

Overview	Legal Change	Action required
<p>Termination Rules A new termination ground is introduced to lower slightly the barriers to legal dismissals.</p>	<p>Previously there were 8 distinct grounds for dismissal (the a - h grounds). For a court to order a termination one of the grounds had to apply. Problems arose if the employer could not make their case based on a single ground.</p> <p>With effect from January 1st, 2020 a new ground came into effect, known as 'cumulation' or i-ground. This enables employers to combine more than one existing ground for lawful dismissal. For example, both unsatisfactory performance (d-ground) and damaged working relationship (g-ground) can be used together.</p> <p>If a court grants the termination on the i-ground it may also award additional compensation up to a maximum of half of the 'transition allowance'.</p>	<p>The changes apply now.</p> <p>Terminations may be slightly easier but also potentially more expensive.</p>
<p>Transition Allowance Changes to the calculation of termination compensation ('transition allowance').</p>	<p>With effect from January 1st, 2020 employees are entitled to accrue the transition allowance from the first day of their employment, including trial periods. Previously, employees were only allowed this allowance after 2 years.</p> <p>The calculation of the allowance will be one third of gross monthly salary for each full year of service regardless of employee age or years of service. Part of year will be calculated pro rata but with no rounding down</p> <p>This replaces the previous allowance which provided for one half of gross monthly salary for service years exceeding 10.</p>	<p>The changes are in effect now.</p> <p>You should become familiar with the various new rules that apply.</p>
<p>Successive Fixed Term Contracts Extension of the period in which successive fixed term contracts are allowed.</p>	<p>Previously only 3 successive fixed term contracts in a 24 month period were permitted before the contract became indefinite.</p> <p>From January 1st 2020 the permitted period is extended to 36 months. However the number of permitted successive contracts remains 3.</p>	<p>The changes apply to all contracts ending on or after January 1st, 2020.</p> <p>Note the greater flexibility for fixed term contracts.</p>
<p>On-Call Workers New rules protecting on-call workers.</p>	<p>With effect from January 1st 2020, numerous new rules came in. These include on-call employees being entitled to 4 days advance notice to report for work and must be paid if the work is then cancelled within the 4 days. The notice can be reduced to 24 hours by collective agreement.</p> <p>Payslips must state the nature of the contract.</p> <p>Every year, in the 13th month of an on-call contract, employers must offer on-call workers guaranteed working hours based on the average number of hours worked in the last 12 month period.</p>	<p>The new rules are extensive and detailed.</p> <p>If this is relevant to your business take care to become familiar with them. Penalties for breaches apply.</p>



<p>Insurance Contributions Changes to the calculation of employer contributions for unemployment insurance payments.</p>	<p>The contribution payable no longer depends on the industry sector but on contract type. Indefinite employment contracts see a 5% reduction in contribution while higher contributions apply for on-call contracts and temporary contracts.</p>	<p>Check your payroll provider is familiar with and applying the new calculations.</p>
<p>Agency/payroll employees New rules apply to temporary agency work and payroll employees.</p>	<p>Employers must state in writing whether the contract is agency work or payrolling.</p> <p>Payroll employees are entitled to the same employment terms as for direct employees of the company.</p> <p>From January 1, 2021 payroll employees will be entitled to an adequate pension plan.</p>	<p>If relevant to you, be aware of the new rules already in force and prepare for the pension plan requirements at the start of next year.</p>

This is a high level general update only. Legal advice should be obtained on specific circumstances.

