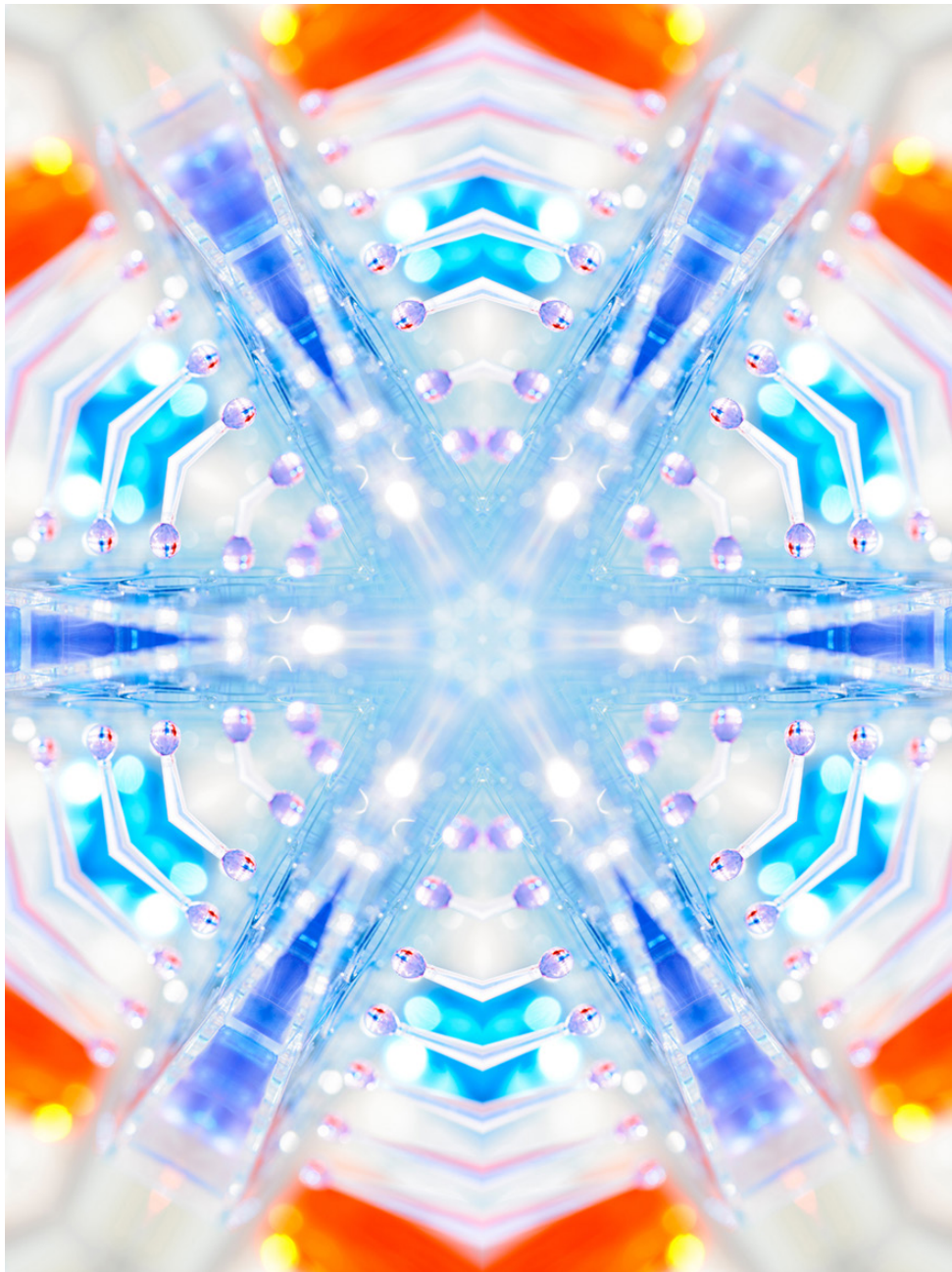


ARTHUR COX



LIFE SCIENCES GROUP

Irish v UK Employment Law Key Differences

APRIL 2025

Irish v UK Employment Law: Key Differences

	ISSUE	IRELAND	UNITED KINGDOM
1.	Unfair Dismissal	<p>Save for certain limited exceptions (e.g. whistleblowing, employment equality), the qualification period for an unfair dismissal claim is one year's continuous service.</p> <p>Claims must generally be brought within six months of dismissal; however, this time period can be extended to a maximum period of 12 months.</p> <p>The maximum compensatory award is usually 104 weeks' full remuneration (i.e. not just base salary), subject to establishing actual financial loss. The maximum compensatory award in a successful whistleblowing claim is five years' full remuneration.</p>	<p>Claims must generally be brought within three months of dismissal; however, the time limit can be extended where it was not reasonably practicable to bring the claim in time.</p> <p>The maximum compensatory award is the lower of one year's gross pay or £115,115.00.</p>
2.	Settlement Agreements	<p>No statutory recognition of settlement agreements; however, they can be contractually binding on employees. Consideration must be provided in exchange for the waiver of claims and employees must be advised in writing of their right to take independent legal advice on the agreement.</p> <p>There is no strict requirement that the employee actually takes legal advice on the agreement and an independent adviser certificate is not required (save where non-disclosure clauses are used in the context of settling discrimination, victimisation, harassment or sexual harassment claims). However, the absence of such advice can expose the contract to subsequent challenge on the grounds of undue influence, unconscionable bargain, etc.</p>	<p>Statutory recognition of settlement agreements under the Employment Rights Act 1996. In order for the settlement agreement to be legally enforceable, certain statutory conditions must be met, including that the employee must have received advice from a relevant independent adviser and the adviser must be identified in the agreement.</p>
3.	Employment Injunctions	<p>Employees frequently seek interlocutory injunctions to restrain disciplinary processes or dismissals in certain circumstances (e.g. where an employer has failed to follow a contractual disciplinary procedure, failed to ensure that the decision was compliant with governance/authority requirements, failed to afford fair procedures in conducting the disciplinary process or terminated the employee's employment in breach of contract).</p>	<p>Employees can obtain interlocutory injunctions to restrain disciplinary processes and dismissals; however, there has been a traditional reluctance on the part of employees to seek, and for the Courts to grant, them. It is generally accepted that a gross breach of contract is required in order for an applicant to secure an interlocutory injunction and that a Court will not grant an injunction in respect of relatively trivial irregularities.</p>

Irish v UK Employment Law: Key Differences

	ISSUE	IRELAND	UNITED KINGDOM
4.	Redundancy Entitlements	<p>Statutory redundancy payments depend on length of service and salary and are calculated as follows:</p> <ul style="list-style-type: none"> • Two weeks' pay per year of service, plus an additional week's pay; • A week's pay is capped at €600; • There is no maximum statutory redundancy payment; 	<p>Statutory redundancy payments depend on age, length of service and salary and are calculated as follows:</p> <ul style="list-style-type: none"> • Half a week's pay for each year of service under the age of 22; • One week's pay for each year of service between ages 22 and 40; • One and a half week's pay for each year of service age 41 and over; • A week's pay is currently capped at £700 and the maximum statutory redundancy payment is currently £21,000.
5.	Tax Treatment of Termination Payments	<p>Statutory redundancy payments are exempt from income tax and social insurance contributions.</p> <p>Certain tax reliefs are available to employees receiving ex gratia termination payments and these can be applied at source without prior Revenue Commissioner approval. The basic exemption entitles an employee to relief on a termination payment calculated as follows: €10,160 plus €765 per each complete year of service. Various other reliefs are also available.</p> <p>The lifetime restriction on the tax relief that an employee can claim on termination payments is €200,000.</p>	<p>The first £30,000 of a payment which is paid in connection with the termination of employment is tax free, as long as it is not post-employment notice pay or otherwise taxable as earnings.</p> <p>Any sum excess in excess of £30,000 is subject to income tax but is not subject to national insurance contributions.</p> <p>Rules recently introduced in respect of post-employment notice pay (PENP), which provide that the basic salary that the employee would have received for any period of unworked notice is subject to income tax and national insurance contributions in full.</p>
6..	TUPE	<p>Employers must commence the statutory information process (and if triggered, consultation process) where reasonably practicable not later than 30 days, and in any event in good time, before the transfer date.</p> <p>There are currently no provisions permitting 'micro-employers' to inform and consult employees directly on transfers.</p> <p>No automatic TUPE transfer on a service provision change. Application of TUPE depends on traditional TUPE assessments, i.e. stable economic entity which retains its identity post transfer, etc.</p>	<p>Employers must inform representatives 'long enough before a transfer to enable consultation to take place'.</p> <p>'Micro-employers' can inform and consult employees directly.</p> <p>Statutory recognition of TUPE transfer where a client contracts for or changes contractor in respect of a service or activity.</p>

Irish v UK Employment Law: Key Differences

	ISSUE	IRELAND	UNITED KINGDOM
7.	Working Time	Employees (save for very senior C-Suite employees) cannot generally opt out of the statutory maximum (averaged) working week of 48 hours.	Employees can opt out of the statutory maximum (averaged) working week of 48 hours by signing a valid "opt-out" agreement. Employees however retain the right to subsequently "opt in".
8.	Agency Workers	From day one, agency workers are entitled to no less favourable treatment with respect to terms and conditions relating to pay, working time, night work, rest periods/rest breaks, overtime, annual leave and public holidays when compared to the terms and conditions the end user would have offered if the agency workers had been recruited directly.	Agency workers are only entitled to no less favourable treatment in respect of basic working and employment conditions after 12 weeks on assignment.
9..	Collective Bargaining	<p>There is no statutory obligation on an employer to collectively bargain with trade unions or employees.</p> <p>However, if an employer does not collectively bargain with a trade union or an "excepted body" (e.g. an independent staff association which negotiates in relation to employee terms and conditions), a trade union can refer a dispute over its members' terms and conditions to the Labour Court, which can ultimately issue a legally binding determination on the dispute referred but not on union recognition/collective bargaining.</p>	An independent trade union that wishes to be recognised by an employer for collective bargaining purposes can seek recognition by following a statutory procedure. This can result in a legally binding order obliging the employer concerned to collectively bargain with the union about pay, hours and holidays.