

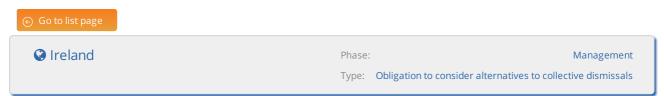
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# **EMCC**

European Monitoring Centre on Change

# Ireland: Obligation to consider alternatives to collective dismissals



the Last modified: 09 August, 2017

Native name: Protection of Employment Act, 1977 as amended by S.I. No. 370/1996

Protection of Employment Order 1996 and S.I. No. 488/2000 European

Communities (Protection of Employment) Regulations 2000

English name: Protection of Employment Act, 1977 as amended by S.I. No. 370/1996

Protection of Employment Order 1996 and S.I. No. 488/2000 European

Communities (Protection of Employment) Regulations 2000

### Article

1977 Act: 9(2); SI No 370/1996; SI No 488/2000: 4

### Description

Section 9(2) of Protection of Employment Act, as amended, imposes an obligation on an employer proposing collective redundancies to initiate consultations with employees' representatives representing the employees affected by the proposed redundancies. These consultations include:

- the possibility of avoiding the proposed redundancies, reducing the number of employees affected by them or otherwise mitigating their consequences by recourse to accompanying social measures aimed, *inter alia*, at aid for redeploying or retraining employees made redundant:
- the basis on which it will be decided which particular employees will be made redundant.

Alternatives to redundancy can sometimes involve states agencies, such as IDA (Industrial Development Authority) Ireland, particularly if the proposed job losses are in a locality where the job reductions have a more severe effect on the local employment levels.

Collective redundancies, for the purpose of the act, are defined as: at least 5 in an establishment normally employing more than 20 and less than 50 employees, at least 10 in an establishment normally employing at least 50 but less than 100 employees, at least 10% of the number of employees in an establishment normally employing at least 100 but less than 300 employees, and at least 30 in an establishment normally employing 300 or more employees.

### Comments

Obligations under this section of the act apply for situations of collective redundancies, irrespective of whether the establishment is subject to a court-approved wind up.

The penalty for a breach of section 9 is presently €5,000. This is considered ineffective in dissuading contravention of the obligation on employers. Following the Clerys store closure of June 2015, the government commissioned an expert review of the 1977 Act and its relations to Company Law. The Duffy-Cahill report was published in 2016 but the government's legislative response - if any - is still awaited, as of May 2017.

# Cost covered by

Employer

### Involved actors other than national government

Regional/local government

Trade union

Works council Other

### Involvement others

IDA Ireland

# **Thresholds**

Company size by number of employees:

21

Number of affected employees:

5

# Sources

- DG Employment, Social Affairs and Equal Opportunities/Héra (2011), Selected companies' legal obligations regarding restructuring
- Ius Laboris (2009), Collective Redundancies Guide, Brussels
- Protection of Employment Act, 1977 as amended by S.I. No. 370
- 1996 Protection of Employment Order 1996 and S.I. No. 488
- 2000 European Communities (Protection of Employment) Regulations
- EMCC legal framework of restructuring
- Duffy-Cahill report

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