



FACT SHEET

IS MY CORONAVIRUS “STAND DOWN” REALLY A REDUNDANCY?

The following is for information purposes only and should not be relied on as legal advice

Stand down

Stand down applies where there is a stoppage of work that is beyond the control of the employer and employees cannot be usefully employed.

During the coronavirus pandemic, some examples of when employers may be able to stand down employees include:

- if there is an enforceable government direction requiring the business to close;
- if the business closes because it cannot comply with social distancing requirements;

A stand down can be in place for a lengthy period of time.

Redundancy

Redundancy is where the employer terminates the employment of the employee because the employer does not require the work to be performed by anyone. The employment permanently ends, and the employer may be required to pay redundancy*.

When can an employee be stood down?

Generally, employers cannot stand down employees simply because of a downturn in business conditions. The COVID19 pandemic may cause a deterioration in business because there is less demand for the employer’s products or services.

As a simple guide, a stand down tends to be the result of the direct impact of the pandemic on the business, whilst a redundancy is usually caused by an indirect impact on the business.

However, please note: the Jobkeeper Payment scheme may give employers broader stand down options.

The far-reaching effect of the coronavirus pandemic on businesses makes it difficult to identify if a “stand down” is actually a redundancy. Every case needs to be considered on its own facts .

South West Sydney Legal Centre can assist with legal advice on employment law. People who live or work in the Liverpool, Fairfield and Canterbury-Bankstown local government areas can call us for free telephone legal advice. Our line is sometimes busy so please call back if you can't get through the first time.

* Small business employers are not required to pay employees redundancy pay, unless there is an industry specific redundancy scheme in place. A small business employer is one that employs less than 15 employees.

South West Sydney Legal Centre can assist you with any questions or concerns.
Please go to the [Contact section](#) of our website to see the current telephone advice times.