



Summary of Employment Regime in Ireland

LAWS IN IRELAND

Mandatory Employment Documents

KEY POINTS

- An employer is required to set out certain key terms in writing. This should occur before the individual commences work, with there being a five day time limit (from commencement) for some of those terms and a one month limit for others.
- Employment agreements are typically in English but should be a language that the employee is capable of understanding.
- Employers should have core policies in place e.g. grievance and disciplinary. Many employers have comprehensive handbooks (or the equivalent) in place.

Working Hours Limitations

- Working hours should not exceed 48 hours per week, averaged over a four-month period.
- Employees are entitled to daily and weekly rest periods and rest breaks during working hours.
- Unlike in some other jurisdictions, weekly working limits cannot be contracted out of.

Overtime Payments

- There is a mandatory 'Sunday premium' for services performed on Sundays unless expressly provided for in calculation of employee's wage (typically limited to lower, hourly paid employees).
- Unless provided for by individual or collective agreement in a specific workplace, there is no general, statutory entitlement to overtime.

Annual Leave

- Employees are entitled to greater of one of following paid annual leave entitlements:
 - Four working weeks p/a in which the employee works at least 1,365 hours (unless it is a leave year in which the employee changes employment);
 - 1/3 working week per month in leave year in which employee works minimum 117 hours;
 - 8% of hours the employee works in leave year (but subject to maximum of four weeks).
- The employer is obliged to grant full annual leave every year with some flexibility allowed on carry over.

Public Holidays	- Employees are entitled to 10 paid public holidays.
Minimum Wage	- Minimum wage is regulated by law and is periodically updated - Currently, the minimum wage for employees is €13.50 per hour for employees aged 20 or older.
Discrimination	- An employer is under the duty to respect the dignity and other personal rights of an employee and employees have equal rights for equal performance of the same duties. This principle in particular is applied to the equal treatment of men and women at work. - It is not permissible to <u>discriminate</u> against an employee, either directly or indirectly, especially on the grounds of a person's gender, marital status, family status, age disability, sexual orientation, race, religion, and membership of the Traveller community as well as employment for a definite or indefinite term or on a full-time or part-time basis.
Retaliation / Reprisal	- Most employment legislation includes protections for employees who make (or support others who make) claims under the relevant legislation.
Vicarious Liability	- An employer is generally liable for the unlawful acts of its employees, and so may be required to compensate employees for any damage suffered as a result of the actions of their employees.
Bullying	- Bullying and harassment are distinct but related concepts and employers should address in their policies the prevention of both and how complaints, if they arise, will be addressed.
Retirement Age	- The state retirement age is currently 66 years. This is the age at which an employee generally becomes eligible to receive a state pension. Attaining state retirement age does not automatically justify the termination of employment and any mandatory contractual retirement age must be objectively justified.
Termination	- An employment agreement can be terminated on notice in accordance with its own terms. Probation periods are commonplace. - Where an employee has accrued one year's service and is terminated, they can claim unfair dismissal. The employer must demonstrate a fair reason for such dismissals (e.g. conduct/capability/redundancy etc.) and in addition that a fair process has been followed prior to termination. Compensation of up to two years' gross pay can be awarded where an employee is unfairly dismissed.

Notice

- Minimum notice ranges from one week for employees with 13 weeks to two years' service to eight weeks for employees with at least 15 years' service. Longer notice periods are typically provided for by contract.

Statutory Redundancy Pay

- An employee with more than two years' service is entitled to a statutory redundancy payment based on length of service if terminated on grounds of the redundancy of their role. The statutory payment is calculated as two weeks' pay per year of service, plus an additional weeks' pay - with a "week's pay" for these purposes capped at €600. Enhancements to these arrangements are common but by no means an entitlement (in most cases). Severance schemes must be carefully managed.

Use of Temporary Workers and Atypical Working

- Various hiring models will work in the Irish context ranging from direct hires for unlimited periods, direct hiring in a fixed term basis and, in addition, alternative engagement models. These include EOR and PEO arrangements to name but two potential approaches.
- Irish law provides a separate category of 'agency workers'.
- Agency workers are not entitled to all employment rights afforded to direct employees. However, they have rights to certain equal basic employment conditions. Agency workers may also bring unfair dismissal claims against the entity/end user.
- There is often a risk of misclassification issues or deemed employment, in particular where companies engage contractors.