

By: Laura Hood
laura@collinsmay.co.nz
DD: 576 1417

Eugene Collins
eugene@collinsmay.co.nz
DD: 576 1407

Lloyd Collins
lloyd@collinsmay.co.nz
DD: 576 1404

Amy Haste
amy@collinsmay.co.nz
DD: 576 1412

Simone Seddon
simone@collinsmay.co.nz
DD: 576 1411

Freya Marchant
freya@collinsmay.co.nz
DD: 576 1409

Caitlin MacDonald
caitlin@collinsmay.co.nz
DD: 576 1413

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COVID-19 AND REDUNDANCIES

We recently received instructions from a client who was subject to multiple personal grievance claims. This client had laid 8 people off as a result of Covid-19.

They did not seek legal advice before embarking on the restructuring process. Because of the speed in which New Zealand went into Level 4 Lockdown they hastily notified 8 employees that they were being made redundant. At the time, this seemed like a good economic decision for the employer and time has proven the decision was justifiable on economic grounds.

However, they failed to follow a procedurally fair process. There was no consultation with employees, no opportunity for them to give feedback. They failed to advise their employees they had a right to take legal advice and there were no options of redeployment. This left them seriously exposed to multiple personal grievance claims.

As the second stage of the Government Wage Subsidy comes to an end many employers are likely to face the unenviable task of having to consider redundancies.

It is always cheaper to take legal advice as opposed to having to deal with personal grievance claims after the fact.

If your business is considering a restructuring process, feel free to contact us at eugene@collinsmay.co.nz or laura@collinsmay.co.nz

20 MINUTES FREE

**WANT to review your Family Trust structure?
THEN call us and take advantage of our
20 Minutes Free interview**