

Subsidiary Legislation made under s. 36.

**Conditions of Employment (Redundancy Pay)
Order, 2001**

LN.2001/064

Commencement **7.6.2001**

ARRANGEMENT OF PARAGRAPHS

Paragraph

1. Citation.
2. Interpretation.
3. Application.
4. Compensation by reason of redundancy.
5. Records.
6. Minimum nature of conditions prescribed.

1932-16

Employment

2001/064

Conditions of Employment (Redundancy Pay) Order, 2001

Citation.

1. These Regulations may be cited as the Conditions of Employment (Redundancy Pay) Order, 2001.

Intepretation.

2. In this Order and unless the context otherwise requires—

“redundancy” shall be construed in accordance with section 74(1) of the principal Act;

“week’s pay” means the average of the gross weekly payments made to an employee in the 13 weeks immediately prior to the termination of employment.

Application.

3.(1) Subject to sub-regulation (2), this Order shall apply to all employees in any undertaking or any branch or department of an undertaking of which no other statutory provision is made for compensation by reason of redundancy.

(2) This Order shall not apply to the following category of persons—

- (a) an employee whose service ends on or after, in the case of a male employee his 65th birthday, or in the case of a female employee her 60th birthday;
- (b) an employee who works for an employer with a policy of retiring employees when they reach an age of less than 65 years, and who has reached that age;
- (c) an apprentice or trainee whose service ends at the end of his apprenticeship or traineeship;
- (d) an employee on a fixed-term contract of at least 2 years’ duration which makes provision, with his written agreement, for the waiver of any entitlement to redundancy pay, and whose service ends at the appointed time;
- (e) a domestic servant working in a private household;
- (f) a seaman employed in a sea-going vessel registered in Gibraltar.

Compensation by reason of redundancy.

4. Where a person's employment is terminated by reason of redundancy, he shall be paid by his employer by way of compensation—

- (a) for each of the first 5 completed years of service, 2 week's pay;
- (b) for each of the next 5 completed years of service, 3 week's pay;
- (c) for each additional completed year thereafter, 4 week's pay;
- (d) in respect of an employee aged 41 years and over, for each completed year of service after the age of 40, 2 weeks' pay,

Provided that the total amount of the redundancy payment shall not exceed the amount of 1 year's pay and that no payment will be made to an employee who has not completed 1 year's service.

Records.

5. For the purpose of showing that the provisions of this Order have been complied with, every employer shall maintain and retain for a period of 12 months, records showing the amount of compensation paid to employees by reason of redundancy.

Minimum nature of conditions prescribed.

6. The provisions of this Order shall not prevent agreements for compensation by reason of redundancy more favourable than those prescribed in this Order.