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Redundancy can be a major and significant turning point in your life.

For some it will mean early retirement and doing the things they've always dreamt about. For others redundancy is a launching pad to an exciting new career or business opportunity. But for some, losing a job can be a time of great uncertainty and stress.

The Australian Bureau of Statistics report that over 1.1 million people change jobs every year. On average about 190,000 are made redundant.* In today's workplace most people can expect to have a number of careers over a working lifetime.

It can be hard to stay positive and maintain your self-esteem when you lose your job but it's important to remember it's the job that was made redundant, not you personally.

Your rights

There are strict guidelines that employers must follow when dismissing an employee due to redundancy. These guidelines can vary from State to State and you should always seek legal or financial advice from organisations such as those listed in the Getting help section of this LifeGuide. The first thing to understand is what is the definition of redundancy.

A bona fide redundancy occurs when:

- the job of an employee ceases to exist
- the decision is not due to the ordinary and customary turnover of labour
- the decision led to the termination of the employee's employment, and the termination is not on account of any personal act or default of the employee, or caused by any consideration peculiar to the employee, or for personal or disciplinary reasons.

A bona fide redundancy does not occur when:

- the employee reaches normal retirement age
- the employee was not dismissed but left voluntarily
- another employee of similar age or skills replaced the employee soon after
- the employee was dismissed for disciplinary reasons
- the employee was dismissed for inefficiency.

Voluntary redundancy

An employer faced with the need to cut positions may offer workers the chance to apply for voluntary redundancy. This doesn't necessarily mean your application will be accepted. It's possible more people will apply than the number of positions being made redundant.

You may also be offered another position within the organisation. If this position is unacceptable or at a lower rate of pay, you may choose to take the redundancy package. If there's a dispute over your redundancy package, then you should seek advice.

Fair Work Australia www.fwa.gov.au (1300 799 675), can provide an overview of your rights. If you intend to make a claim about your termination it must be lodged within 14 days of you receiving your redundancy notice. It's possible to seek an extension but Fair Work Australia has the right to refuse. Fair Work Australia can also provide information on unlawful termination and unfair dismissal.

Unlawful termination is when the employer has broken the law by dismissing a person for one of the reasons prescribed under the Federal Workplace Relations Act. One example is discrimination. An employer must not terminate your employment on the grounds of sex, race, colour, sexual preference, pregnancy, age, political opinion, physical or mental disability, religion, marital status, family responsibility, national extraction or social origin.

Unfair dismissal is when the employee believes the reasons behind the dismissal were harsh, unjust or unreasonable. Some workplaces and employees are excluded from the unfair dismissal legislation. Fair Work Australia can provide information regarding your situation.

There are alternatives to taking your dispute to Fair Work Australia and in some cases there's also financial support available. You should check the Fair Work Australia website, www.fwa.gov.au for details.

For example, under the Unlawful Termination Assistance Scheme, eligible applicants may receive up to \$4,000 worth (inclusive of GST) of independent legal advice on the merits of their claim.

In an ever-changing work environment, enhancing your skills in the right areas can only help your future security and employability.

General Employee Entitlements and Redundancy Scheme (GEERS)

If you've lost your job because your company has gone bankrupt and are still owed some of your entitlements, you may be eligible for compensation from the Federal Government. For more information go to www.deewr.gov.au/geers or call the GEERS hotline on 1300 135 040, or email GEERS@deewr.gov.au

(*ABS Retrenchment and Redundancy 6266.0)

Your payout

If you've been subject to a bona fide redundancy, a portion of your payout may be tax free. A portion of the remainder of your payout may also qualify for special tax concessions. Each person's situation will be different and the following is meant as a guide only.

The tax-free limit

The tax-free limit for redundancy payments changes on 1 July each year. In the year ending 30 June 2012, the maximum tax-free amount is \$9,246 plus \$4,624 for each year of service you've completed with that employer.

Eligible Termination Payment

Any redundancy payments made that exceed the tax-free limit are treated as an Eligible Termination Payment (ETP). These payments may attract tax concessions. The tax treatment of redundancy payments is a complex area and difficult to summarise briefly and simply. Tax treatment is influenced by issues such as:

- the size of the payment
- the number of years you have been in your job
- your age
- whether or not you rollover the payment.

It's also important to note that your final payout is likely to consist of a number of elements, some of which won't be included in your ETP and therefore will be taxed at your normal rate. You should seek advice from an appropriately qualified accountant or tax adviser, particularly as the Federal Government has changed the tax treatment of ETPs made after 1 July 2012.

As a general description, the ATO lists the following as eligible termination payments when paid as a result of redundancy:

- unused rostered days off
- payment in lieu of notice
- unused sick leave
- a gratuity or 'golden handshake'
- compensation for loss of job
- compensation for wrongful dismissal
- bona fide redundancy or early retirement scheme payments over the tax-free amount.

Payments that are not eligible may include:

- unused annual leave
- unused long service leave
- salary for work done
- compensation for personal injury
- payment for restraint of trade
- an advance or loan
- bona fide redundancy or approved early retirement payments within the tax-free limit.

We'll discuss getting financial and tax advice a little later in this LifeGuide. One important thing to remember is your superannuation. When changing jobs you have a number of choices regarding your super.

For more information you should head to the Australian Tax Office's website www.ato.gov.au/super or you may like to read Super Decisions, a helpful booklet prepared by the Australian Securities and Investment Commission which can be downloaded at its consumer website www.moneysmart.gov.au

Insurance

Remember to investigate any current insurance policies you hold that may have a redundancy benefit. A lot of people forget that they have policies that can be claimed on to help them in times of need. It's also important to investigate any continuation options and any insurance benefits offered by your current employer and seek advice on whether it's beneficial to exercise these.

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redundant, not you personally.



What's next?

If you've just been made redundant or are about to be, your choices include finding another job, going into business for yourself or, in some cases, full or semi-retirement.

Searching for a new job

It could be many years since you last searched for a job. Being back in the job market can be daunting, but there's a great deal of help available.

The Federal Government Department of Education Employment and Workplace Relations has a career site called Job Services Australia www.deewr.gov.au/Employment which contains extensive self assessment and career planning development tools for people of all ages. The site can help you to identify your aspirations, interests, skills, knowledge, values, preferred life balance and work conditions and then apply those findings to career paths.

To get more information on the likely growth of various industries and the prospects of specific jobs, go to www.jobsearch.gov.au and click through to job outlook. This section of the site contains information on specific careers, including conditions and average pay rates along with prospects for the future.

If you want to get straight back into the workforce it might be a good time to re-assess your overall skills. You may need to develop a new resume and brush up on interview techniques and salary negotiation strategies.

Where are the jobs?

Most jobs are advertised on the internet these days. There are several sites which cover all job categories, industries and locations. The sites also have job hunting tips and resume templates. You can also check newspapers and industry publications for positions vacant. Some jobs may not be advertised at all so you should be proactive and call firms in your related field.

The internet

Available positions are posted faster on the internet than by advertising in newspapers and industry publications. There are a number of sites specialising in careers. You can search for jobs, find helpful tips for job hunting and put up your resume, which acts as an online advertisement. The Federal Government's site is www.jobsearch.gov.au. Private sites include:

www.careerone.com.au
www.mycareer.com.au
www.nowhiring.com.au
www.seek.com.au
www.jobserve.com.au

Networking

This is perhaps the most underestimated tool of all. Often positions are never advertised and are filled either by word-of-mouth or because the right contact was made at the right time. Networking isn't just about asking contacts if they know of any job vacancies – it's also about finding out information. Ask your friends, family and work associates if they know anyone in industries that interest you.

There are also social networking sites that can help you track down jobs. Twitter and Facebook can be used to let people know what you are looking for and where you are located. LinkedIn www.linkedin.com is the world's largest professional network and caters for Australian businesses. There are many other similar sites but most have limited Australian exposure.

Job Services Australia

Is the network of Federal Government employment agencies who offer free services to Australians looking for work. Call the Job Search line on 13 62 68.

Recruitment agencies

Many jobs are only placed with recruitment agencies so consider registering with some. In most cases you don't pay the agency, they're paid by prospective employers to find the right candidates for a position. As recruitment agencies often specialise in specific industries, you'll need to find agencies that place people in your industry of interest.

Consider further education and training

Your research may reveal the need to enhance your skills through further education and training. Depending on your financial circumstances, you may decide to do a full-time course or study part-time while still earning an income.



Don't be afraid to ring people and tell them you got their name through a friend. People are usually so much more obliging if you're associated with someone they know.

Going into business for yourself

It's not uncommon for people to use their redundancy payment as a start for their own business. Many people want to work for themselves. Although there are thousands of Australian examples that show it can be done, business success doesn't come easily. Whether you're starting your own business or buying an existing business, there are a few hard questions you need to ask.

- Am I going into business for the right reasons?
- Am I confusing a business with a job, a hobby, or a status symbol?
- Do I have sufficient evidence that the business can work?
- Are business responsibilities likely to conflict with my lifestyle or family priorities?
- Do I have the skills and confidence to successfully start and run a business?
- Do I have the necessary energy and determination to start a business from scratch?
- Am I willing to take on a higher degree of risk working for myself in pursuit of my business goals?

Many business failures are associated with management and research inadequacies. If you do your research and get the right advice, your chances of survival are significantly higher.

Retirement

If you're retiring, congratulations! Before you buy that boat or take that world trip there are some things to consider. The first is don't panic and rush into anything. You don't want to make any hasty decisions that could negatively impact your retirement lifestyle.

The second is get sound financial advice. The issues surrounding retirement and superannuation are complex and you want to be sure you make your last pay packet work as hard and as tax effectively as it can.

Getting financial advice

It's safe to say one of the best investments you can make when you're made redundant is in the right advice. Ensure that you're receiving every possible tax benefit. Then there's the question of how to invest and protect your money.

Some specialists, such as tax agents and auditors are regulated by government, but the accountancy industry in Australia is self-regulating, so services, skills and fee structures can vary greatly.

Accountants

If you don't already have an accountant, you may need to find one. So how do you find a professional accountant? You can start your search with one of the three main industry bodies.

- **Institute of Chartered Accountants of Australia (ICAA)**
www.charteredaccountants.com.au or call 1300 137 322.
- **Certified Practising Accountant Australia (CPA)**
www.cpaaustralia.com.au or call 1300 737 373.
- **Institute of Public Accountants**
www.publicaccountants.org.au or call 03 8665 3100.

Consider the following questions before you choose an accountant.

- Is the accountant registered with one of the professional bodies?
- How will you be charged? Most accountants charge by the hour and fees can vary.
- What experience does the accountant have in handling your specific needs?
- Who will actually do the work? You may meet with a senior partner but your work could be handled by a junior.
- Will you be provided with a letter of engagement that outlines the services you can expect, along with the likely fees and procedure for altering those fees if necessary?

When you've decided on your accountant, it's a good idea to get important advice in writing so there's no chance of a misunderstanding that could cost you money.

Financial planners

When you get your redundancy payment it may be a good time to talk to a financial planner. You'll want to calculate how much you'll need to live on till you get another job and once you start working again you should have a strategy in place for any money left from your payout.

You shouldn't confuse your accountant with a financial planner. A person offering you financial advice must hold a licence from the Australian Securities Investment Commission (ASIC) or be authorised to represent a business that does hold a licence. You can check the bona fides of an adviser on the ASIC website, www.moneysmart.gov.au

The ideal financial planner will take a holistic view of your current circumstances, lifestyle and future goals. The right planner will work with you to develop a plan that is tailored to your specific needs.

This is likely to include:

- altering your financial plan to take into consideration the changes to your circumstances
- assisting with the longevity of your redundancy payment
- advice on the appropriate options when receiving your payment (eg some in super and other in cash)
- protecting yourself and your family.

How do you know you're dealing with a professional planner?

Different financial planners will have different approaches. But there are a number of basic steps that they should be following. These are some of the important things a planner should do for you.

1. Provide a Financial Services Guide (FSG). This is required by law and will cover issues such as: the contact details of the licensed entity, the range of products and services they are licensed to provide; the remuneration (commission) arrangements of the entity and its advisers, the entity's business interests and associations with other financial institutions, how you can provide instructions to the entity and how you can access their dispute resolution scheme.
2. Conduct a fact-finding exercise to analyse your current financial circumstances, your future goals and your risk profile.
3. Provide a written Statement of Advice (SOA).
4. Provide a Product Disclosure Statement (PDS) in respect of any financial products they recommend.
5. Disclose any other incentive offered which may influence their recommendations in the Statement of Advice (SOA).

6. Ask for written authorisation to proceed with the plan.
7. Clearly explain and document how the plan will be reviewed, how often these reviews will take place and the fees to be charged.
8. Provide all further advice in writing.

For more information on financial planners, including what they do, how they can help you and how to make an informed decision when choosing a planner, ask for a copy of our LifeGuide *Understanding Financial Planning*.

Difficulty managing your debts?

Unexpected things can happen in life and you might not be financially prepared to cope. For example, losing your job, getting sick, or a relationship breaking down may cause some people to experience temporary financial hardship. If this happens to you and you're finding it hard to keep up with your utility bills (electricity, gas, phone, water), credit cards, loan repayments or other expenses, there are some steps you could consider to help provide you some relief while you try to get your finances back on track.

1. Check whether you have any income or debt protection insurance policies that will help pay the bills and cover your repayments if you can't work. Remember that some superannuation funds incorporate an income protection / trauma policy, or you may be ahead in loan repayments that could enable you to simply take a break from making regular payments.
2. Talk to your credit and service providers and tell them how your circumstances have changed and the impact on your ability to meet payments. They may have specialised hardship departments who could talk to you about temporary assistance measures such as altering repayments, establishing instalment payments or varying your loan terms.
3. Keep a working budget so you know all of your income, expenses, assets and debts. When you contact your credit and service providers you may be asked for this information so they can offer you some assistance to help you deal with the financial difficulties you're facing. It could be helpful to think about how and when you will be in a position to return to your regular repayments down the track. Check out ANZ's budget tracker on anz.com to help establish good saving and spending habits.

If you've just received a large lump sum payment, then you should leave nothing to chance. Now's the time to ensure you invest your money wisely.

4. If you think your changed circumstances mean it's unlikely you'll return to a financial position where you can afford to meet your bills and repay your loans or credit cards, you don't need to deal with that alone. You could talk to a free, independent and confidential community-based financial counsellor or legal centres who will be able to talk you through your options. Financial counsellors can be reached Australia-wide on 1800 007 007.

Remember that once your creditors understand your difficulties and the reasons behind them, they may be able to tailor a solution which could help you overcome temporary difficulties.

For more information, visit anz.com/hardship.

Getting help

The following list of contacts may be helpful.

Career information

Job Services Australia www.deewr.gov.au/Employment has a lot of practical information on careers and tools to help you formulate an action plan to secure your new career.

Centrelink www.humanservices.gov.au to access the Career Information Centre in your area. This is a free service and can provide comprehensive information regarding various occupations, training and education, information about employment trends and even help preparing a resume.

Entitlements and your rights

Fair Work Australia www.fairworkaustralia.com or call 1300 363 264 for issues regarding the rights of both employees and employers under federal legislation.

The Department of Education, Employment and Workplace Relations www.deewr.gov.au provides a host of information on issues such as eligible termination payments and your rights, along with information for seeking a new job, including a booklet with current information on employment trends, jobs with good prospects, employability skills and training.

Fair Work Australia www.fwa.gov.au 1300 799 675 provides an overview of your rights and the steps involved if you feel you've been treated unfairly.

State and Territory Government

The following portals provide access to the relevant employment information for your State or Territory:

- **Victoria** online at www.vic.gov.au
- **NSW** entry point at www.nsw.gov.au
- **ACT** entry point at www.act.gov.au
- **Northern Territory** entry point at www.nt.gov.au
- **Queensland** entry point at www.qld.gov.au
- **South Australia** entry point at www.sa.gov.au
- **Tasmania** entry point at www.tas.gov.au
- **Western Australia** entry point at www.wa.gov.au

Legal support

If you need advice from a lawyer who specialises in employment disputes, you can contact the Law Society or Institute in your State or Territory. While they won't recommend any particular person, they can give you a list of lawyers in your area who specialise in your needs.

ACT	– (02) 6247 5700	SA	– (08) 8229 0222
NSW	– (02) 9926 0333	TAS	– (03) 6234 4133
NT	– (08) 8981 5104	VIC	– (03) 9607 9311
QLD	– (07) 3842 5842	WA	– (08) 9322 7877

Emotional support

If you are feeling depressed or stressed there's no need to go through it alone.

- **Relationships Australia** www.relationships.com.au can be contacted on 1300 364 277.
- **Lifeworks** www.lifeworks.com.au is a not-for-profit counselling service. Call 1300 543 396.
- **Mensline** www.menslineaus.org.au is a support service for men. Call 1300 789 978.
- **The Anglican Church** support service www.anglicare.asn.au has offices in every State and Territory. Call (02) 6230 1775.
- **The Catholic Church** support service www.catholiccare.org has offices in every State and Territory. Call (02) 9390 5377.
- **Lifeline Australia** www.lifeline.org.au can provide counselling on 13 11 14.

Most State Governments have organisations that help people who want to start their own business. You can bounce your idea off an expert and get some direction on the government services available to budding entrepreneurs.

For more assistance

Contact your local branch



Phone or visit anz.com

General Enquiries

P. 13 13 14
INTL. +613 9683 9999
24 hrs / 7 days

ANZ Financial Planning

P. 1800 305 058
8am - 8pm (AEST) Weekdays

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