

Buying and Selling a Business

- What happens to your employment rights if there is a change of ownership of the company you work for? Can the buyer of the business terminate your employment? You have rights and cannot be dismissed just because the business has changed ownership. You may be entitled to compensation.
- Does your current employer and the buyer of the company have to consult with you? Yes they must consult with you regarding the change of ownership. What if they do not consult with you? You may be entitled to compensation.
- Can the buyer of the business vary your contract of employment? What can you do if the buyer of the business imposes new conditions to the terms of your contract? Your contract of employment cannot be varied without your consent.
- What if the buyer already has staff and does not need any additional staff? The buyer and the seller must still consult with you. You cannot be made redundant solely because the new buyer does not require your services. You stand on an equal footing to the new buyer's existing staff. There are procedures that must be followed if any redundancies are to be made because of the transfer of the business. If the procedures are correctly followed and you are selected for redundancy, what payments are you entitled to receive? Are there any alternatives to redundancy? If there is suitable alternative employment, this should be offered to you. What if you are being asked to work for less money or the alternative job is a demotion. Do you have to accept the offered role?

For advice and support on any of the points raised call the Employment team on 01159 888 777

The information provided above is not intended to be a comprehensive answer to the various problems which can arise. Each situation must be considered on its merits, taking into account all of the relevant circumstances. You are therefore advised no to take any action solely on the basis of the general guidance contained in this note, without first taking detailed legal advice. Fraser Brown will not accept liability for any loss arising out of this guidance note where you have not taken such advice.

Latest Version 6 April 2009



© Fraser Brown 2009

