

GOVERNMENT INTRODUCES STATUTORY SICK LEAVE FOR EMPLOYEES

Legislation Update

The Government has approved the introduction of statutory sick leave to make the provision of paid sick leave for all employees a legal requirement in Ireland. The new legislation makes it mandatory for employers to provide paid sick leave for a minimum of three days a year in year one, with plans to increase the minimum requirement to ten days annually in year four. The Sick Leave Act 2022 was signed by the President on July 20. The Act, for the first time, will provide for statutory sick pay (SSP) for employees in Ireland. While signed into law, the provisions of the Act have yet to come into force. A statutory commencement order is necessary to bring the Act into practical operation. The implementation of this commencement order is expected shortly.

All employers should be aware of the Statutory Sick Pay scheme requirements, which are as follows:

- Paid sick leave for up to 3 sick days per year. This is planned to increase to 5 days in year 2, 7 days in year 3 and 10 days in year four.
- A rate of payment for statutory sick leave of 70% of normal wages to be paid by employers (up to a maximum €110 per day).
- Employers should be aware that employees are entitled to take a complaint to the WRC where they are not provided with a company sick pay scheme.
- Both full and part-time employees are entitled to the new Statutory Sick Pay.
- Employees must have 13 weeks of continuous service to avail of the scheme.
- Employees must submit a valid medical certificate from a registered medical practitioner to avail of the scheme.
- Sick leave is payable for days that the employee would ordinarily work.
- The leave can be taken on consecutive or non-consecutive days.



HR Team's Sick Pay Advice For Employers:

- Ensure that your payroll department is aware of the introduction of Statutory Sick Pay.
- Ensure the management team is also aware.
- Update your sick leave and pay policy to reflect the new legislation.
- If you already have a sick pay scheme in place, review this (including any criteria you have in place) to ensure that it meets the requirements of the Statutory Sick pay legislation. If it is less favourable, then it will require updating.
- Communicate this change in legislation to employees.

Statutory Sick Leave Webinar

For further information about this legislation, watch our most recent webinar.

Download the webinar for free here: <https://bit.ly/3PM1IKv>

TIPPING GRATUITIES CHANGES SIGNED IN TO LEGISLATION

Employers are being urged to revise their policies on tipping following the introduction of legislation to ring fence tips and gratuities for workers.

The Payment of Wages (Amendment) (Tips and Gratuities) Act, which has been passed by the Oireachtas, is designed to ensure that tips and gratuities are distributed fairly to staff, and to prevent employers from using tips to make up basic wages. Businesses will be prohibited from describing mandatory charges as 'service charges' unless they are treated in the same way as tips or gratuities. The new law will give employees a legal entitlement to receive tips and gratuities paid in electronic form, and requires that this money should be paid to workers in a fair, transparent and equitable manner. The legislation will also oblige employers to display their policy on mandatory charges, and the distribution of cash and card tips, prominently.

"Most companies look after their staff very fairly, but this new law will stamp out bad practices where they do exist and ensure that tips are distributed fairly among staff," said Tánaiste, Leo Varadkar.

"It will also mean that tips received cannot be used as part of basic pay," he added.

HR Team co-director, Martina McAuley, said: "This legislation will have a profound impact on the service industry. We are advising employers to review their policies regarding tips, gratuities and service charges to ensure they comply with the new regulations." The Act requires a review of legislation after it has been in effect for one year to assess its effectiveness and to decide if further measures are necessary.

5 REASONS WHY RECORDING ANNUAL LEAVE IS ESSENTIAL



Proper leave management will allow your business to operate more effectively, help you meet your employees' need for time-off, and ensure you satisfy your legal obligations. If organisations mismanage their annual leave, the errors can be costly. Here are five reasons why recording your annual leave efficiently is crucial to managing your business successfully.

1. It Is The Law

First and foremost, keeping track of leave and paying correctly keeps you on the right side of the law.

Under the Organisation of Working Time Act, 1997, all Irish employers must keep accurate records of the daily hours every employee works, and the pay for those hours, as well as the leave accrued, entitled leave, and leave taken.

The law exists to ensure that all employees get the paid leave they are legally entitled to, as follows:

- Four working weeks for any leave year in which an employee works at least 1,365 hours; or
- One-third of a working week for each month in the leave year in which the employee works at least 117 hours; or
- Eight per cent of the hours that the

employee works in a year are subject to a maximum of four working weeks. Keeping accurate track of leave and holidays will eliminate or minimise errors in leave entitlement and payment calculations. Your employees will get the right amount of leave and pay, and your business will avoid having to pay backdated leave, or worse, a costly tribunal or fine for not following the law.

2. Reduced Costs

Effective leave tracking and management can lead to a reduction in costs. Paid time-off has a significant financial impact on a company's bottom line.

Temporary workers and contractors can cost much more than your regular staff. Or, if your existing employees provide cover, you may have to pay overtime.

There are other indirect costs and effects, including a potential drop in the quality of goods or services (due to understaffing, fatigue, or less-skilled replacement workers) which could lead to a drop in customer satisfaction.

There may also be increased administration costs and management time (finding suitable replacements, bringing them up to speed, maintaining team morale

etc.), and potential safety issues with replacement or overworked staff. Another financial implication of failing to manage leave properly is allowing employees to accrue weeks or years of leave, which is a liability to the company if the employee resigns and has to be paid out in a lump sum.

3. Sufficient Leave And Holiday Planning

Properly planning your employees' leave means you can plan absences and ensure you have adequate cover, rather than being short-staffed or under pressure.

While there is not much you can do if multiple employees fall sick at the same time, planning annual leave and holiday cover will help reduce work disruptions, ensuring there is no drop in productivity and that the business can continue to meet its obligations and deadlines.

Using an efficient leave management service or software will make keeping track of leave easier and more accurate. Management will spend less time monitoring and responding to leave requests. The system will maintain accurate company-wide records, so you can easily check leave totals and demonstrate legal compliance.



4. Employee Confidence And Wellbeing

If your team members know they are getting their proper leave entitlements, they will have more confidence and trust in the business. This means happier, more engaged employees who are motivated to be productive and help the business succeed.

Your employees also want to know that the business is organised. If leave is poorly managed and several team members take leave simultaneously, the remaining people may have to do extra work to cover. This could lead to resentment if it happens regularly, and the damage will be even greater if it turns out

you haven't been calculating your employee's leave or holiday pay correctly.

Modern leave management systems allow employees to see their leave balances and request leave electronically. This provides transparency and the automation also reduces admin for the business.

5. Reduced Absenteeism

Taking leave is essential. It promotes good physical and mental health in the workplace and improves people's work-life balance, which reduces stress and unscheduled days off. Absenteeism can have a significant impact on any business. If you do not have the tools to track leave -

especially sick leave - accurately you may not know how many days a year your employees are taking and how much that is affecting your business. Proper leave management systems can give you a much better understanding of leave patterns across the business, and if there are issues, you have the chance to work on solutions with your employees.

HR Team has an exciting new HR leave management software launching soon. Register your email [here](#) for more information on how our new software can help you manage leave accurately and efficiently.

HR TEAM WEBINAR: FREE DOWNLOAD

Statutory Sick Pay Introduction, Ireland

What will you learn from the webinar?

- > How much statutory sick pay currently is, what it will increase to, and when
- > Criteria associated with the new sick pay scheme
- > **Documentation required**
- > How to record sick leave to keep abreast of employee payments
- > **What updates will be required to be made to your sick pay policy**
- > Implications for organisations which already pay occupational sick pay
- > **The risks associated with failing to pay statutory sick pay**

Who should participate?

Line managers, supervisors/team leaders, middle/senior managers, HR personnel and business owners.

[DOWNLOAD THE WEBINAR FOR FREE](#)



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Workplace**

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