
STATUTORY INSTRUMENTS

1986 No. 1886 (N.I. 16)

NORTHERN IRELAND

**The Redundancy Rebates
(Northern Ireland) Order 1986**

<i>Made</i>	<i>5th November 1986</i>
<i>Laid before Parliament</i>	<i>19th November 1986</i>
<i>Coming into Operation</i>	<i>18th December 1986</i>

At the Court at Buckingham Palace, the 5th day of November 1986

Present,

The Queen's Most Excellent Majesty in Council

Whereas this Order is made only for purposes corresponding to those of sections 27 and 28 of the Wages Act 1986:

1986 c. 48

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (as modified by section 29 of the said Act of 1986) and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

1974 c. 28

Title and commencement

1.—(1) This Order may be cited as the Redundancy Rebates (Northern Ireland) Order 1986.

(2) This Order shall come into operation on the expiration of six weeks from the day on which it is made.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954 shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

1954 c. 33 (N.I.)

(2) In this Order “the Act of 1965” means the Contracts of Employment and Redundancy Payments Act (Northern Ireland) 1965.

1965 c. 19 (N.I.)

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Restriction of redundancy rebates to employers with less than ten employees

3.—(1) For section 40(1) of the Act of 1965 (duty of the Department of Economic Development to pay redundancy rebates) there shall be substituted—

‘(1) Where an employer—

- (a) is liable under the provisions of Part II to pay, and has paid, a redundancy payment to an employee, or
- (b) under an agreement in respect of which an order is in force under section 21, is liable to make, and has made, a payment to an employee on the termination of his contract of employment,

and that payment is a qualifying payment within the meaning of section 40A, then, subject to the provisions of this section, the Department of Economic Development shall make a payment out of the fund to the employer (in this Part referred to as a “redundancy rebate”).’.

(2) In section 40(2A) of the Act of 1965 (discretion of the Department of Economic Development to pay redundancy rebates in certain cases), for the words from “satisfied that” onwards there shall be substituted “satisfied—

- (a) that, had the payment been a payment falling within subsection (1)(a), it would have been a qualifying payment within the meaning of section 40A, and
- (b) that it would be just and equitable to pay a redundancy rebate in respect of the payment having regard to all the relevant circumstances.”.

(3) After section 40 of the Act of 1965 there shall be inserted—

‘Qualifying payments for purposes of redundancy rebates.

40A.—(1) A payment made by an employer to an employee and falling within subsection (1)(a) or (b) of section 40 shall be treated as a qualifying payment if at no time on the appropriate date did the number of employees employed by the employer, added to the number employed by any associated employer, exceed nine.

(2) In subsection (1) “the appropriate date”—

- (a) in the case of a payment falling within section 40(1)(a), means the date which is the relevant date in relation to that payment by virtue of section 13(9) or (10) or section 14(2) or 16(2), as the case may be; and
- (b) in the case of a payment falling within section 40(1)(b), means the date on which the termination of the employee’s contract of employment is treated as having taken effect for the purposes of the agreement referred to in that provision.

(3) In determining for the purposes of subsection (1) the number of employees employed by any individual on any date an employee who is employed by that individual for the purposes of his own household shall be disregarded if—

- (a) the employee's contract of employment normally involves employment for less than eight hours weekly, and
- (b) not more than one other employee is so employed for the purposes of that household (whatever the number of hours of employment which any such employee's contract of employment normally involves in a week).'

(4) In section 57 of the Act of 1965 (employees paid by person other than employer), after subsection (2) there shall be inserted—

“(2A) Section 40A shall have effect in relation to a payment falling within section 40(1)(a) or (b) and made to an employee to whom this section applies as if, in subsection (1)—

- (a) any reference to the employer were a reference to the person responsible for paying the remuneration, and
- (b) the reference to employees employed by the employer were a reference to employees who are employed by that person or whose remuneration is payable by him as mentioned in subsection (1).

(2B) In the application of section 40A(1) in relation to a payment falling within section 40(1)(a) or (b) and made by an employer to an employee, the reference to employees employed by the employer shall be construed as including a reference to employees whose remuneration is payable by the employer as mentioned in subsection (1).”.

Abolition of payments equivalent to redundancy rebates

4. No payment shall be made by the Department of Economic Development under—

- (a) section 48(2) of the Act of 1965 (payments equivalent to redundancy rebates in respect of civil servants, etc.), or
- (b) section 50(1) of that Act (similar payments in respect of employees of foreign governments),

in respect of any termination of employment occurring after the commencement of this Article.

Amendment, transitional provision, savings and repeals

5.—(1) In the Act of 1965—

- (a) in section 44(1)(a) (references, etc. to tribunals relating to payments out of Northern Ireland Redundancy Fund), after “payment” there shall be inserted “and the payment is a qualifying payment within the meaning of section 40A”; and

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(b) in section 46(4) (meaning of employer's payment) for "paragraph (a), paragraph (b) or paragraph (c)" there shall be substituted "paragraph (a) or (b)".

(2) The enactments mentioned in Schedule 1 are hereby repealed to the extent specified in the third column of that Schedule.

(3) The transitional provision and the savings contained in Schedule 2 shall have effect.

G. I. de Deney,
Clerk of the Privy Council.

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SCHEDULES

SCHEDULE 1

Article 5(2).

REPEALS

Chapter or Number	Short Title	Extent of repeal
1965 c. 19 (N.I.).	The Contracts of Employment and Redundancy Payments Act (Northern Ireland) 1965.	In section 40(2), the words "or paragraph (c)". In section 42(2)(c), the words "or paragraph (c)". Section 50. In Schedule 6, in paragraph 7 the words "or paragraph (c)", and in paragraph 8(a) the words from "or (as" to "that subsection".
1973 c. 38.	The Social Security Act 1973.	In Schedule 27, paragraph 120.
1976 NI 16.	The Industrial Relations (Northern Ireland) Order 1976.	Article 54. Article 55(4) and (5).
1982 NI 4.	The Social Security (Contributions) (Northern Ireland) Order 1982.	In Schedule 1, paragraph 1(2).

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SCHEDULE 2

TRANSITIONAL PROVISION AND SAVINGS

Redundancy rebates

1.—(1) In subsection (1) of section 40 of the Act of 1965, as substituted by Article 3, the requirement that a payment falling within paragraph (a) or (b) of that subsection should be a qualifying payment within the meaning of section 40A of that Act shall not apply to—

(a) any payment falling within either of those paragraphs in respect of which a claim for a redundancy rebate has been made in accordance with regulations under section 40(4) of that Act before the commencement of Article 3, or

(b) any other payment so falling in relation to which the relevant date (as defined in sub-paragraph (2)) falls before that commencement.

(2) In sub-paragraph (1)(b) “the relevant date”—

(a) in the case of a payment falling within subsection (1)(a) of section 40 of the Act of 1965, means the date which for the purposes of section 18(1) of that Act is the relevant date in relation to that payment by virtue of any provision of section 13(9) or (10) or section 14(2) or 16(2) of that Act, and

(b) in the case of a payment falling within subsection (1)(b) of section 40 of that Act, means the date on which the termination of the employee’s contract of employment is treated as having taken effect for the purposes of the agreement referred to in that provision.

Payments equivalent to redundancy rebates

2.—(1) Article 4 shall not affect the operation of the provisions of section 48 of the Act of 1965 for purposes other than those of the making by the Department of Economic Development of payments under subsection (2) of that section.

(2) The repeals made by this Order shall not affect the operation of section 50 of the Act of 1965 in relation to any termination of employment occurring before the commencement of Article 4.

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EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order is made only for purposes corresponding to those of sections 27 and 28 of the Wages Act 1986.

Article 3 restricts the payment of redundancy rebates in Northern Ireland to employers with less than ten employees and Article 4 abolishes payments equivalent to redundancy rebates.

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Printed by The Universities Press (Belfast) Ltd and published by Her Majesty's Stationery Office

790/BL Z64 C20 11/86

ISBN 0 11 067886 9