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MONEY BOX LIVE

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LEWIS: Hello. Hardly a day goes by without another announcement of redundancies. Last week, newspapers reported 4,000 redundancies were announced. As many as 100,000 people have been made redundant this year and there are even worse predictions for the future. One business analyst is suggesting 169,000 redundancies next year and 106,000 in 2010. Other reports today suggesting that if the car industry in the UK is not given government support, job losses could be in the tens of thousands. And of course all these big numbers shouldn't disguise the problems of smaller firms who are laying off people in ones and twos. And if you're one of the ones and twos, it's no better. So today Money Box Live takes your questions on redundancy. What's the legal position if your boss says your job is no longer needed? Can you challenge that decision? What payoff should you get? And if your company is bust, who will pay it? What tax might be due on the money you're paid? And when you *are* out of work, what benefits might you claim? So whether your question is legal or financial, why not call Money Box Live now - 03700 100 444. With me today to answer your questions are Clive Howard, a partner specialising in employment law at lawyers Russell Jones Walker; Angela O'Brien, Welfare Rights Officer at Devon Welfare Rights Unit, which is part of Citizens Advice; and Sarah Veale who's Head of Equality and Employment Rights at the Trades Union Congress. And the first question is from Surika in Middlesex. Surika, your question?

SURIKA: Hi there. I'm ringing on behalf of my husband who was just made redundant last week, and this is the first time he's faced redundancy. He's going to be 61 in January and it's just I'm really concerned about the sort of information that was received from the company he

was made redundant from. The only thing he got was a pack from the Insolvency Service, a guide for employees, and was asked to complete the relevant forms at the back of the form, but nothing else about you know whether he'd be entitled to jobseeker's allowance, how do you go about claiming, anything.

LEWIS: Right. And what about the redundancy payment, Surika? Has anything been said about that?

SURIKA: No - nothing at all, no.

LEWIS: Okay, well let's look at the whole package there then because that gives us a very good introduction, I think, to the whole subject of redundancy. Sarah Veale first. When people are made redundant, what are they entitled to in terms of redundancy money?

VEALE: Well the first thing to say actually is that you have to have worked continuously for that employer for 2 years or you're not in law entitled to *anything*. After that, there is a sliding scale of statutory redundancy pay that you get. At the moment there's a limit of £330 on a week's pay. You're entitled to half a week's pay for every year of service if you're under 22; one week's pay for every year of service between 22 and 40; and one and a half week's pay for every year of service over 41. As I say, the statutory minimum is £330 a week, which is going up in February to £350, and this is claimable for up to 12 years worth and you have to be employed with a contract of employment. It's quite complicated.

LEWIS: Yes. And you get one week's benefit for every year you've worked ...

VEALE: Exactly that.

LEWIS: ... and you've got to have worked for 2 years.

VEALE: Yeah.

LEWIS: So even if you've worked there for 20 years, you're not going to get 30 weeks pay

at £330 a week.

VEALE: To say the least, it's a disappointingly low amount, and certainly the TUC has been campaigning for several years to get the package made more realistic in terms of reflecting what you're actually losing. It started out in the 60s reflecting what someone's average earnings were and it doesn't by any stretch of the imagination do that now.

LEWIS: No. It's probably, what, about two thirds or something like that, isn't it?

VEALE: Yeah.

LEWIS: And you get that for the maximum, so you'd get about £10,000 or thereabouts.

VEALE: You might be entitled to contractual redundancy pay. It may be that if you've got a union in there, they'd probably negotiate something that's a bit better than the statutory minimum, but what we've been talking about is the statutory minimum that you get.

LEWIS: Yes, okay. And Clive Howard, people obviously concerned, Surika concerned who's going to pay this money given that the company appears to have gone out of business.

HOWARD: Well that's obviously the main issue to establish right at the beginning. As well as redundancy pay, there's also contractual notice. Now if the employer's got any money, then the employer's going to be liable, and the first thing that I think Surika needs to check is whether the company is going into insolvency. If it is going into insolvency, then there's some consolation - back pay. Back pay and accrued holiday can be regarded as preferred debts and so would normally get paid off ...

LEWIS: What's a preferred debt?

HOWARD: They get priority over other debtors, and normally they would rank pretty high in an insolvency exercise. So they should normally get that. If a company's got no money at all and it's completely insolvent - and it's a bit worrying that all that Surika's husband's

received is an insolvency pack - then there may be an option to apply to the National Insurance Fund, a government agency. But there you can't get very much. You can get up to 8 weeks arrears of pay and then we've got that statutory cap again of £330. You can get your notice - again the statutory cap of £330 - and you can get some holiday pay. So not very much, unfortunately, if a company's disappearing.

LEWIS: So you might get that as regards the pay you're owed. But then the redundancy pay - you get that from the insolvency service, do you?

HOWARD: That's the plan, that's the plan.

LEWIS: But of course some people, as Sarah pointed out, are contractually entitled to *more* than the statutory redundancy. I mean some companies pay a month for every year you've worked there rather than a week, don't they? Where does that leave you?

HOWARD: If the company can pay, then obviously that's the main element that you're going to be claiming. Contractual redundancy schemes actually are quite rare. Often they're custom and practice, but companies go to great efforts to avoid any kind of contractual entitlement arising. If a company's gone bust, then most you can claim from the National Insurance Fund is statutory redundancy.

LEWIS: And Surika, may I ask you how long your husband worked for this company?

SURIKA: Oh for 15 years.

LEWIS: 15 years. So he is going to be entitled to quite a chunk of redundancy pay, but it sounds as if he'll have to claim that presumably from the ... Is that the Insolvency Service you claim it from?

HOWARD: Yes, National Insurance Fund runs it.

LEWIS: National Insurance Fund.

HOWARD: The first thing he needs to do is to find out what is the financial status of the company.

SURIKA: Yeah, okay.

LEWIS: But the fact he's been given the insolvency booklet does imply to me the company is what in layman's terms you might say bust - I mean whether it's actually bust or in administration or insolvent. Okay, Surika. So that's the redundancy side, which of course he may get some money. But you're also concerned about benefits.

SURIKA: Yeah. It's just that you know somebody who's never ever stepped into a Job Centre ...

LEWIS: Absolutely, I understand.

SURIKA: ... and the whole thought is very, very ...

LEWIS: Well let's go to Angela O'Brien then in Devon. Angela, what should people do because this is a very strange and slightly frightening scenario for some people? They've never been out of work, never been into a Job Centre. What's the first step?

O'BRIEN: Absolutely. I would honestly say the first step probably before you do that is, if possible, go to your local advice agency, CAB, wherever your local advice you can get, and actually find out from somebody one to one what you're entitled to because people very much are treated as individuals in the benefit system, so you really need to know what other income someone has, what their family make-up is in order to know how much exactly someone might be entitled to and what they might be able to claim. In this particular situation, I mean he's 61. Initially I'd say almost certainly he should go for contributory jobseeker's allowance having worked for 15 years.

LEWIS: So that's the jobseeker's allowance you get regardless of your income ...

O'BRIEN: Yes.

LEWIS: ... on the grounds that you're actively seeking work?

O'BRIEN: That's right. And that you've paid the appropriate national ...

LEWIS: You've paid your national insurance.

O'BRIEN: Yeah.

LEWIS: And that will last for a limited period. What is it, 6 months now?

O'BRIEN: Yeah, that's 6 months.

LEWIS: And then after that, you're into means tested benefits if you can get them.

O'BRIEN: You are, yes. I mean it might be that the contributory jobseeker's allowance too could be topped up depending on what the family income is. At 61, it would be with guaranteed pension credit. So that's the trouble with benefits. You don't just claim one thing, of course. You can claim a whole raft of different things.

LEWIS: Important to do it though because so many people simply *don't* claim what they're entitled to, do they?

O'BRIEN: Absolutely - no, most people don't claim.

LEWIS: As we've been speaking, we've had an email from someone and I must say it's a question I don't know the answer to. 'If I get 12 weeks notice paid in lieu, do I have to live on this before I can claim any benefits?'

O'BRIEN: No, no you don't, no. Pay in lieu of notice is treated in various ways. In different

benefits, it's treated slightly differently. But on the whole ...

LEWIS: Well it wouldn't be simple, would it?

O'BRIEN: No it never would, would it? On the whole, it will either be treated as income ... I mean sorry as capital, or it will be ignored for certain periods. So really the best suggestion is to claim straightaway. And I mean there's no harm in ... I mean the thing is also not to be afraid of claiming because there's no harm in claiming. If you claim and you put all the right detail down, if you're not entitled you'll be told you're not entitled and there's nothing lost. So really the answer is to claim regardless really. So in that sort of situation, you know no you're not expected to live necessarily.

LEWIS: So I think the answer ... Well partly the answer to Surika and also to the emailer, S. Irving, is get down to your CAB, get some advice; and if you can't find *independent* advice then go to your Job Centre Plus and see what they have to say because it can be an alarming and frightening situation. But the important thing is to claim because so many people don't. Let's move on now to Paul who's calling us from Bristol.

PAUL: Yeah, good afternoon. I'm an electrician and I work in maintenance department of approximately 20 people. The company's outsourcing some of our work. They want to keep approximately 8 to 10 people. Am I right in believing that because some people are being saved, so to speak, TUPE regulations do not apply?

LEWIS: Right, TUPE regulations. This is T.U.P.E and I'm going to pass this to Clive, our lawyer, to explain briefly what TUPE is and whether they apply or not.

HOWARD: TUPE is the employment lawyer's nightmare. It also keeps us in work as well actually because it's so complicated. TUPE stands for Transfer of Undertakings, Protection of Employment Regulations, and basically it says that if you have a transfer of business from one company to another, then the people who work in that part of the business which are being transferred should immediately become transferred over to the new business. They continue with the new employer and they retain all their existing terms and conditions. That's

how TUPE's meant to work. It's meant to protect employees when there's a transfer of a business.

LEWIS: Will it apply in this case?

HOWARD: I don't know is the answer to that question. Outsourcing is a controversial area. We would normally argue that TUPE *will* apply where there's outsourcing - I think Sarah would probably agree with that ...

VEALE: Yes.

HOWARD: ... and so I think our starting point, and this should be for Paul as well, is that he should say to the employer that TUPE *is* applying. If there's a trade union in place, then they should do this on his behalf; but if there's no trade union, it might have to be Paul. He should press the employer to confirm that TUPE *does* apply, and if they're saying it's not going to apply then they should I think spell out exactly why.

LEWIS: Sarah Veale?

VEALE: And what they're doing instead. It's also worth noticing or remembering that if they are going to transfer, they have an obligation to consult with the workforce. And if this is some kind of way of trying to keep particular people as part of the core workforce where you are, Paul, I mean you need to watch out because it could be there are some companies which will pretend that they're making jobs redundant when they're not and will try and get out of TUPE protection laws and so on, especially if they're being advised themselves by someone who knows their way round employment law. So you do, as Clive says, you need to be in possession of the facts. Are you in a trade union?

PAUL: Yes, there is a consultation process taking place.

VEALE: Good.

PAUL: But, like you say, they seem to be just muddying the waters. They're not telling us our rights. I've gone on the ACAS website and found out a little bit, but they seem to be carrying out disinformation, and the unions are obliging to a certain extent.

LEWIS: And, Paul, is it your understanding that they need fewer people, or is it that they want to outsource it but keep ...

PAUL: I think they just want to get some off the balance sheet.

VEALE: Yeah.

LEWIS: Yeah, they want ... and perhaps keep some people they like and get rid of people they *don't* like.

VEALE: Exactly.

PAUL: Your words, not mine. (*laughter*)

LEWIS: Well I'm just sort of guessing a bit in the dark here ...

PAUL: That's right.

LEWIS: ... but that's what it sounds a bit like to me. And in that case, Sarah Veale, are the people who aren't carried over, are they made redundant at that point?

VEALE: Well not unless the jobs are being made redundant. It's always important to remember it's not the people who are made redundant, it's the jobs that are being made redundant. If they're keeping the jobs and they're attempting to get rid of people, then you're into dismissals where unfair dismissal protection may come in. There are also other protected issues. It's not allowed to pick on all the women or to pick on particularly the black people in the workforce or anything like that. There is ...

LEWIS: Or indeed by age or disability.

VEALE: Or indeed by age or disability, religion and belief, or sexual orientation now. There is just a tiny, very quick plug for free advice you can get from the TUC on www.worksmart.org.uk. You can download very, very good free advice on redundancy and TUPE and so on.

LEWIS: Okay, well that's good advice and I'm sure that link will be on our website, which is bbc.co.uk/moneybox, and with our action line. I'll give you that number later. I'd also say at this point that we have covered some complicated things and no doubt we'll cover more. You can listen to the programme again, you can download a copy, subscribe to our podcast, and in a couple of days you can actually read a transcript of every word we say on air and that might help you with some of the more technical things. That's bbc.co.uk/moneybox. Let's go to Edinburgh now where Graham has a question. Graham, your question?

GRAHAM: Yes, hello. My question concerns employees being asked to reapply for their existing jobs in a redundancy situation. Could you please explain exactly what this means, how it works, and why it's being used? And it seems to be used increasingly in preference to the more traditional redundancy methods that I've seen in the past.

LEWIS: So is this a situation, Graham, where say there were 50 jobs and now there are 40, and all 50 of you are being asked to reapply for those 40 jobs and ultimately 10 will be made redundant?

GRAHAM: Well the rumours I've heard in my organisation is you know different departments are being targeted, or this is the possibility, and certain people are going to be asked to reapply for their jobs. Whereas in the past, many several years ago, there was a big restructuring and a redundancy in the more conventional sense.

LEWIS: Yes. I've certainly read about this in the press in some companies and I think some in Scotland. Sarah Veale, what is this process? Is it a proper redundancy process?

VEALE: I think it's the employer trying to get away with murder actually probably.

LEWIS: (*laughs*) I wouldn't go quite that far.

VEALE: I suspect if they're going to make people reapply for jobs, then they have to dismiss you because you can't reapply for a job if you're still in a job. And I would hang on in there actually. That's what I would do. If they're attempting to change your terms and conditions, they shouldn't be doing that.

LEWIS: Yes, I mean the implication I've seen in press reports of one company was that they were making people reapply for their own jobs on worse terms and conditions than they currently have. But you're saying they can't do that. They have to sack you and then you can reapply for the job like anyone else.

VEALE: But then you see if they did that, if it was a different job, you would get into redundancy areas. I mean Clive is probably better able to advise on ...

LEWIS: Indeed. Clive?

HOWARD: I think the first question is, is this a redundancy situation? And I think Graham what you'd have to look at is whether or not there are less jobs going forward than you've got at the moment. If there's 50 people and there's 50 new jobs and everyone's expected to reapply, then there's no redundancy situation. Assuming there's a redundancy situation, getting people to apply for the jobs going forward, which often are their own jobs - in other words there's 50 people and there's only 40 jobs going forward - that can be lawful. It's one of the processes that companies do follow. They have to select for redundancy fairly and they have to use objective selection criteria; and the kind of criterias we use, we expect to see are skill based or performance based criteria. Now if they go for an interview process, I have seen people who have been employed for twenty years, there's a redundancy exercise and they make the selection based on a ten minute interview. In theory, that can still be fair, but obviously the more nominal the interview process is and the more nominal the selection process is, issues of unfairness certainly arise.

LEWIS: Okay. I mean are you saying that this can work, but you have to be very careful? I mean we often say on Money Box these are your rights, but actually enforcing them is the problem. What can Graham and people in his position do to make sure the right procedures are followed?

HOWARD: Let's assume that they're selecting for redundancy using this kind of interview process where they put forward a job description, they want people to be interviewed on that basis, and it may be on application forms and so on. If for example the people who are making the selection have no knowledge of the individuals concerned - and we do see this quite regularly - that immediately raises questions of unfairness. So what we tell individuals like Graham is to ensure that the process which is being followed is objectively sensible and fair and it's good for the employer and it's good for the individual as well.

LEWIS: And get legal advice or, I'm sure you would say, Sarah, contact your trade union if there is one?

VEALE: Well I have to say this is where unions come into their own. It's slightly depressing when you're talking about jobs disappearing, but unions really are often absolutely expert at negotiating, getting a better deal, working out what shouldn't be done.

LEWIS: Making sure it's done fairly. That's the key thing.

VEALE: Making sure it's done fairly, exactly.

LEWIS: We all understand companies have to get rid of people, but it's doing it fairly and lawfully.

VEALE: And fairly is a legal construct, exactly as Clive says.

LEWIS: Yes. Graham, thanks very much for your call. Raised some interesting issues. We'll go onto Jan now who's calling us from Tyne and Wear. Jan, your question?

JAN: Hi. I have been made redundant for the second time this year. I'm 57. I was a part-time worker working for the last 6 months for 13 hours a week. Are there any benefits I can claim?

LEWIS: Right. Angela O'Brien, what benefits might Jan claim?

O'BRIEN: Right, slightly tricky in possibly contributory jobs. Were you working full-time in the last 2, 3 years?

JAN: No.

O'BRIEN: Not at all?

JAN: I've always worked part-time. But I have contributed for the last 40 odd years.

O'BRIEN: Right. I mean it's going to depend ... Claiming contributory jobseeker's allowance is certainly an option, but it is going to depend whether you're going to meet the specific national insurance contributions that are required for that benefit. So I think the thing is probably to claim job... Go down to your Job Centre or have a look online at jobseeker's allowance and put in a claim, I would say, and they will tell you if you haven't made the relevant contributions and you can then have a look at that and see whether you agree or not, if you like.

JAN: Right.

O'BRIEN: If you haven't made the relevant contributions, you might possibly then get income based jobseeker's allowance, but that will depend on sort of who else is in your family, if you've got a partner who's working full...

JAN: I do, yes.

O'BRIEN: You do? And is he working full-time?

JAN: Yes.

O'BRIEN: In which case you're not going to end up being able to claim anything really other than the contributory jobseeker's allowance for yourself, I think. Are you claiming tax credits?

JAN: Sorry?

O'BRIEN: Do you claim tax credits?

JAN: No.

O'BRIEN: No. So you might ... I mean if your income falls low ... Have you got children?

JAN: I do. They're both still at home, but I think it's just because I look after them far too well. *(laughter)* They're 22 and 25 and show no signs of moving.

LEWIS: Jan, I'm sorry to tell you they don't count as children.

O'BRIEN: No, sadly not.

JAN: *(laughs)* They often seem like children.

O'BRIEN: Okay, so yeah it doesn't look like there's going to be much there other than contributory jobseeker's allowance. Though it's going to be worth looking at your overall income and I would suggest you try and get a benefits check done maybe at your Citizens Advice Bureau.

LEWIS: And of course, Angela, important to point out that you have to be actively seeking work, or in fact even more than that nowadays, to get any contributory jobseeker's allowance.

O'BRIEN: Absolutely, yes.

LEWIS: You have to go and register and that will make sure your contributions are paid.

O'BRIEN: You can put your initial claim in online actually, but after that you will be called into the Job Centre and you'll have to go in at least every two weeks and sort of discuss how you're looking for work and what you're doing to get work.

LEWIS: Okay, thanks very much for that call Jan. We've also had an email, Angela, about jobseeker's allowance and mortgage payments. Now this is changing in January, isn't it? Obviously it's only if you get non-contributory benefits, means tested benefits, but how does that work and what changes happen in January?

O'BRIEN: Well in January ... At the moment, there is a waiting period of up to 39 weeks where you get nothing towards your mortgage at all and in January, on January 5th, that's changing to 13 weeks - so after a 13 week waiting period you will then be entitled to your mortgage interest payments. You only get - it's important to stress really - you only get the interest part and it's only up to 6.08%.

LEWIS: Right. Which is quite a high rate now given the two, the three bank rate cuts we've had.

O'BRIEN: Absolutely. And what they're doing is they're holding that rate we certainly know for at least the next 6 months. The other thing that's happening is that up to now you've only been able to get mortgage interest payments for up to a £100,000 mortgage and that's going up to £200,000.

LEWIS: And what about people who are already claiming that benefit when January 5th arrives and they may still be in that waiting period? Is that being cut to 13 weeks for them as well?

O'BRIEN: It is, yes. So if they've been waiting sort of say for over 13 weeks come January

5th, then they'll instantly be able to start getting their mortgage interest payments.

LEWIS: Right, so good news anyway for people in that position.

O'BRIEN: It should help.

LEWIS: Thanks for that and thanks for the email from Sammy who asked us that question.

Let's move onto David now from Greater Manchester who's got another question for us.

David, what is it?

DAVID: Good afternoon.

LEWIS: Hello, what's your question?

DAVID: I was recently made redundant and it was done on a points basis. The criteria seemed quite fair, the way they put it, but I obviously don't agree with the points that they arrived at. Now when I questioned the points that they'd come to, they said it was all done by supervisors and that was all I got. There were no other explanations whatever.

LEWIS: So you were made redundant over other people in the company because you got fewer points than they did, but ...

DAVID: Well the way they worked it - the fewer points you got, the better off you were.

LEWIS: Oh right, so you got more points. Okay, well either way. Clive, is this a fair dismissal?

HOWARD: It is quite common for employers to use kind of matrix where they have various points for performance, various points for attendance and disciplinary record and so on. We think it's certainly a legal entitlement for David to ask what other people got in terms of their points. They don't have to have the names of those individuals, that can be anonymised, but David should be entitled to find out where he figures in terms of the overall scheme of things.

The other point worth emphasising is that he has an absolute right to appeal the decision, and that appeal is now by way of an appeal hearing and he should certainly use that method to find out more - why he's been selected, why the people who have assessed him have given him the marks they have, do they know anything about him? I mentioned this earlier. Often the managers who are assessing have no knowledge of the individuals at all.

LEWIS: And is this appeal ... Sarah Veale, is that an appeal *within* the company or are we talking an employment tribunal or ... ?

VEALE: No, it will be an appeal within the company. Although obviously if ...

LEWIS: Though David's no longer working there, presumably. Are you still working there, David, or ... ?

DAVID: No, I'm not. I got my P45 within about four days.

LEWIS: (*over*) No, you have actually gone. You've been made redundant.

VEALE: You should still be able to get an appeal hearing actually even if you've left. I mean you know because ...

DAVID: I am going to an appeal hearing.

VEALE: Good for you, you should.

DAVID: I've applied for an appeal hearing.

LEWIS: Okay. Well I mean, David, can you just tell us without going into any sort of personal details, but can you just tell us roughly why you think it was unfair that you got the wrong points?

DAVID: Well when I was asked other people's points, I was told that I couldn't be told, I

couldn't ask about other people's points because it was against the Data Protection Act.

LEWIS: But Clive was saying, you're saying that's wrong. As long as it's anonymised ...

HOWARD: Correct.

LEWIS: ... you can find out person A, B, C and D got ...

HOWARD: Absolutely.

VEALE: Otherwise you'd never be able to put in a claim about sex discrimination because you'd never know who the other ... Do you see what I mean? You've got to make sure that you see what the criteria are and how they've been applied to other people if you want to run a legal case, which David might want to do.

LEWIS: Sure. But, David, you're in the difficult position that you want to make an appeal. You've been told you can't have the information you need. How does he go about getting that, Sarah?

VEALE: Well if he ended up in the tribunal, he could get disclosure of the relevant evidence. For the grievance procedure, it's much more difficult. I mean you can take a trade union rep along with you if there's a union in there. They could put pressure on.

LEWIS: Sure. But I mean if this fails, he can then go to an employment tribunal and then he has far more rights?

VEALE: Make an order disclosure. Yeah, exactly.

LEWIS: And who might help him with that because that sounds an expensive business getting a lawyer? *(Veale laughs)*

HOWARD: Lawyers, lawyers are ...

LEWIS: Looking at Clive. (*Veale laughs*)

HOWARD: Lawyers are expensive, sadly. But tribunals are designed to allow people to act themselves and the disclosure exercise in tribunals is actually pretty simple. You ask for all the documents which you think are relevant and if the employer says no, the tribunal can make a determination and it's usually relatively straightforward.

LEWIS: So you get the information at the ...

HOWARD: You get the information there. But I would say this: David can argue quite legitimately and he should go on record in saying this, that the failure to give him this information now is making the whole process unfair and it adds to his ammunition later on.

LEWIS: Ah right. So that's a good tip, David - perhaps a letter to that effect and then an employment tribunal. Good luck with that. Thanks for your question. Raised some interesting issues. Let's move on now to Sarah who's calling us from Brockley. Sarah, your question?

SARAH: Yes, hello. In my case, it's a question about a compromised agreement. This is basically a tool which seems to be used by local authorities to get rid of people who they see as a potential problem and it involves sort of buying them off to keep them quiet. Now in this case, if one's paid say several months salary in order to achieve that, how does that affect one's situation with regard to claiming benefit subsequently having lost the job?

LEWIS: Sarah, can I just interrupt you because we are running out of time. Was this a redundancy - yes or no?

SARAH: It will result in the loss of my job, yes.

LEWIS: Sort of, yes we don't really know. Okay, Angela, how does this lump sum affect benefits?

O'BRIEN: Mostly it's going to get treated as a rule as capital.

LEWIS: And if you have less than £16,000, that doesn't affect means tested benefits.

O'BRIEN: Well it will because it's actually between £6,000 and £16,000, which will be counted for a tariff at £1 for every £250, so it will become an income if you like. But basically it'll get treated as a capital amount mostly, but not always. And there are sort of different rules for different benefits, so I think it's something you really need to check on a very individual basis.

LEWIS: Get advice. Okay. And very briefly, Sarah can I ask you this because we've had a call from Kathy. We haven't got time to go to you, Kathy, I apologise for that. The status of people over 55 and redundancies. That's changed. Just in a few words explain how.

VEALE: Well there's age discrimination laws in place for a start, so you can't unfairly ... you can't select people on grounds of their age. There are often attractive offers to be made to people who are reaching retirement age who can get early access to their pension, so it's worth exploring that.

LEWIS: Okay, thanks very much. Sorry we couldn't talk to you, Kathy, but thanks for your call and thanks to all of you. Sorry we haven't got round to many of you. My thanks to Sarah Veale from the TUC; Angela O'Brien from Devon Welfare Rights Unit; and Clive Howard from Russell Jones Walker. I hope your fears about redundancy don't come true and you can find out more from the BBC Action Line - 0800 044 044, our website, bbc.co.uk/moneybox. Back on Saturday. Back next Monday afternoon when the subject is saving for children.