has been given is ignored. The four weeks will start to run from the date on which employment under the contract ends and not from the date on which termination/dismissal would have taken effect if adequate notice had been given.

Are there special rules applying to school/college staff which alters the effect of the four-week rule?

Yes, there are special rules that apply to school and college staff. These rules are set out in the Redundancy Payments Modification Order. The effect of the order is to deem subsequent employment with a body named in it as continuing employment. Therefore, where an employee receives an offer of new employment from a Modification Order body there is no dismissal and no entitlement to redundancy pay unless:

- the offer of new employment with the Modification Order body is made after the old employment is terminated, or
- the new employment is due to start more than four weeks after the old employment is terminated.

Example

Q. A teacher is dismissed on grounds of redundancy. Immediately after termination of her/his contract, s/he receives an offer of appointment from a Modification Order body. Can the teacher accept the offer without losing her/his entitlement to redundancy pay?

A. Yes, s/he can because the offer of appointment was made after the termination of her contract.

Which bodies are covered by the Modification Order?

The order covers a wide range of public bodies as diverse as sports councils and museums. Links to a consolidated list of Modification Order bodies and to the relevant statutory instruments are available [here](#).

What can I do where the four-week rule has been triggered?

If you have received an offer of suitable alternative employment before your old job terminates, and the new job is due to start within four weeks of the old one ending, you may negotiate either a new start date which begins more than four weeks after the termination of your old job or an earlier termination date. From a practical point of view it would be sensible, where possible, to seek to negotiate an early termination date which coincides with a period of school closure (eg 1 August or 24 December). Furthermore, you are entitled to a four-week trial period (not to be confused with the four-week rule) to assess the suitability of a new job, where it differs wholly or partly from your previous employment, without losing your entitlement to redundancy pay.

What if I agree to a trial period, but decide the new job is not for me?

If you believe your new job to be 'unsuitable' you may give your employer notice to terminate your contract during the trial period. If your employer agrees that the new job is unsuitable, you will be treated as having been dismissed on the date on which your employment under the previous contract ended. The reason for dismissal is then treated as the reason for which you were originally dismissed (ie redundancy) and your right to a redundancy payment will be preserved. Entitlement to redundancy pay will be lost only if the new job is suitable and you act unreasonably in refusing it. From a practical point of view it may be sensible if you wish to undergo a trial period to inform your employer in writing about any doubts you have as to the suitability of the new job. This may avoid any conflict later on as to the reasonableness or otherwise of your refusal to continue in employment under the new contract.

What amounts to 'reasonable' grounds for refusing suitable alternative employment?

It will depend on the particular facts in each case, but matters which the courts have said may give rise to a reasonable refusal include a perceived loss of status; a longer travelling time to work; different skill requirements; and apparently reasonable hours which prevent you from meeting childcare obligations.

What if I want the new job on offer, but am unsure about its suitability?

As indicated above, you are entitled to a four-week trial period to assess the job's suitability, but only if the terms and conditions of your new contract of employment differ from the previous contract.

The trial period will normally end four weeks after employment under the new contract begins, unless a longer trial has been agreed. In this context, four weeks means four consecutive calendar weeks.

Can I extend my trial period?

An agreement to extend the trial period can be negotiated, but it must:

- be made between you and your employer before you start work under the new contract
- be in writing
- specify the date on which the trial period ends, and
- specify the terms and conditions of employment which will apply to you after the end of the trial period.

What should I do next?

If further advice is needed, contact your NEU workplace rep in the first instance. If there is no NEU rep in your workplace, or the peripatetic nature of your employment makes contact with a workplace rep difficult, contact the NEU Adviceline in England on 0345 811 8111 or NEU Cymru in Wales on 029 2046 5000.

Further contact details may be found at: neu.org.uk/contact-us

Further information

NEU guidance on the union website at: neu.org.uk

Redundancy pay and entitlements

Redundancy

NEU – Public sector exit payment (cap)

NEU – Public sector exit payment (clawback)

Redundancy: Your rights – [available at: gov.uk/redundant-your-rights](https://www.gov.uk/redundant-your-rights)

Advisory, Conciliation and Arbitration Service (ACAS)

www.acas.org.uk

Citizens Advice

Guidance on redundancy [at: citizensadvice.org.uk](https://www.citizensadvice.org.uk)

Appendix A: The Four-Week Rule Flow Chart



