

Employment: Protection of Employees

Withdrawal of the United Kingdom from the European Union (Consequential Provisions) Act 2019

Most relevant to

- Irish employers
- Cross-border employers
- Cross-border employees
- Insolvency practitioners



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The Protection of Employees (Employers' Insolvency) Act 1984 (the 1984 Act) provides protection to employees in the event of the insolvency of their employer. The Insolvency Payments Scheme (the IP Scheme), which was established under the 1984 Act, protects pay-related entitlements owed to employees where their employer has been made insolvent. The IP Scheme covers employees who are employed in Ireland by an employer who has become insolvent under the laws, regulations and administrative procedures of another Member State.

What does the Act say?

The overall purpose of Part 12 of the Act is to amend the 1984 Act to ensure that in a no-deal scenario, once the UK leaves the EU and becomes a third country, employees of UK employers who are employed or habitually employed in Ireland can continue to be covered by the IP Scheme where their employer has been made insolvent under the laws of the UK. The amendments do not affect existing employee rights and entitlements under the 1984 Act.

Specific amendments to the 1984 Act will be made to ensure that:

- **Definitions extended to include the UK:** The definition of "competent authority" (which currently covers the UK as a "Member State") includes an employer in a state of insolvency under the laws of the UK. Similarly, the definition of a "relevant officer" will be amended to ensure that administrators of employers which have been made insolvent under the laws of the UK can submit applications on behalf of employees who are employed in Ireland.
- **Insolvency of UK employers:** Employees who are employed in Ireland and whose employers are made insolvent under the laws of the UK continue to be covered.
- **Date of insolvency:** The date on which an employer will be regarded as having become insolvent includes the date an employer is made insolvent under the laws of the UK.
- **Pension contributions:** Amounts (in respect of unpaid pension contributions) certified by an actuary or a person performing a similar task in relation to employers made insolvent in the UK, and the employees are habitually employed in the State, continue to be covered by the IP Scheme.
- **Exchange of information:** Information can be exchanged with a relevant officer appointed to an employer which is in a state of insolvency under the laws of the UK.