

Workforce
Transition
Services
Shaping your
business



Workforces Transition Services

Today's competitive business environment poses many strategic challenges to businesses. As a result, some organisations may need to restructure or reshape their employee profile in order to maintain competitiveness. Such change is difficult to achieve and may sometimes require the introduction of a workforce redundancy programme.

There are many factors involved in a redundancy programme. Our Workforce Transition Service is made up of professionals from our legal, tax, pensions and human capital practices. This structure ensures that clients can avail of a complete solution which addresses all areas of the transition process.

Workforce transition is a challenging process for any company. We ensure that you, as an employer, are fully compliant with relevant legislation and best practice and that your employees are afforded the best advice. A smooth transition process will instil a confidence in those employees who are retained and who represent the future of your business.

Our service offering

Our team provides a unique service that addresses all areas of workforce transition, including:

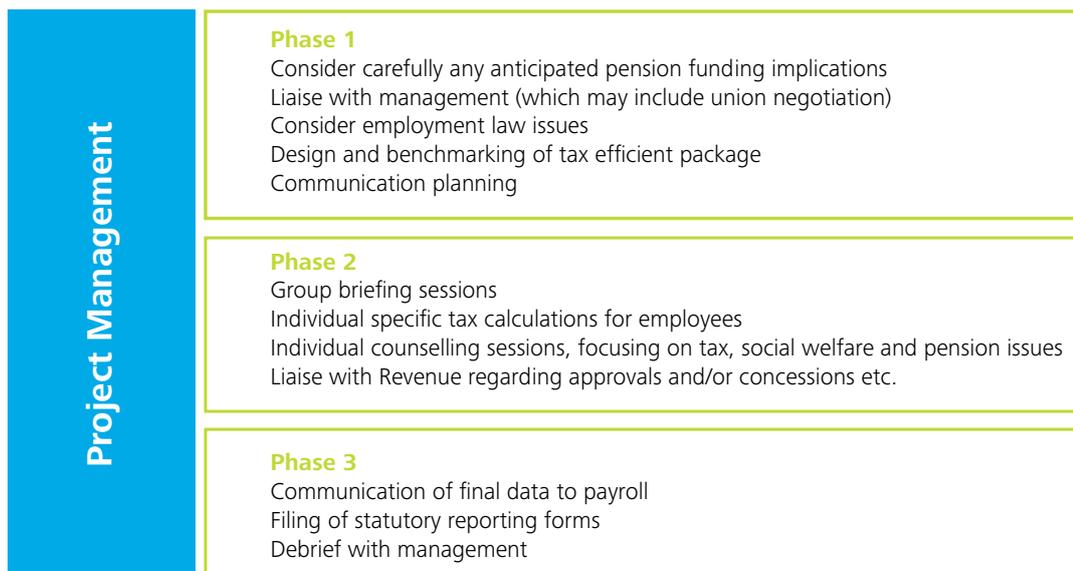
1. Project management

Redundancy is an onerous process for all concerned. Tight deadlines should be imposed to ensure the smooth running of the process. Transition programmes of considerable size may require project management assistance to ensure that all of the relevant deadlines are met.

2. Negotiation and representation:

Workforce redundancy programmes usually result from a negotiation process between the employer and employee representatives or their unions. An experienced external advisor can bring objectivity and perspective to this process.

Figure 1. Our service methodology



We can assist with the following:

- Direct negotiations with employee representatives on the rationalisation programme or provision of assistance to management in its negotiations with employee representatives or their unions in relation to the rationalisation programme.
- Representing the client in formal industrial relations processes (submission of claims to Labour Relations Commission, Labour Court etc).
- Development of a spreadsheet model providing management with detailed and summarised costings and comparisons of various alternative proposals, which may be put forward during negotiations on severance agreements.

3. Legal

A number of legal issues need to be considered in advance of undertaking a workforce transition programme. These include the legal steps in administering the redundancies and the prevention of redundancy disputes. Practical and up to date legal advice will help ensure an organisation is protected against any unwelcome claims.

We can assist with the following:

- Review of all legal options available to the organisation on workforce transition including redundancy, layoff, short time or redeployment.
- Review of any proposed redundancies to ensure they are genuine and a fair selection procedure has been used.
- Review of contracts of employment and ancillary legal documentation to ensure all legal requirements including minimum notice and redundancy selection procedures have been met.
- Ensuring large scale redundancies or collective redundancies are properly administered and consultation obligations are met through unions and employee representatives.

4. Tax, USC and PRSI

Statutory Redundancy payments can be made without the deduction of tax. Other non-contractual severance payments can be the subject of favorable taxation exemptions and reliefs. The exemptions and reliefs available to an employee are dependant on their personal circumstances, for example length of service, recent earnings, company pension entitlements, foreign service and top slicing relief.

We can assist with the following:

- The tax efficient delivery of non-contractual severance packages.
- Preparation of individual tax calculations estimating the net cash position of each departing employee and taking account of any tax free entitlements under the company pension scheme.
- Delivery of group briefing sessions to outline the general tax and social welfare implications.
- Facilitation of individual counseling sessions to highlight the specific tax exemptions/reliefs relative to each particular employee.
- Preparation and submission of Forms RP50 and ensuring the issue of the employer rebate from the Department of Social Protection.

- Act as a liaison between HR, Finance and payroll personnel to ensure the correct communication of final data to payroll.
- Liaise with Revenue officials on certain approvals and concessions.

5. Pension

Where an organisation has an occupational pension scheme, departing employees may be entitled to immediate or deferred pension benefits which may impact on the taxation exemption available on termination. Pension scheme funding may also need to be considered.

6. Outplacement

Outplacement is an essential part of any transition programme and will enhance the departing employee's ability to seek future employment.

Our outplacement methodology is as follows:

- Consultation with each employee.
- Assistance with psychometric profiling and the use of assessment tools to allow the participant to increase self-awareness and aid in a career direction decision.
- Provision of feedback to individuals from the psychometric profiling.
- Assistance with practical interview techniques. Guidance can be based on video taped mock interviews.
- Advice on job search and guidance relative to the Irish market.
- Assistance with preparation of CVs including administrative support.

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