

5. Voluntary redundancy

Every excess employee must be provided with an offer of voluntary redundancy when they are declared excess.

5.1 Approval

Agency heads are responsible for approving the offer of voluntary redundancy to each excess employee. There is no requirement to gain ministerial approval. However, ministerial approval is still required for formal voluntary redundancy schemes associated with organisational change management. Refer to DPC [Agency Change Management Guidelines \(D2011 014\)](#) for more information.

5.2 Voluntary redundancy payments

A voluntary redundancy is a voluntary termination payment to a permanent employee. Where employees accept voluntary redundancy, they are entitled to the following payments:

- four weeks notice or payment in lieu, plus
- for employees aged 45 years and over with five or more years of completed service, an additional one weeks notice or payment in lieu, plus
- a severance payment at the rate of three weeks per year of continuous service with a maximum of 39 weeks, with pro-rata payments for incomplete years of service to be on a quarterly basis
- the benefit allowable as a contributor to a retirement fund, plus
- pro rata annual leave loading for leave accumulated at the date of termination, plus
- the following incentive payments based on years of service:

Length of service	Additional payment
Less than one year	Two weeks pay
One year and less than two years	Four weeks pay
Two years and less than three years	Six weeks pay
Three or more years	Eight weeks pay

All continuous service in NSW public sector agencies in accordance with Schedule 3A of the *Public Sector Employment and Management Act 2002* is recognised for voluntary redundancy purposes provided no previous redundancy payment has been made for this service.

For more information on voluntary redundancy, please refer to the supporting documents [Voluntary Redundancy: Superannuation Implications \(D2011 013\)](#) and [Treasury Circular 12/01 - Funding for Redundancy Payments](#).

7.1 Payments when exiting during the retention period and at forced redundancy

Upon exiting the service after refusing the offer of voluntary redundancy and at any time during the retention period, or upon being made forcibly redundant, an excess employee is entitled to the statutory minimum payment as per the NSW Employment Protection Regulation 2001, plus an additional payment of four weeks salary if under the age of 45 or five weeks salary if aged 45 or over.

The exit or forced redundancy payment is to be calculated using the following methodology:

Length of continuous service	Redundancy pay	
	Under 45	45 or Over
Less than 1 year	Nil	Nil
1 year and more but less than 2 years	4 weeks	5 weeks
2 years and more but less than 3 years	7 weeks	8.75 weeks
3 years and more but less than 4 years	10 weeks	12.5 weeks
4 years and more but less than 5 years	12 weeks	15 weeks
5 years and more but less than 6 years	14 weeks	17.5 weeks
6 years or more	16 weeks	20 weeks
<i>plus</i>		
Additional payment	4 weeks	5 weeks

7.2 Re-employment or re-engagement in the NSW Public Service

Excess employees who exit the service during the retention period or who are made forcibly redundant are subject to the restrictions on re-employment or re-engagement in the NSW public sector described in section 5.3 of this policy.