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STATUTORY INSTRUMENTS

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**1994 No. 141**

**EUROPEAN COMMUNITIES**

The European Communities (Iron and Steel  
Employees Re-adaptation Benefits Scheme)  
(No. 2) (Scheme Termination) Regulations 1994

<i>Made</i>	- - - -	<i>26th January 1994</i>
<i>Laid before Parliament</i>		<i>27th January 1994</i>
<i>Coming into force</i>	- -	<i>28th January 1994</i>

The Secretary of State, being a Minister designated<sup>(1)</sup> for the purposes of section 2(2) of the European Communities Act 1972<sup>(2)</sup> in relation to measures relating to redundancy among steel workers, in exercise of the powers conferred on him by that section and of all his other enabling powers, hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the European Communities (Iron and Steel Employees Re-adaptation Benefits Scheme) (No.2) (Scheme Termination) Regulations 1994 and shall come into force on 28th January 1994.

**Interpretation**

2. In these Regulations—

“the Scheme” means the Scheme applied by regulation 2 of, and set out in Schedule 1 to, the European Communities (Iron and Steel Employees Re-adaptation Benefits Scheme) (No.2) Regulations 1988<sup>(3)</sup>;

“the Commission” means the European Commission;

“effective date” means the date on which these Regulations come into force;

“redundant employee”, “relevant event”, “steel company”, “steel employee” and “transferred employee” have the same meaning as in Article 1 of the Scheme; and

“the 1978 Act” means the Employment Protection (Consolidation) Act 1978<sup>(4)</sup>.

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(1) S.I.1972/1811.

(2) 1972 c. 68.

(3) S.I. 1988/538 as amended by S.I. 1991/387.

(4) 1978 c. 44.

### Termination of the Scheme

3. Subject to regulation 4 below, no payment shall be made under the Scheme after the effective date.

### Transitional Arrangements

4.—(1) Subject to the provisions of the Scheme, regulation 3 shall not prevent the making of payments under the Scheme to any steel employee who—

- (a) at the effective date is a redundant employee or a transferred employee, and in respect of whom the Commission before that date has approved the provision of non-repayable aid under Article 56(2) of the ECSC Treaty<sup>(5)</sup>;
- (b) on or after the effective date is or becomes, as the case may be, a redundant employee or a transferred employee, where—
  - (i) the relevant event to which that employee's redundancy or transfer relates has occurred before the effective date; and
  - (ii) in respect of whom the Commission on or after that date approves the provision of non-repayable aid under Article 56(2) of the ECSC Treaty; or
- (c) subject to paragraph (2) below, before or on 1st May 1994 has been made redundant or transferred by a steel company as a result of a permanent discontinuance or curtailment of, or change in, the activities of that steel company occasioned by fundamental changes, not directly connected with the establishment of the common market, in market conditions for the steel industry ("the qualifying conditions") if, and only if—
  - (i) the qualifying conditions occurred before the effective date;
  - (ii) the Commission accepts that the qualifying conditions justify payments under Article 56(2) of the ECSC Treaty thus constituting a relevant event; and
  - (iii) the Commission approves the provision of non-repayable aid under Article 56(2) of the ECSC Treaty in respect of that redundant or transferred employee.

(2) For the purposes of paragraph (1)(c) above a steel employee shall be regarded—

- (a) as having been made redundant—
  - (i) where his contract of employment is terminated by notice, on the date on which that notice expires;
  - (ii) where his contract of employment is terminated without notice, on the date on which the termination takes effect;
  - (iii) where he is employed under a contract for a fixed term and that term expires without being renewed under the same contract, on the date of such expiry; or
  - (iv) in the case of sub-paragraph (a)(i) or (ii) above, on the date on which any period of statutory notice to which the steel employee is entitled under section 49(1) of the 1978 Act expires in so far as such date is later than the date as determined by reference to these sub-paragraphs; or
- (b) as having been transferred on the date when the steel employee takes up his duties in other employment with the same steel company or with an associated employer (within the meaning of section 153(4) of the 1978 Act).

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(5) Paragraph 2 of Article 56 was inserted by amendment (OJ No.L33, 16.5.60, p. 781).

26th January 1994

*Tim Sainsbury*  
Minister for Industry,  
Department of Trade and Industry

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

The European Communities (Iron and Steel Employees Re-adaptation Benefits Scheme) (No.2) Regulations 1988 (S. I.1988/538) (“the 1988 Regulations”) provides a Scheme for the payment of benefits to certain steel workers who are made redundant or transferred to new work at lower rates of pay as a result of events which fall within the terms of Article 56(2) of the ECSC Treaty.

On the 29th October 1993, the Government announced its decision to terminate the Scheme with appropriate transitional arrangements. These Regulations implement that decision.

Regulation 3 terminates the Scheme, subject to the transitional arrangements set out in regulation 4.

These provide that, subject to the other provisions of the Scheme, payments may still be made to any redundant or transferred steel employee—

- (a) where the Commission has already approved the provision of aid in respect of that employee;
- (b) who is or becomes redundant or transferred as a result of a closure, capacity cut or change in activities of the steel company where he worked which has been accepted by the Commission as justifying payments under the ECSC Treaty before the Regulations come into force and, on or after that date, the Commission approves the provision of aid in respect of that employee;
- (c) where his redundancy or transfer occurs before or on 1st May 1994, provided the events referred to in (b) above have occurred before the date the Regulations come into force, the Commission after that date accepts that these events justify payments under the ECSC Treaty and approves the provision of aid in respect of that employee.

Regulation 4(2) states when a steel employee shall be regarded as having been made redundant or transferred for the purposes of paragraph (c) above.