



Scottish Engineering

Monthly Breakfast Briefing

Lay Off & Short-Time Working



- > Wednesday 5 April 2023
- > First Wednesday of Every Month
- > Presenter : Kevin Duffy, Solicitor & Legal Adviser

Agenda



- Overview
- Definitions
- Legal Requirements
- Interaction with Redundancy

Overview



- Unexpected downturn/unforeseen circumstance
- Alternative to redundancy
- Temporary reduction in staff

Definitions



- **Laying off** employees means that the employer provides employees with no work (and no pay) for a period while retaining them as employees.
- **Short-time** working means providing employees with less work (and less pay) for a period while retaining them as employees.
- Less than half a week's pay, for statutory purposes

Legal Requirements - Contract



- Contractual power
 - Contract must state company can provide no/less work AND no/less pay
 - May be in contract, policy, collective agreement, etc.
 - Constructive unfair dismissal risk

- If no contractual power, seek to negotiate one

Legal Requirements - Selection



- Not as strict/defined as redundancy selection
- Justifiable rationale
- Discrimination risk
- Constructive unfair dismissal risk

Interaction with Redundancy



- Theoretically, no upper time limit
 - Four or more consecutive weeks
 - Six weeks in 13
- Possible CUD risk if employer unreasonably trying to avoid redundancy payments
- Employee must resign and serve a written 'notice of intention to claim'
- Employer can serve counter-notice within one week
- Reasonable expectation that within four weeks there will be min 13 weeks' work

Statutory Guarantee Payment (SGP)



- Employees may be due SGP
- If put on lay off or short-time working
- Maximum of £31 paid for 5 days in any 3-month period
- Workless day
- For example
 - First five days of lay off
 - First five Fridays of lay off pw

Statutory Guarantee Payment (SGP) – Cont.



- SGP requirements:
 - Employee has at least one month's continuous employment
 - The workless day can't be due to is due to a strike, lock-out or other industrial action
 - Employee cannot unreasonably refuse an offer of suitable alternative work
 - Employee must reasonably comply with employer to keep their services available

ANY QUESTIONS?



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- Thank You