

Final pay when someone leaves a job

1 . Why final pay is different

When someone leaves a job, their final pay will often be different from their usual weekly or monthly pay.

Someone's final pay might change because of things like:

- how much [holiday they've taken](#)
- money deducted for training courses
- redundancy pay included in final pay
- [not needing to work their notice](#)

Employers should make sure the person leaving understands how their final pay was calculated. For example, it should be clear in the payslip what each payment or deduction is for.

When to expect your final pay

An employee should get their final pay on the date they are normally paid.

For example, if they leave in the middle of the month but are normally paid at the end of the month, they'll probably get their final pay at the end of the month. They should check with their employer if they're not sure.

If you do not get your final payslip

If an employee does not get a [payslip](#) for their final pay, they should speak to their employer.

If you have any questions about getting final pay, you can [contact the Acas helpline](#).

Getting a P45 when you leave

When an employee leaves their job, their employer must give them a P45.

This is different to a P60 form. Employers send P60s to their employees at the end of the tax year in April.

[Find out more about P45 and P60 forms on GOV.UK](#)

Acas is not able to give advice about P45s and P60s. If you have questions about these forms, contact [HM Revenue and Customs \(HMRC\)](#).

2. Holidays and final pay

An employer must pay their employee 'in lieu' for any untaken [statutory holiday entitlement](#) they've accrued when they leave. This means the employer pays the employee holiday pay, instead of them taking the holiday.

If the person leaving took more holiday than they built up

Employers can deduct money from final pay if both:

- the person has taken more holiday than they built up
- it's agreed in the contract or in writing beforehand

Check if the contract includes more holiday

Some employment contracts include more holiday entitlement than the statutory amount. This can be called 'enhanced' or 'contractual' annual leave. Check the [contract](#) for rules around pay for any additional amount.

Related content

</checking-holiday-entitlement/calculating-holiday-pay>

3. Deductions for training courses

Employers might be able to deduct money from final pay for training courses. This can only happen if the deduction was agreed in the contract or in writing beforehand.

For example, an employer could ask someone to agree in writing before a training course to pay back costs if they leave within 6 months.

If the employer is deducting money for mandatory training, the deduction must not take the employee's final pay below the National Minimum Wage.

When a deduction can take wages below the National Minimum Wage

A deduction for training courses can only legally take someone's pay below the National Minimum Wage if all of the following apply:

- they agreed in writing to pay back costs
- the training was voluntary
- they either chose to leave or were dismissed because of their conduct

[Contact the Acas helpline](#) to discuss your options if:

- you're making someone redundant
- a deduction for training courses would take their pay below the National Minimum Wage

Related content

</national-minimum-wage-entitlement>

4. Pay during the notice period

Anyone [legally classed as an employee](#) must be paid as normal for any time they work during their notice period.

If an employee is off work during their notice period, the amount they're paid will depend on the type of notice they have.

An employee could be entitled to get 'payment in lieu of notice' (PILON). This means they stop work straight away but still get paid for their notice period. The employer might have written this into the employee's contract or agreed it with them verbally. If it's a verbal agreement, everyone should also keep a written record.

Checking the notice period

It's important to check the employment contract to confirm if the employee has either:

- 'statutory notice period' – this is the legal minimum notice period
- 'contractual notice period' – this is a notice period that's longer and is written in the contract

This might help when calculating the final pay for the employee's notice period.

If an employee is dismissed, made redundant or resigns

How much notice and notice pay an employee gets depends on if they are:

- dismissed for gross misconduct
- made redundant
- resigning because 'constructive unfair dismissal' – this means they think their employer has seriously breached their employment contract
- choosing to resign because they want to

The employee is not entitled to any notice period if they are dismissed for gross misconduct.

If the employee resigns because of constructive unfair dismissal they do not have to give notice to their employer.

If an employee resigns just because they want to, they must give the legal minimum notice period or the period written in their contract.

The employer might give more notice than the statutory minimum, but they cannot give the employee less.

[Find out more about notice periods](#)

Notice pay when the employee is working

Employees must get their full normal pay for any time they work during their notice period.

If someone's pay is different each week, the employer should use the person's average weekly pay to work out their notice pay.

Example of how to work out average weekly pay

Work out weekly pay by using the 12 weeks leading up to the first day of the notice period. Add up the total amount of pay during the 12 weeks and divide it by 12 to get their average weekly pay. Exclude any weeks not worked and unpaid. This is the minimum amount they must receive during their notice period.

Weekly pay should also include:

- 'guaranteed overtime' agreed in an employee's contract – this is overtime the employer must offer and the employee must work
- any bonuses or commission – depending on the terms agreed in the employee's contract

For example, Sam is an estate agent and their pay varies depending on the number of properties sold. Their contract clearly states that they're not entitled to any commission during or after their notice period. Sam's notice pay would not include commission.

Notice pay if the employee is off work

An employee's notice pay might be affected if they do not work during their notice period because they're:

- off sick
- on holiday
- on maternity, paternity or adoption leave or shared parental leave
- willing to work but the employer has asked them not to because of lay-offs or short-time working

The amount of notice pay they're entitled to depends on their contractual or statutory notice period and whether they're:

- being dismissed or made redundant
- resigning

If an employee has been dismissed or made redundant

An employee is entitled to their full normal pay if their contractual notice is:

- less than 1 week longer than statutory notice
- the same as statutory notice

For example, Alex has been made redundant. They've worked for their employer for 7 years and have a contractual notice period of 7 weeks. They're off sick during the notice period. They get their full normal pay for the whole 7 weeks.

An employee will not be entitled to their full normal pay if their contractual notice is longer than statutory notice by 1 week or more. They are only entitled to the appropriate pay for the reason they're off.

For example, Riley has been dismissed. They've worked for their employer for 7 years and have a contractual notice period of 8 weeks. They're off sick during the notice period and their contract only gives statutory sick pay. They will only be entitled to that.

An employee who's off work might have already been paid all their statutory entitlement. For example if:

- they've been off sick longer than the statutory allowance of 28 weeks
- they're now on the unpaid part of their maternity leave

This could mean they're not entitled to any pay during their notice period if their contractual notice period is longer than statutory by a week or more.

If an employee has resigned and they're off work during their notice period

When an employee resigns, they should check their contract to see what their notice period for dismissal would be. Even though they are resigning, their notice pay rights depend on whether their dismissal notice period is statutory or contractual.

If the dismissal notice period is less than a week longer than the statutory notice period

They're entitled to 1 week's full normal pay if they're off work during their notice period.

For any remaining weeks they're off work, they're only entitled to the type of pay for the reason they're off. For example, if they're off on maternity leave they would only be entitled to any maternity pay due to them.

If the dismissal notice period is at least 1 week longer than the statutory notice period

They're only entitled to be paid for the reason they're off during their notice period, for example statutory sick pay if they're off sick.

Contact the Acas helpline

If you have any questions about notice pay, you can [contact the Acas helpline](#).

Related content

[Work out your employee's redundancy pay](#)

[Redundancy pay – advice for employees](#)

5. Leaving without working notice

The person leaving should try to reach agreement with their employer if they need to leave without working some or all of their notice.

If someone leaves without agreeing it with their employer first, they could be in 'breach of contract'. This means the person could have a court claim made against them if the employer ends up with extra costs.

If someone leaves early, the employer only has to pay them for the time that they've worked, including any money owed for accrued but untaken holiday.

If the employer ends up with extra costs

The employer can end up with extra costs if someone leaves before or during their notice without agreeing it.

For example, they have to spend more to hire someone else on a short-term contract.

In these situations the employer might be able to:

- make a deduction from any final pay, if the contract allows it
- make a court claim to get the money back from the person who left

[Find out more about making a court claim on GOV.UK](#)

6. If you do not agree with your pay

If you think your final pay is wrong, you should raise this with your employer. It's usually best to raise the problem informally first. [Find out more about raising a problem at work](#).

If you've tried all options to resolve the issue, you might be able to [make a claim to an employment tribunal](#).

Related content

[Contact the Acas helpline](#)