

Lay-offs and short-time working

If an employer does not have enough work for their employees, they may need to consider:

- lay-offs (sending employees home temporarily)
- short-time working (reducing employees' working hours)

These options may help avoid redundancies. But this should be a last resort for employers.

Employers should consider other options first, for example, agreeing with employees to:

- take holiday
- work from home
- work more flexibly
- take unpaid leave

When an employee can be laid off or put on short-time working

By law, employers can lay off employees or put them on short-time working if it's either:

- included in the employee's [employment contract](#)
- custom and practice in your workplace, with clear evidence
- a national agreement for the industry
- an agreement between your workplace and a trade union
- agreed by the employer and employee to change the terms in the employment contract

Changing the terms in an employment contract

An employee can agree with their employer to change the terms of their contract to include lay-offs or short-time working.

If it's a permanent change to the contract, the employer must confirm in writing what's been agreed within 1 month of the change.

If it's a temporary change to the contract, it's also a good idea for the employer to confirm what's been agreed in writing.

Pay during lay-offs and short-time working

Employees should get full pay during lay-offs or short-time working, unless:

- it's agreed otherwise
- their contract allows unpaid or reduced pay

Guarantee pay

Employees who are laid off or put on short-time working are entitled to pay for days they do no work at all. This is called 'statutory guarantee pay' and is the legal minimum an employer must pay.

Employers might offer a better guarantee pay scheme. Employees should check their contract.

Statutory guarantee pay

The maximum statutory guarantee pay is £38 per day for 5 days in any 3 month period.

The maximum an employee is entitled to is £190.

Employees who usually earn less than £38 per day will get their usual daily rate.

If employees work part time, their entitlement is worked out in proportion to their part-time hours.

Eligibility

To be eligible for guarantee pay, someone must be [legally classed as an employee](#).

They must also:

- have been employed continuously with the same employer for at least 1 month
- reasonably make sure they're available to work
- not refuse any reasonable alternative work
- not have been laid off because of industrial action

Time limits

How long lay-offs or short-time working last will depend on what's been agreed in the employee's employment contract.

There's no limit for how long an employee can be laid off or put on short-time working.

Holiday entitlement

Employees continue to 'accrue' (build up) holiday in the usual way during lay-offs and short-time working.

This is unless they are an [irregular hours worker or part-year worker](#).

Benefits during lay-offs and short-time working

While employees are laid off or put on short-time working, they might be eligible for:

- Universal Credit
- New Style Jobseeker's Allowance

What they're entitled to will depend on their overall income and working hours.

Find out more about:

- [Universal Credit on GOV.UK](#)
- [Jobseeker's Allowance on GOV.UK](#)

Other work

The employee's contract might allow them to do other work while laid off or put on short-time working.

If they can, employees should:

- agree the work with their employer
- make sure they're not working for a competitor
- make sure they can return to their original job once the lay-off or short-time working ends

Applying for redundancy

Employees can apply for redundancy and claim redundancy pay if they've been laid off or put on short-time working and receive less than half a week's pay for:

- 4 or more weeks in a row
- 6 or more weeks in a 13-week period

[Find out more about applying for redundancy during a lay-off or short-time working on GOV.UK](#)

Avoiding discrimination

Employers must select employees for lay-offs or short-time working in a fair way. They must not treat employees differently because of their age, disability or any other protected characteristic.

[Find out more about discrimination](#)

Contact the Acas helpline

If you have any questions about lay-offs and short-time working, you can [contact the Acas helpline](#).