

Employee redundancy letter, insolvency context (template)

From LTD Turnaround (ltdturnaround.co.uk). Free to use and adapt. General information, not legal or insolvency advice. In a formal insolvency (liquidation or administration) dismissals are normally handled with, and often by, the insolvency practitioner; use this template with their guidance rather than instead of it. Employment law claims (unfair dismissal, consultation failures) are outside this template's scope.

WHAT MAKES AN INSOLVENCY REDUNDANCY LETTER DIFFERENT

When the employer is insolvent, the letter must do a second job: point each employee at the government scheme that actually pays them. Verified 27 July 2026 at gov.uk: employees of an insolvent employer can apply online for a redundancy payment, holiday pay, unpaid wages/overtime/commission, and statutory notice pay. They apply at <https://www.gov.uk/claim-redundancy> and need the CN (case reference) number issued by the insolvency practitioner or official receiver; claims for redundancy, wages and holiday must be made within 6 months of dismissal. Statutory notice pay uses a separate LN reference sent after the notice period would have ended. RPS support: 0330 331 0020 / redundancypaymentsonline@insolvency.gov.uk. Source: <https://www.gov.uk/your-rights-if-your-employer-is-insolvent>

[Company name] [in creditors' voluntary liquidation / in administration, if applicable]

[Registered office address]

Company number: [number]

[Date]

[Employee name]

[Address]

Dear [Name],

Re: termination of your employment by reason of redundancy

I am sorry to confirm that, because [Company name] [is insolvent and has ceased trading / has entered creditors' voluntary liquidation on [date] / cannot continue to employ its staff], your employment is terminated by reason of redundancy with effect from [date].

The company is not able to make the payments owed to you directly. You can apply to the government's Redundancy Payments Service, which pays statutory amounts to employees of insolvent employers, including:

- statutory redundancy pay
- arrears of wages, overtime and commission
- accrued holiday pay
- statutory notice pay

How to claim

1. Apply online at <https://www.gov.uk/claim-redundancy>
2. You will need the case reference (CN) number: [CN number, from the insolvency practitioner or official receiver]. You cannot claim without it.
3. Apply for redundancy, wages and holiday within 6 months of your dismissal.
4. Statutory notice pay is claimed separately using an LN reference, which is sent to you after your notice period would have ended.
5. For help with a claim, contact the Redundancy Payments Service on 0330 331 0020 or redundancypaymentsonline@insolvency.gov.uk.

Your employment details for the claim are: start date [date], [weekly/monthly] pay [amount], accrued untaken holiday [days]. Please check these and tell [the liquidator / administrator / me] if you believe they are wrong.

[The insolvency practitioner dealing with the company is [name, firm, contact]. They will write to you about the process and any further claims.]

Thank you for your work for the company. I am sorry it has ended this way.

Yours sincerely,

[Name]

[Director / Liquidator / Administrator], [Company name]

NOTES FOR THE DIRECTOR

1. Send this only as part of an advised process. Dismissals immediately before or during insolvency have employment-law consequences (including protective awards for consultation failures) that need professional input.
2. Give each employee their CN number as soon as the practitioner issues it; without

it they cannot claim.

3. Directors who are themselves employees may have their own claim:

<https://ltdturnaround.co.uk/tools/director-redundancy-calculator/>

Guides: <https://ltdturnaround.co.uk/cant-pay-staff-wages/> and

<https://ltdturnaround.co.uk/director-redundancy/>