

# Let's Talk



## Losing your job

**Losing your job is a very worrying time, both emotionally and financially. For most people it will mean you'll have less money coming in each month. If you or a family member have recently lost your job, this guide will help you consider your financial situation at this difficult time, provide you with coping mechanisms and also help you to think about your future career.**

**Many people lose their jobs because of economic pressures, a merger, or a company restructure.**

Losing a job is usually accompanied by negative and anxious emotions, shock, worry, sadness, failure, anger and a loss of self-esteem. It may impact you emotionally and financially but also your personal relationships and home life could be affected. You may also feel that you're losing meaningful friendships with colleagues and a sense of purpose and self-worth.

Firstly, remember that redundancy is not personal. It is a business decision, and it's the job, not the person, that's made redundant. Even with this understanding, it won't stop the range of emotions you may feel, including, anger, uncertainty and fear. A loss of a job can have similar emotions to grief. If you can understand that it's normal to feel this way and put coping mechanisms in place, the stress of the situation will be reduced. Dealing with change is hard for everyone.





## It's not unusual to feel overwhelmed following a job loss, so here are some tips on what might help:

**Contact your employer** – have an discussion with your HR team about what support is being offered by the company. This may be a counselling service or an outplacement resource available to help with skills like, CV writing, interview technique and job-search plans.

**Talk to your family and friends** - ensure you have support around you and someone you can talk to about your feelings and concerns. This could be your partner, friends or a professional organisation.

**Allow yourself time to grieve** – its ok for you not to be ok at this time, you may feel sad, cry and get angry. It's then important to accept this change and look at the opportunities ahead.

**Extra support** – you may feel that you need extra support emotionally or in your job search, this could be gained through a support group, professional network, your GP or a counselling service.

**Look at the bigger picture** - a job loss can feel like the end of the world, but it really isn't. Many people look back at being made redundant as a positive and go on to enjoy their career in another role.

**Do not make major financial or life decisions** – wait before making any big decisions like selling your house or booking a dream holiday to make yourself feel better. Give yourself time to absorb the news, you need this time to reflect, consider your options and plan for the future.

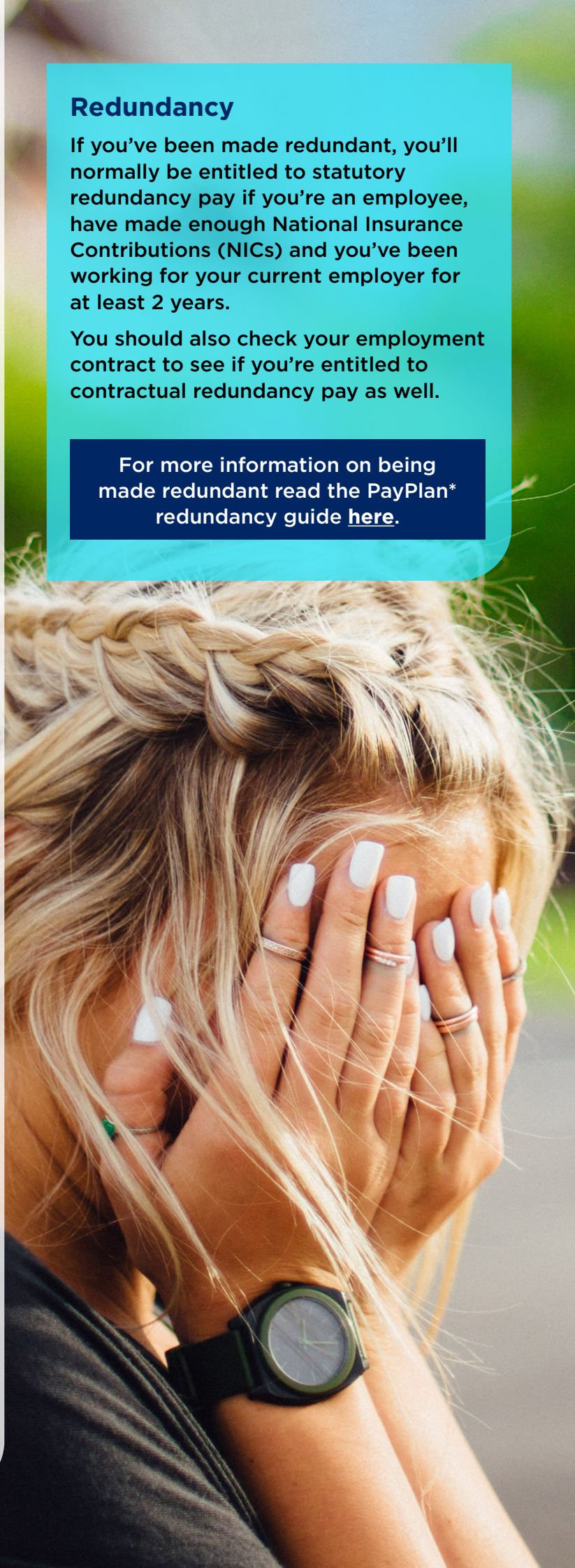
**Take care of yourself** - losing a job can be very stressful so you need to ensure you take care of yourself during this time. This includes making sure you are eating balanced meals, getting enough sleep, exercising regularly, relaxing and doing something you enjoy each day.

## Redundancy

If you've been made redundant, you'll normally be entitled to statutory redundancy pay if you're an employee, have made enough National Insurance Contributions (NICs) and you've been working for your current employer for at least 2 years.

You should also check your employment contract to see if you're entitled to contractual redundancy pay as well.

For more information on being made redundant read the PayPlan\* redundancy guide [here](#).







## Tax

If you've recently lost a job, you may be able to claim back some of the tax you paid while you were working. You can find out more about how to claim this tax refund or rebate [here](#). You can find out if you've paid too much tax by checking the HMRC tax checker [here](#).

If you've received redundancy pay the amount you have received will probably include both a tax free and a taxable portion. Your redundancy pay is tax free up to £30,000. But any holiday pay or pay in lieu of notice you receive will be taxable.

If you feel your employer has got the calculations incorrect, it's up to you to notify HMRC and you can do that by clicking [here](#).



## Review your budget

As your monthly income will reduce after losing your job even if this is on a temporary basis, while you are between roles, it's important to understand where your money goes.

By putting together a budget plan you'll have a clearer picture of what will be coming in each month and what's going out and your available discretionary spend. It's a good idea to start by working out your new monthly income, outgoings, debts, discretionary spends and any large expenses you have coming up in the near future.

Your correctly produced budget is a very precise tool for analysing your finances. Use our budget calculator [here](#) to help you manage your money.

Once you have your new budget, you will be able to establish how long your redundancy pay or savings will last before you need to be earning again. Also taking into account any benefits you may be entitled to.



## Review your debts

Make a list of your debts and work out which ones you need to concentrate on first. Some debts are priorities, such as your mortgage or rent, Council Tax, gas and electricity bills. It's important to look at these ones first and work out how you're going to pay them.

Whether you've got a mortgage or you pay rent, for the majority of people your home will be your biggest monthly expense.

If you have a payment protection insurance or a short-term income protection policy, which cover you for redundancy, then start the claim process as soon as you can as there is usually a waiting period before the insurance will start paying out.

If you have a mortgage, talk to your lender and ask them what options are open to you. You may be able to take a payment holiday, reduce your payment or just pay interest. To find out more information on mortgage problems or arrears click [here](#).

If you rent, let your landlord know the situation. Contact a Housing Adviser in your local council's housing department as soon as you can, especially if your landlord threatens eviction, you have rights as a tenant and your landlord has to follow certain procedures.

## Reduce your spending

Once you've produced your budget there are several ways you can reduce the current amount you are spending, this may include looking at how much you spend on your weekly food shop to decreasing your monthly utility bills or reducing your annual general insurance or even your mortgage repayments.

For more help on how to spend less click [here](#) to read our guide.



If you're worried that you might be made homeless, you will need to get expert advice, call Shelter on **0808 800 4444** or look on their website [here](#).

Read more about what to do about debts if you lose your job [here](#).



## Benefits

You may be entitled to some benefits. The benefits available to you will depend on how long you were working for, your National Insurance Contributions (NICs), how you left your job and your household circumstances.

When losing your job, the main benefit you can claim is New Style Jobseeker's Allowance (JSA), to see if you are eligible for JSA click [here](#). You may also be able to get help with costs like housing and childcare through Universal Credit.

If you've been dismissed from your job because of misconduct, or you left it without a good reason, there might be a delay before you can start getting JSA or Universal Credit.

If you're entitled to benefits you might also be able to get help with paying the interest on your mortgage through the government's **Support for Mortgage Interest** which is paid directly to your lender.

Click [here](#) to see what benefits you may be entitled to. Remember to tell Jobcentre Plus or the Job and Benefits Office and HMRC if you go back to work or if your circumstances change.



## Making the most of your redundancy pay

Getting a redundancy payment will help financially when losing your job. But working out what to do with your redundancy package can be a difficult decision.

While you are looking for another role, most people will need to use the lump sum as regular income. Once you have calculated your monthly budget, you will be able to calculate how long your redundancy payment will last if it's only used as a regular income.

If you have debts that you are paying interest on, you may want to clear these debts first. This will then reduce your monthly outgoings.

If your employment package included extras, such as private health insurance or a car allowance, you might want to budget for them, or consider if you still need them.

If you get a new role quickly or don't need the full redundancy amount to live on you may want to consider investing or saving the lump sum to use in the future.





## Finding a new role

The first thing you need to do before applying for a new job is to check your CV and ensure it's up to date. Click [here](#) to read the National Careers Service 'How to write a CV' guide.

The next stage will be an interview, this is where the employer can see if you're the right person for the job. It's your chance to make a good impression and show what you have to offer. You can also use it to help you decide if the job and the company are right for you.

Before this interview, it's important for you to do your homework. Take some time to research the organisation ahead of your interview, prepare some most commonly asked interview questions and think about what questions you would like to ask.

A lot of people who lose their jobs will get another role doing something similar to their previous one, but for others redundancy can mean new opportunities. So you may want to consider retraining for a new career.

You'll find lots of retraining choices open to you when you've been made redundant, from apprenticeships and internships to part-time, full-time or distance study courses at college or university.

If you do decide to change careers and re-train, there are various ways you can finance this career change. This will depend on the training programme or study course you want to follow and also depending on any savings or income you have. Your options include **professional and career development loans**, **student loans**, **apprenticeships** and possibly even a grant or bursary.

Whilst retraining you may be able to claim benefits which may include help towards childcare.

Redundancy could be the opportunity you've been waiting for to start your own business. It's not an easy option, so it's important that you plan, prepare, and do as much research as you can before committing. For more details on starting up a business click [here](#).



Improving your existing skills or gaining additional qualifications is a good way of improving your chances of getting another job. They could also give your confidence a well-needed boost.





## Helpful links

### England

[National Careers Service](#)

or call 0800 100 900

### Scotland

[Skills Development Scotland](#)

or call 0141 285 6000

### Wales

[Careers Wales](#)

or call 0800 028 4844

### Northern Ireland

[nidirect](#)

Worrying about money can be extremely stressful and may lead to mental health conditions. Police Mutual are here to help. We want to break down the stigma surrounding debt and get people talking about money. We've teamed up with **PayPlan\***, one of the UK's leading free debt advice providers, who offer free and confidential advice to anyone in serious financial difficulties.

They're able to advise you on a range of debt solutions suited to your individual circumstances, helping to protect you and your family with a sustainable way to manage your debt.

Get free and confidential help to combat your debt, call **PayPlan\*** on **0800 197 8433**.



**For more information about the products  
and services available from Police Mutual:**

**Call us 0151 242 7640**

**Visit [policemutual.co.uk](https://policemutual.co.uk)**