LAY OFF

- **Section 27 (1) of the Protection of Employment Act 2003** makes provisions for a lay off period. Lay off is a temporary measure to be used in cases where there is a temporary closure or reduction in operations. However, please note the following:

  a. Notice or payment in lieu of notice is not required for a lay off period. However, employees must be informed if they are going to be laid off. It would be reasonable to inform the employee **at least one week** in advance.

  b. The lay off period was extended up to **September 30, 2020** for all workers. If the lay off period prolongs beyond September 30, 2020, an employee can claim to be terminated and seek severance payment for years’ of service.

  c. After the lay off period, the Act requires that an employer provide work to an employee of substantially similar terms to the previous employment for a period of 13 weeks. If such offer is not made within a week following the lay off period, then the employee can claim for severance payment.

ROTATION

- When there is a downturn in operations, a system of rotation of employees could generally be considered in order to maintain some level of employment. However, it is advisable that a rotation system should not exceed a period of **three months** and the basic rate of pay should remain the same, even though the income will be reduced.

REDUCED PAY
• According to **Section 28 (2) of the Protection of Employment Act**, where an employee has been given employment on diminished wages by his/her employer, the services of the employee in the earlier employment shall be deemed to have been terminated and the employee shall be entitled to severance pay. However, given the pandemic situation, reduced pay can be an option to employers but must correspond with a reduction in hours of work. It is advisable that this measure should not exceed a period of **three months**. If the person is severed while on reduced pay and eligible for severance payment, then severance will be calculated using the wage/salary prior to the reduction pay.

**VACATION LEAVE**

• **The Wage Regulation Orders** make provision for vacation leave. An employee can choose to utilise his/her vacation entitlement during this pandemic period, instead of being laid off without pay. However, an employer **CANNOT** force an employee to take his/her vacation during this time or use it as quarantine period.

**CONFINEMENT**

• **The Wages Regulation Orders (2017)** make provisions for confinement for medical purposes of 30 calendar days per year, exclusive of the normal sick leave entitlement.

For more information on matters relating to employment and labour please contact the Labour Department at 4571789 or email us at labourdpt@gmail.com