Collective Redundancy Process

“Collective Redundancies” occur when the following number of employees are to made redundant within a 30 day period:

* 5 employees where 21-49 are employed
* 10 employees where 50-99 are employed
* 10% of the employees where 100-299 are employed
* 30 employees where 300 or more are employed

Employee Consultation must take part not less than 30 days before the proposed redundancy date. It must take place with a view to reaching an agreement. Here are some of the issues that the employer should consult on including:

* the possibility of avoiding the proposed redundancies
* reducing the number of employees affected by them or mitigating their consequences by recourse to accompanying social measures aimed at, for example, help with redeployment or retraining employees made redundant
* the basis on which it will be decided which particular employees will be made redundant

Under the Employees Provision of Information and Consultation Act employee consultation should be facilitated on the following grounds:

* “Employees’ representatives” means a Trade Union, an employee(s) elected or appointed for the purpose of consultation.

As you have stated that there are no representative groups (Trade Unions / employee forums) in place, the company must support the “at risk” employees to elect a member(s) of their group that they feel is provides an appropriate amount of representative. This must be agreed by majority and it is crucial that all employees are given the opportunity to have a say in the selection of the representative. The number of representatives depends on the number of employees at risk.

* Where a dispute arises under this section, it may be referred by the employer, trade union, excepted body or one or more than one employee to the Labour Court for determination

In the course of the information and consultation process, the employer is expected to provide the following information in writing to the employees’ representatives:

1. Reasons for the proposed redundancies

2. Number/categories of employees whom it is proposed to make redundant.

3. Number/categories of employees normally employed.

4. Period over which it is proposed to implement the redundancies.

5. Criteria for the selection of workers to be made redundant.

6. If there is to be a payment other than the statutory redundancy payment, the method of calculating such payment must be set out.

*This information can be confirmed in a letter to all employees to ensure consistency in the message.*

Failure to provide appropriate consultation with employees in a collective redundancy can carry heavy fines of up to €250,000.

The company are also required to notify the Minister for Employment Affairs and Social Protection with the following information:

(a) the name and address of the employer, indicating whether he is a sole trader, a partnership or a company;

(b) the address of the establishment where the collective redundancies are proposed;

(c) the total number of persons normally employed at that establishment;

(d) the number and descriptions or categories of employees whom it is proposed to make redundant;

(e) the period during which the collective redundancies are proposed to be effected, stating the dates on which the first and the final dismissals are expected to take effect;

(f) the reasons for the proposed collective redundancies;

(g) the names and addresses of the trade unions or staff associations representing employees affected by the proposed redundancies and with which it has been the practice of the employer to conduct collective bargaining negotiations;

(h) the date on which consultations with each such trade union or staff association commenced and the progress achieved in those consultations to the date of the notification.

As with the employees this needs to be issued with 30 days’ notice and it can run concurrently to the employee notice.