

## Buying and Selling a Business

- Are you buying or selling a business? Can you terminate your employees' employment? You must not dismiss staff just because the business has changed ownership. If you do so, employees may be entitled to compensation.
- Did you know that the buyer and the seller of the Company have to consult with all employees? The buyer and seller must consult with all employees regarding the change of ownership. If employees are not consulted, they may be entitled to compensation from the buyer and/or the seller of the business.
- If you are buying a business can you vary the contracts of employment of your staff? Can you impose new conditions to the terms of your employees' contracts of employment? You must take care – contracts of employment cannot be varied without consent.
- What if you are the buyer of the business and you already have staff? What if you do not need any additional staff? You must consult with all employees. You cannot make any employee redundant solely because you do not require their services. The employees from the business you are buying stand on an equal footing to your 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 have selected employees for redundancy, what payments are they entitled to receive? Are there any alternatives to redundancy? If there is suitable alternative employment, this should be offered. What is suitable alternative employment? Can you ask employees to work for less money? Do they have to accept the role offered?

If you would like to discuss any of the points raised, call out Employment & HR 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



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