

WE KNOW

HUMAN RESOURCES

SAMPLE CLAUSE

#) Temporary relief from obligation to pay remuneration

- a) Notwithstanding anything to the contrary, the terms of this agreement shall not require the employer to pay remuneration when, at its reasonable discretion, the employer decides that it is necessary, by reason of material safety, climatic, operational or economic considerations, to temporarily close, whether wholly or partially, the place of work in or from which the employee is ordinarily engaged.
- b) In such instances the employee shall not be entitled to receive remuneration (or any other compensation) in respect of the duration of the temporary closure.
- c) Where practicable the employer shall consult with employees affected by any decision to temporarily close the workplace with a view to determining, where practicable and subject to the parties' agreement, alternative arrangements for the duration of the temporary closure. These may include, for example, permitting the employee to take annual holidays, alternative holidays, working from home, making up time lost or making other arrangements acceptable to both parties. Consultation shall be undertaken in a timely manner but not necessarily in advance of the decision to temporarily close the workplace.
- d) For the purposes of this clause "temporary closure" shall mean a period or periods not exceeding 15 working days in relation to each event.
- e) No decision to temporarily close the place of work in accordance with this provision shall affect the employee's continuity of employment in relation to any service related entitlements or benefits provided by this agreement.

Important note for Employers:

This clause provides a short period in which the common law obligation to pay remuneration - when the employer elects to temporarily close the business for the material reasons cited – is effectively suspended. *It does mean, however, that the obligation to pay remuneration will resume upon the expiry of that period.* It will be necessary therefore, to consider the position, some time actually before the expiry of this period if the reason causing the closure of the workplace is likely to prevail for a longer period. It may be desirable, for example, to initiate formal consultation with employees and their representatives if it seems likely that business will be disrupted for a much longer period and as a result redundancies may be necessary.

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