

Employers Guide to Reorganisation and Redundancy



RBK have been assisting employers in meeting their compliance requirements in line with Redundancy Legislation, while ensuring Tax Reliefs available on ex-gratia payments are maximised.

Why RBK

- Assisting you meet your compliance requirements.
- A very personable team who bring a wealth of experience and offer independent advice for both you and your employees.
- We have assisted a number of companies through this difficult and complex time.

Introduction

During these difficult financial times, companies are finding themselves in the situation of having to reorganise their workforce and implement some very difficult decisions in order to remain viable and ensure competitiveness going forward.

Companies are obliged to adhere to all legal provisions relating to redundancy. In doing so, this protects the employer against any further litigation.

Structuring ex-gratia payments in the most tax efficient manner is always a key concern.

Alternatives to Redundancy

As an **alternative to redundancy**, we can advise on a number of creative options to reduce payroll costs.

Entitlements

Not all employees are entitled to a redundancy payment. In order to qualify for a statutory redundancy payment, employees have to satisfy a number of conditions.

For those who are eligible, they have a minimum notice entitlement depending on their length of service or as otherwise specified in their Contract of Employment. They are also entitled to a tax free statutory redundancy payment. Any additional ex-gratia payment is made at the employer's discretion and tax exemptions may be available.

Fair selection procedures must be applied at all times ensuring validity and fairness of the selection process.

Considerations

Employer

- Ex-gratia payment level
- Employee salary levels
- Employee years of service
- Employee pension entitlements
- Waiver of pension lump sums in favour of tax-free cash
- Prior Revenue approval requirement

Employee

- Waiver of pension lump sum entitlements
- Additional Voluntary contributions prior to termination
- Previous redundancy history
- Top slicing relief claim

How RBK can help?

RBK HR Solutions have extensive experience in advising our clients and assisting them through the planning, communication and implementation phases. We facilitate the calculation of redundancy payments and complete applications for Employers Rebate.

Our tax experts have gained substantial expertise over the years and have advised on structuring payments to employees of Microsoft, ABN Amro, Green Core and Cadbury to name but a few.

As a Top 10 firm specialising in this area our rates are very competitive.

We are, and will be seen by your employees to be, independent.

WHAT OUR CLIENTS SAY

"RBK provided us with excellent independent advice throughout a recent downsizing project in compliance with employment legislation. Thanks to their careful planning and guidance, it gave us the ability to implement some difficult decisions and cut our costs in order to remain viable and ensure competitiveness going forward."

RAY FENELON,
MANAGING DIRECTOR,
Fenelon Engineering, (2009)

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DUBLIN | ATHLONE | ROSCOMMON

For more information, please visit
RBK.ie

What choose RBK?

We provide independent advice and offer the guidance and support required to suit the needs of employers and employees.

Other relevant services available:

Payroll | Investment | Pensions | Corporate Recovery