EXAMPLE & CO EMPLOYMENT LAW

Sample Scenario

Redundancy Package Scenario Report

Generated 30 October 2026

ESTIMATED NET PAYMENT	ESTIMATED GROSS PACKAGE
£48,428.80	**£61,785.50**
TOTAL REDUNDANCY PAYMENT	TAX + NIC ON PACKAGE
£46,825.50	**£13,356.70**

SCENARIO INPUTS

Age at termination	**45**
Years of service	**12**
Weekly gross pay	**£1,100.00**
Notice	**12 week(s) — PILON**
Untaken holiday	**8 day(s)**
Enhanced redundancy	**2 week(s) per year of service**
Enhanced interaction	**Enhanced is in addition to statutory redundancy**
Ex gratia payment	**£10,000.00**
Income earned so far this tax year	**£32,000.00**

PACKAGE SUMMARY

Statutory redundancy	**£10,425.50**
Enhanced redundancy	**£26,400.00**
Ex gratia payment	**£10,000.00**
Total redundancy payment	**£46,825.50**
Notice pay	**£13,200.00**
Holiday pay	**£1,760.00**
Estimated gross package	**£61,785.50**
Estimated tax	**£12,890.00**
Estimated NIC	**£466.70**
Estimated net payment	**£48,428.80**

Planning estimate only — not legal, tax, payroll or employment advice.

WORKED CALCULATIONS

Statutory redundancy

- Weekly pay capped at £719.00 for statutory purposes (actual: £1,100.00).
- 12 full year(s) of service counted, capped at 20.
- Total statutory redundancy = £10,425.50.

Enhanced redundancy

- 12 year(s) × 2 week(s) × £1,100.00 = £26,400.00.
- Enhanced is in addition to statutory in the redundancy subtotal.

Ex gratia payment

- Discretionary lump sum entered: £10,000.00.

Notice pay

- 12 week(s) × £1,100.00 = £13,200.00.

Holiday pay

- 8 day(s) × £220.00 per day = £1,760.00.

Tax

- Income already earned this tax year: £32,000.00.
- Taxable redundancy elements: £41,360.00.
- Total taxable income: £73,360.00.
- Estimated incremental tax on package: £12,890.00.

National Insurance

- NIC applies only to earnings-type elements (PILON, holiday pay) in this estimate.
- Estimated NIC: £466.70.

Net payment

- £61,785.50 gross " £12,890.00 tax " £466.70 NIC = £48,428.80.