



**Online Accounting Software**

# HR GUIDE

## What is HR?

“Human resources” or HR as it is more commonly known is a term that refers to the people who work for a company. In instances where a company is sufficiently large enough, it also is used to refer to the department responsible for managing those resources, such as hiring and training new employees, and any other employee related issues.

## Why HR is important?

Any business that has paid employees on its book has to comply with regulatory requirements but HR is often relegated as a topic of minor importance. However, employment law is a complex topic.

Handled incorrectly it can result in legal battles that have the potential to financially cripple your company, while ruining its good reputation.

Handled well, it can attract the very best talent to your door and motivate staff to work their hardest for your business.

This guide will walk you through the statutory HR requirements for a small business in Ireland so that you are in a position to put in place HR practices that will meet regulatory requirements but more importantly, will help your business to grow.

## 8 HR Facts You Must Know

1. All employees (permanent, temporary or fixed term) must be provided with a contract/written particulars of employment within two months of commencing employment.
2. Employees must receive, within 28 days of signing a contract of employment, a copy of the disciplinary procedure, which is in place.
3. All staff are entitled to a 15-minute break after 4.5 hours worked.
4. Employers are legally obliged to maintain records of days and total hours worked by all employees for a period of three years.
5. Any information relating to job applications, interviews, screening criteria or otherwise must be kept on file for a period of one year after application.
6. What about part-time employees? A part-time employee is someone who works fewer hours than a comparable full time employee doing the same type of work.

A part-time employee may not be treated less favourably than a comparable full time employee in respect of any condition of employment.

7. Can I employ someone under 18? Legislation is in place to protect the health of young workers, and to ensure that employment done during the school year does not put their education at risk.
8. The law sets minimum age limits for employment, sets rest intervals and maximum working hours, and prohibits the employment of those under 18 years of age on late night work.

What about foreign national workers? Foreign nationals working legally in Ireland are entitled to the full range of statutory employment rights and protections in exactly the same manner as an Irish worker. Most non-EEA national requires an employment permit to take up employment in Ireland (the EEA comprises the Member States of the European Union together with Iceland, Norway and Liechtenstein).

It should be noted that it is an offence under the Employment Permits Acts 2003 and 2006 for both an employer and an employee if a non-EEA is in employment without an appropriate employment permit. Employment permit holders can only work for the employer named on the permit.

If you were unaware of any of the above or know that you are non-compliant with any or all of the areas, you are at risk. To adhere to these regulations may seem very time consuming and very distracting from your core function of business.

So what are the associated financial risks?

## What Are The Associated Financial Risks?

1. An inspector from the National Employment Rights Authority (NERA) of the Department of Enterprise, Trade and Employment have the power to enter any premises, and demand to see employment records, working time records and any documentation associated with the employment of your staff.

For any breach of the regulations, there is a potential penalty of €1,900 + €650 for any day that the breach continues.

2. The litigious society we live in has spurred many employees into action in taking cases against their employer. In 2005, the number of employment related claims referred to the Equality Tribunal jumped by more than 35% from 2004 (Source: Equality Tribunal). The overall number of cases referred to the Labour Court between 2005 and 2012 increased by 64% (Labour Court Annual Report).
3. All Dismissals are deemed unfair until proven otherwise, so under employment law in Ireland, as an employer you are effectively ‘guilty until proven innocent’.

In general, over 80% of the cases heard by the Employment Appeals Tribunal are held in favour of the employee. Under Unfair Dismissals law, compensation can be up to two year’s salary; this does not include legal costs or the cost of your time.

In 2012 the average award by the Equality Tribunal was over €14,000. (source: Equality Tribunal)

4. Employment law in Ireland is hugely weighted on procedures. Much of employment practice is quasi legal, putting as much emphasis on the importance of procedures as on the law itself. Not having these procedures in place and utilizing them can be a very costly mistake. Preceding cases under equality legislation and unfair dismissals have shown that where employers have ignored procedures, they will lose the cases.
5. A Rights Commissioner will award compensation to part-time employees who do not receive their legal entitlement.

## Employer HR Checklist

Do you give your employees their terms and conditions in writing?

Do you provide a written disciplinary and grievance procedure?

Do you have a sick leave policy and is it in writing?

Do you keep records of time worked, rest breaks and annual leave?

Do you have an anti-bullying policy?

Do you have a policy covering the use of the internet and email by employees?

If you have answered no to any of these questions then you need to download a comprehensive contract and staff handbook.

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Online Accounting Software

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