

# Redundancy Payments Act, 1979



---

*Number 7 of 1979*

---

## **REDUNDANCY PAYMENTS ACT, 1979**

---

### ARRANGEMENT OF SECTIONS

#### Section

- [1. Definitions.](#)
- [2. Financing of Redundancy Fund.](#)
- [3. Contributions to Redundancy Fund.](#)
- [4. Provisions relating to lump sum under Principal Act, and consequential provisions.](#)
- [5. Provisions relation to persons reaching qualifying age for old age pension.](#)
- [6. Rebates to employers from Redundancy Fund.](#)
- [7. Employee's right to time off for certain purposes while under notice of dismissal for redundancy.](#)
- [8. Termination of entitlement to weekly payments.](#)
- [9. Amendment of section 10 of Principal Act.](#)
- [10. Amendment of section 11 of Principal Act.](#)
- [11. Amendment of section 15 of Principal Act.](#)
- [12. Application to certain cases of sections 10 and 11.](#)
- [13. Amendment of section 24 of Principal Act.](#)
- [14. Amendment of section 42 of Principal Act.](#)

- [15. Amendment of section 15 of Act of 1971.](#)
- [16. Power to remove difficulties.](#)
- [17. Miscellaneous amendments of Principal Act.](#)
- [18. Amendment of section 16 of Act of 1971.](#)
- [19. Repeals.](#)
- [20. Expenses.](#)
- [21. Short title, construction, collective citation and commencement.](#)

## SCHEDULE

### Miscellaneous Amendments of Principal Act



---

*Number 7 of 1979*

---

### **REDUNDANCY PAYMENTS ACT, 1979**

---

AN ACT TO AMEND AND EXTEND THE REDUNDANCY PAYMENTS ACTS, 1967 TO 1973,  
AND TO PROVIDE FOR OTHER CONNECTED MATTERS. [20th March, 1979]

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

Definitions.

**1.**—In this Act—

“*the Act of 1971*” means the Redundancy Payments Act, 1971;

“*the Minister*” means the Minister for Labour;

“*the Principal Act*” means the [Redundancy Payments Act, 1967](#) .

Financing of  
Redundancy  
Fund.

**2.**—Section 27 of the Principal Act is amended by the substitution of the following subsection for subsection (1):

“(1) For the purpose of providing moneys for making payments which under this Act are to be made out of the Redundancy Fund there shall be paid into the Fund—

(a) contributions by employers (in this Part referred to as ‘employers' redundancy contributions’), and

(b) advances as provided for in subsection (2).”.

Contributions  
to Redundancy  
Fund.

3.—The following section is substituted for section 28 of the Principal Act (as amended by the [Redundancy Payments Act, 1973](#)):

“28. (1) In relation to an employee to whom this Act applies, the employment contribution payable by his employer under section 6 (1) (b) (ii) (inserted by the [Social Welfare \(Amendment\) Act, 1978](#)), of the Act of 1952 shall be increased by the amount of the employer's redundancy contribution, and the employer's redundancy contribution shall be payable in respect of the reckonable earnings by reference to which the employment contribution is determined under the Social Welfare Acts, 1952 to 1978, and shall be calculated at the rate of 0.5 per cent of the amount of such reckonable earnings and shall be deemed to be an employment contribution within the meaning of those Acts.

(2) Sections 6 (1) (c) and 6 (1) (d) (inserted by the [Social Welfare \(Amendment\) Act, 1978](#)) of the Act of 1952, shall apply to employer's redundancy contributions to which this section applies in like manner as they apply to contributions by employers under section 6 (1) (b) of that Act.

(3) The Minister may by regulations, made with the consent of the Minister for Finance, vary the rate specified in subsection (1).

(4) Notwithstanding any contract to the contrary, an employer shall not be entitled to deduct from the remuneration of any person employed by him (or otherwise to recover from such a person) the employer's redundancy contribution payable in respect of that person.

(5) Employers' redundancy contributions under this section shall be paid into the Social Insurance Fund.

(6) All sums paid into the Social Insurance Fund under subsection (5) shall be paid out of that Fund to the current account of the Redundancy Fund at such times as may be determined by the Minister for Social Welfare.”.

Provisions  
relating to lump  
sum under  
Principal Act,  
and  
consequential  
provisions.

4.—(1) Schedule 3 of the Principal Act (as amended by the Act of 1971), which relates to the amount of the lump sum under the Principal Act, is amended by the insertion of the following paragraph after paragraph 1:

“2. In calculating the amount of the lump sum any part of an employee's earnings per annum in excess of £5,000 shall be disregarded.”.

(2) The Minister may by regulations made with the consent of the Minister for Finance—

(a) vary the amount of £5,000 referred to in paragraph 2 of Schedule 3 of the Principal Act (inserted by this section), and

(b) alter the method of calculation of a lump sum under the Principal Act.

(3) When making regulations under subsection (2) of this section, the Minister shall take into account any changes in the average earnings of workers in the transportable goods industries as recorded by the Central Statistics Office since the date by reference to which the sum specified in subsection (1) of this section was last determined.

(4) (a) Subject to paragraph (b) of this subsection, the Redundancy Payments (Weekly Payments and Lump Sum) Order, 1974 (S.I. No. 82 of 1974), and the Redundancy Payments (Weekly Payments) Order, 1976 (S.I. No. 126 of 1976), shall cease to have effect from the commencement of this section.

(b) Notwithstanding paragraph (a) of this subsection but subject to [section 8](#) of this Act, an employee who at the commencement of this section is in receipt of weekly payments shall continue to receive such payments as if that paragraph were not enacted.

Provisions relating to persons reaching qualifying age for old age pension.

**5.**—The following section is substituted for section 3 of the Act of 1971:

“3. Notwithstanding section 4 (1) of the Principal Act, that Act shall, with effect from the 6th day of April, 1980, not apply to a person who on the date of termination of his employment had attained the age which on that date is the pensionable age within the meaning of the [Social Welfare Act, 1952](#) .”.

Rebates to employers from Redundancy Fund.

**6.**—The following section is substituted for section 29 of the Principal Act (inserted by the Act of 1971):

“29. (1) Subject to this Part, the Minister shall make from the Redundancy Fund a payment to an employer of such sum (in this Part referred to as a rebate) as is equivalent in amount to 60 per cent of each lump sum paid by that employer under section 19.

(2) Notwithstanding subsection (1), whenever an employer fails to comply with any provision of section 17, the Minister may at his discretion reduce the amount of the rebate payable in respect of the lump sum paid under section 19 to that employer, but the amount of rebate when so reduced shall not be less than 40 per cent of the lump sum.

(3) The Minister may by regulation, made with the consent of the Minister for Finance, vary a rate of rebate specified in this section.”.

Employee's right to time off for certain purposes while under notice of dismissal for redundancy.

**7.**—(1) This section applies to an employee who has not less than 104 weeks' service with an employer and has been given notice of proposed dismissal by reason of redundancy.

(2) An employee to whom this section applies shall be entitled during the two weeks ending on the

expiration of his notice of dismissal to be allowed by his employer reasonable time off during the employee's working hours in order to look for new employment or make arrangements for training for future employment.

(3) An employee who is allowed time off under this section shall be entitled to be paid remuneration by his employer for the period of absence at the appropriate hourly rate obtaining on the date of his notice of dismissal and to remuneration equal to this amount in a case where the employer unreasonably refuses time off under this section.

(4) The employer of an employee to whom this section applies may require the employee to furnish him with such evidence as he requests of arrangements made by the employee relating to effort to obtain new employment or training for future employment, and the employee shall furnish any evidence so requested if it is not prejudicial to the employee's interest.

(5) Any dispute arising under this section shall be deemed to be a decision referred to in section 39 (15) of the Principal Act, and any amount ordered by the Employment Appeals Tribunal to be paid by an employer to an employee shall be recoverable as a simple contract debt in a court of competent jurisdiction.

Termination of entitlement to weekly payments.

**8.—**(1) Subject to subsection (2) of this section, sections 30 and 31 of the Principal Act shall cease to have effect from the commencement of this section.

(2) Notwithstanding subsection (1) of this section, an employee who at the commencement of this section is in receipt of weekly payments shall continue to receive such payments as if that subsection were not enacted, but (notwithstanding any other provision of the Redundancy Payments Acts, 1967 to 1979) if before the exhaustion of such payments payment of them ceases for any reason the employee shall not subsequently be or become entitled to any weekly payment.

(3) For the purposes of subsection (2) of this section, in the case of an employee whose employment is terminated by reason of redundancy in the period of two weeks ending at the commencement of this section, that employee shall be deemed to be in receipt of weekly payments if his claim for such payments is made not later than two weeks after such commencement and is duly decided under the Principal Act to be payable.

(4) An employee whose employment terminates by reason of redundancy before the commencement of this section and who has claimed weekly payments before such commencement, but whose claim for such payments is not before such commencement decided on, shall for the purposes of subsection (2) of this section be deemed to be in receipt of weekly payments if his claim is upheld.

Amendment of section 10 of Principal Act.

**9.—**Section 10 of the Principal Act, which relates to anticipation by an employee of his employer's notice to terminate his contract, is amended by the insertion of the following subsection after subsection (3):

“(3A) Where an employer agrees in writing with an employee to alter the date of dismissal mentioned in a notice under subsection (1) (a) given by him to that employee so as to ensure that the employee's notice under subsection (1) (b) will be within the obligatory period in relation to the notice under subsection (1) (a), the employee's entitlement to redundancy payment shall be unaffected and the employee shall, for the purposes of this Part, be taken to be dismissed by his employer, the date of dismissal in relation to that dismissal being the date on which the employee's notice expires.”.

Amendment of section 11 of Principal Act.

**10.**—Section 11 of the Principal Act (as amended by the Act of 1971), which relates to lay-off and short-time, is amended by the substitution of the following subsection for subsections (2) and (3):

“(2) Where—

- (a) for any week an employee's remuneration is less than one-half of his normal weekly remuneration or his hours of work are reduced to less than one-half of his normal weekly hours,
- (b) the reduction in remuneration or hours of work is caused by a diminution either in the work provided for the employee by his employer or in other work of a kind which under his contract the employee is employed to do.
- (c) it is reasonable in the circumstances for the employer to believe that the diminution in work will not be permanent and he gives notice to that effect to the employee prior to the reduction in remuneration or hours of work,

the employee shall, for the purposes of this Part, be taken to be kept on short-time for that week.”.

Amendment of section 15 of Principal Act.

**11.**—Section 15 of the Principal Act (as amended by the Act of 1971), which relates to a refusal by an employee to accept alternative employment, is amended by the insertion of the following subsection after subsection (2A):

“(2B) Where—

- (a) an employee's remuneration is reduced substantially but not to less than one-half of his normal weekly remuneration, or his hours of work are reduced substantially but not to less than one-half of his normal weekly hours, and
- (b) the employee temporarily accepts the reduction in remuneration or hours of work and indicates his acceptance to his employer,

such a temporary acceptance for a period not exceeding 52 weeks shall not be taken to be an acceptance by the employee of an offer of suitable employment in relation to him.”.

Application to certain cases of sections 10 and 11.

**12.**—Where—

- (a) a dismissal (or termination of employment) occurred before the commencement of this section,
- (b) the employee concerned would have been entitled to redundancy payment if [section 10](#) or [11](#) of this Act had been in operation on the date of dismissal or termination of employment, and
- (c) the employee concerned had appealed to the Tribunal before the 1st day of January, 1979, but a decision relating to that appeal had not been made before the commencement of this

section,

the Tribunal shall, as soon as practicable after the commencement of this section, make a decision relating to that appeal as if [sections 10](#) and [11](#) of this Act had been in operation on the date of dismissal or termination of employment.

Amendment of section 24 of Principal Act.

**13.**—Section 24 of the Principal Act (as amended by the Act of 1971), which relates to a time-limit on claims for redundancy payment, is amended by the insertion of the following subsection after subsection (2A):

“(3) Notwithstanding subsection (2A), where an employee establishes to the satisfaction of the Tribunal—

- (a) that failure to make a claim for a lump sum before the end of the period of 104 weeks mentioned in that subsection was caused by his ignorance of the identity of his employer or employers or by his ignorance of a change of employer involving his dismissal and engagement under a contract with another employer, and
- (b) that such ignorance arose out of or was contributed to by a breach of a statutory duty to give the employee either notice of his proposed dismissal or a redundancy certificate,

the period of 104 weeks shall commence from such date as the Tribunal at its discretion considers reasonable having regard to all the circumstances.”.

Amendment of section 42 of Principal Act.

**14.**—Section 42 of the Principal Act is amended by the substitution of the following subsections for subsections (1) and (3), respectively:

“(1) There shall be included among the debts which, under [section 285](#) of the [Companies Act, 1963](#), are, in the distribution of the assets of a company being wound up, to be paid in priority to all other debts, all contributions (other than employer's redundancy contributions to which section 28 (inserted by the Redundancy Payments Act, 1979) applies) payable by the company under this Act during the twelve months before the commencement of the winding up or the winding-up order and any lump sum (or portion of a lump sum) payable under this Act by such a company, and the said section 285 shall have effect accordingly, and formal proof of the debts to which priority is given under this subsection shall not be required except in cases where it may otherwise be provided by rules made under the [Companies Act, 1963](#) .

(3) There shall be included among the debts which, under section 4 of the Preferential Payments in Bankruptcy (Ireland) Act, 1889, are, in the distribution of the property of a bankrupt or arranging debtor, to be paid in priority to all other debts, all contributions (other than employer's redundancy contributions to which section 28 (inserted by the Redundancy Payments Act, 1979) applies) payable under this Act by the bankrupt or arranging debtor during the twelve months before the date of the order of adjudication in the case of a bankrupt or the filing of the petition for arrangement in the case of an arranging debtor and any lump sum (or portion of a lump sum) payable under this Act by a bankrupt or arranging debtor, and the said section 4 shall have effect accordingly, and formal proof of the debts to which priority is given under this subsection shall not be required except in cases where it may otherwise be provided by general orders made under the Preferential Payments in Bankruptcy (Ireland) Act, 1889.”.

Amendment of section 15 of Act of 1971.

**15.**—Section 15 of the Act of 1971, which relates to special redundancy schemes, is amended by the substitution of the following subsection for subsection (2):

“(2) For the purpose of providing moneys for making payments which under this Act are to be made out of a fund established under a special redundancy scheme, there shall be paid into that fund—

(a) as may be provided in that scheme, contributions by employers, and

(b) advances as provided for in subsections (3) and (4).”.

Power to  
remove  
difficulties.

16.—(1) If in any respect any difficulty arises in bringing into operation this Act or any amendment or repeal effected by this Act, the Minister may by order do anything which appears to be necessary or expedient for bringing this Act into operation, and any such order may modify a provision of this Act so far as may appear necessary or expedient for carrying the order into effect.

(2) Every order made by the Minister under this section shall be laid before each House of the Oireachtas as soon as may be after it is made, and if a resolution is passed by either House of the Oireachtas within the next 21 days on which that House has sat after the order is laid before it annulling such order, the order shall be annulled accordingly but without prejudice to the validity of anything previously done under the order.

(3) No order may be made under this section after the expiration of one year after the commencement of this section.

Miscellaneous  
amendments of  
Principal Act.

17.—Each provision of the Principal Act mentioned in column (1) of the [Schedule](#) to this Act is amended in the manner stated in column (2) of that Schedule opposite the mention of the provision in column (1).

Amendment of  
section 16 of  
Act of 1971.

18.—Section 16 of the Act of 1971, which relates to fraudulent claims to payments under the Principal Act, is amended by the substitution of “£300” for “fifty pounds” in subsections (1) and (2).

Repeals.

19.—Sections 34 and 36 (2) (d) of the Principal Act are repealed.

Expenses.

20.—Any expenses incurred by the Minister or any other Minister of the Government in carrying this Act into effect shall, to such extent as may be sanctioned by the Minister for Finance, be paid out of moneys provided by the Oireachtas.

Short title,  
construction,  
collective  
citation and  
commencement.

21.—(1) This Act may be cited as the Redundancy Payments Act, 1979.

(2) The Redundancy Payments Acts, 1967 to 1973, and this Act shall be construed together as one Act and may be cited together as the Redundancy Payments Acts, 1967 to 1979.

(3) This Act shall come into operation on such day or days as may be fixed by order or orders of the Minister, and different days may be so fixed for different provisions of this Act.

## SCHEDULE

### Miscellaneous Amendments of Principal Act



[Section 17](#) .

Provision Amended	Nature of Amendment
(1)	(2)
Section 2(1)	The substitution of “‘ <i>employer's redundancy contribution</i> ’ has the meaning assigned to it by section 27;” for “‘ <i>employee's redundancy contribution</i> ’ and ‘ <i>employer's redundancy contribution</i> ’ have the meanings assigned to them by section 27;”.
Section 4(2)	The substitution of “20 hours” for “21 hours”.
Section 15(3)	The substitution of “any further weekly payments” for “a weekly payment for a period not exceeding six weeks” (inserted by the Act of 1971).
Section 17(3)	The substitution of “£300” for “fifty pounds”.
Section 18(4)	The substitution of “£300” for “fifty pounds”.
Section 23	The insertion of the following subsection after subsection (3):  “(4) This section shall not apply in any case to which <a href="#">section 19</a> of the <a href="#">Unfair Dismissals Act, 1977</a> , applies.”.
Section 32	The insertion in subsection (1) (a) after “the balance,” of “or”.
Section 33(2)	The substitution of “£300” for “fifty pounds” and of “further fines of £50” for “further such fines”.
Section 36(3)	The substitution of “£300” for “fifty pounds”.
Section 39(2)	The substitution for paragraph (b) of “(b) not more than 5 vice-chairmen,” and for paragraph (c) (inserted by the Act of 1971) of “(c) not less than 12 and not more than 30 ordinary members.”.
Section 39(3)	The insertion of the following subsection after subsection (3):  “(3A) Notwithstanding subsection (2), whenever the Minister is of the opinion that for the speedy despatch of the business of the Tribunal it is expedient that there should be added further vice-chairmen or further ordinary members (or both further vice-chairmen and further ordinary members), he may make such additional appointments, and the reference in subsection (4) shall include a reference to this subsection.”.
Section 39(15)	The substitution of “may appeal to the Tribunal against the decision;” for “may, on giving notice of appeal to the Minister in the prescribed manner, have the question referred to the Tribunal for a decision thereon;”.
Section 39(17) (e)	The substitution of “£150” for “twenty pounds”.
Section 58	The substitution of “£50” for “ten pounds”.
Schedule 1	The substitution of the following paragraphs for paragraphs 8 and 9:

“8. Whenever a person who has received a weekly payment obtains employment or for any reason ceases to receive weekly payments he shall not receive any further weekly payments.

9. Whenever a person entitled to a weekly payment obtains employment before the expiration of any period mentioned in paragraph 4 (inserted by the [Redundancy Payments Act, 1971](#)) he shall not receive a weekly payment.”.

### Schedule 3

The insertion in paragraph 4 after “the employment” of “, but for the purposes of this paragraph ‘*dismissal*’ does not include a dismissal within the meaning of the [Unfair Dismissals Act, 1977](#), and in respect of which redress has been awarded under section 7 (1) (a) or 7 (1) (b) of that Act”.

The insertion after paragraph 4 of the following paragraph:

“4A. Notwithstanding anything in paragraph 4 (and anything in clause (b) of the definition of “*date of dismissal*” in section 2), the period of notice due to an employee under [section 4](#) (2) (a) of the [Minimum Notice and Terms of Employment Act, 1973](#), but not given by the employer, shall, where the Tribunal so orders, be allowed as continuous service for redundancy purposes where, but for the failure of the employer to comply with the provisions of that Act, the employee would have qualified for redundancy payment.”.

The insertion after paragraph 5 (1) (c) of the following—

“(d) a period of not more than 13 consecutive weeks during which the employee gave birth to a child.”.

The insertion in paragraph 7 after “sickness,” of “a dismissal within the meaning of the [Unfair Dismissals Act, 1977](#), and in respect of which redress has been awarded under section 7 (1) (a) or 7 (1) (b) of that Act,”.

#### Acts Referred to

<a href="#">Companies Act, 1963</a>	1963, No. 33
<a href="#">Minimum Notice and Terms of Employment Act, 1973</a>	1973, No. 4
Preferential Payments in Bankruptcy (Ireland) Act, 1889	1889, c. 60
<a href="#">Redundancy Payments Act, 1967</a>	1967, No. 21
<a href="#">Redundancy Payments Act, 1971</a>	1971, No. 20
<a href="#">Redundancy Payments Act, 1973</a>	1973, No. 11
Redundancy Payments Act, 1967 to 1973	
<a href="#">Social Welfare Act, 1952</a>	1952, No. 11
Social Welfare Acts, 1952 to 1978	
<a href="#">Social Welfare (Amendment) Act, 1978</a>	1978, No. 25
<a href="#">Unfair Dismissals Act, 1977</a>	1977, No. 10

© Government of Ireland. Oireachtas Copyright Material is reproduced with the permission of the Houses of the Oireachtas

[Accessibility Statement](#) | [Privacy Statement](#) | [Disclaimer](#)