

# EQUALITY ACT 2010

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 16: General and Miscellaneous**

#### *Schedule 9: Work: exceptions*

#### **Part 2: Exceptions relating to age**

#### **Retirement: paragraph 8**

#### **Redundancy: paragraph 13**

#### Examples

- An employer may pay qualifying employees an enhanced redundancy payment based on their actual week's pay rather than the maximum amount as specified in section 227 ERA 1996 (currently £380).
- So an employee (P) aged 45 with 18 years continuous employment earning £600 a week would receive one and a half weeks pay for each year of employment in which he was not below the age of 41 and one week's pay for each year of employment in which he was not below the age of 22 so P would receive the following:  $3 \times (1.5 \times £600) + (15 \times £600) = £11,700$ .
- An employer may pay qualifying employees an enhanced redundancy payment calculated in accordance with section 162 of ERA 1996 but after calculating the appropriate amount for each year of employment, the employer may apply a multiple of two rather than one. So the employer could pay P £23,400 rather than £11,700.
- Alternatively, the employer could apply the maximum amount of £380 to P's payment but apply a multiple of 2 and pay P the following:  $2 \times 3 \times (1.5 \times £380) + (15 \times £380) = 2 \times (£1710 + 5700) = £14820$ .