



## PRESS RELEASE

No: 846/2020

Date: 26th November 2020

---

### **Accrual of Annual Leave whilst in receipt of BEAT**

The BEAT Regulations that were introduced from April-June were designed to assist businesses so that they would be able to pay their employees during lockdown. These regulations created a temporary status in law for these employees so that they could retain certain employment rights whilst inactive and in receipt of BEAT.

The Appropriation (Business Employee Assistance Terms COVID-19) Regulations 2020 under which Her Majesty's Government of Gibraltar effected the BEAT COVID-19 payments, also ensured that employees retained certain employment rights whilst inactive and in receipt of BEAT COVID-19 payments during the lockdown.

The rights that were excluded were the accrual of any holiday and any leave entitlement that were suspended. The reason for this was so that businesses would not face staff shortages as a result of staff having accrued holiday leave.

The important thing to Government was for businesses to be able to fire on all cylinders as the lockdown was lifted. Unite the Union made representations to Her Majesty's Government that employers who had been in receipt of BEAT COVID-19 payments during the lockdown had since made inactive employees redundant. As a result, these employees received reduced redundancy payments to reflect the non-accrual of annual leave over the period that they were inactive.

Government has now clarified its policy that the employment right to accrue holiday and leave entitlement would not have been suspended for employees for the purposes of calculating any redundancy payment.

This means that where an employer seeks to make an employee redundant and the employer has received a BEAT COVID-19 Contribution in respect of that employee, the employee's redundancy calculation should take into account all holiday and leave entitlement that would have accrued during the period that the employee was inactive and in receipt of a BEAT COVID-19 payments.

The Department of Employment is identifying employers who have made redundancies and will need to adjust their calculations following this policy clarification. Any employees who have any queries in respect of the impact of this policy in respect of their calculations are encouraged to contact their union representative or the Department of Employment directly on [labour.inspectorate@gibraltar.gov.gi](mailto:labour.inspectorate@gibraltar.gov.gi)



The Government wishes to thank Unite the Union, and in particular Christian Duo, for making representations that have brought about this policy clarification. Whilst the amounts that the redundant employees will be able to claim will be limited to a handful of additional days, any further payment will be welcomed by employees who have had to undergo redundancy.

The Department of Employment has printed a guidance leaflet that provides essential information to employers and employees.

The leaflet can be obtained from the Labour Inspectorate and online: <https://bit.ly/3nZ7djo>

It contains important information on:

- Collective redundancies
- BEAT COVID-19 and redundancy payment calculations
- Collective changes to Terms of Engagement
- Employees affected seeking alternative employment
- Termination of Employment whilst in receipt of BEAT Covid-19 Grant
- Links to employment legislation

The Department of Employment is always available to provide information, guidance and advice to both employers and employees. Businesses and the general public are reminded that the department is here to serve their needs and should not hesitate to contact us on 20011000 for any queries they may have.

ENDS