



# Wages Act 1986

## 1986 CHAPTER 48

### PART III

#### REDUNDANCY REBATES, ETC.

#### **27 Restriction of redundancy rebates to employers with less than ten employees**

(1) For section 104(1) of the Employment Protection (Consolidation) Act 1978 (duty of Secretary of State to pay redundancy rebates) there shall be substituted—

“(1) Where an employer—

- (a) is liable under the foregoing provisions of this Part to pay, and has paid, a redundancy payment to an employee, or
- (b) under an agreement in respect of which an order is in force under section 96, is liable to make, and has made, a payment to an employee on the termination of his contract of employment,

and that payment is a qualifying payment within the meaning of section 104A, then, subject to the provisions of this section, the Secretary of State shall make a payment out of the fund to the employer (in this Part referred to as a "redundancy rebate").”

(2) In section 104(3) of that Act (discretion of Secretary of State to pay redundancy rebates in certain cases), for the words from "satisfied that" onwards there shall be substituted "satisfied—

- (a) that, had the payment been a payment falling within subsection (1)(a), it would have been a qualifying payment within the meaning of section 104A, and
- (b) that it would be just and equitable to pay a redundancy rebate in respect of the payment having regard to all the relevant circumstances."

(3) After section 104 there shall be inserted—

---

*Status: This is the original version (as it was originally enacted).*

---

**“104A Qualifying payments for purposes of redundancy rebates.**

- (1) A payment made by an employer to an employee and falling within subsection (1)(a) or (b) of section 104 shall be treated as a qualifying payment if at no time on the appropriate date did the number of employees employed by the employer, added to the number employed by any associated employer, exceed nine.
- (2) In subsection (1) " the appropriate date "—
  - (a) in the case of a payment falling within section 104(1)(a), means the date which is the relevant date in relation to that payment by virtue of section 90(1) or (2); and
  - (b) in the case of a payment falling within section 104(1)(b), means the date on which the termination of the employee's contract of employment is treated as having taken effect for the purposes of the agreement referred to in that provision.
- (3) In determining for the purposes of subsection (1) the number of employees employed by any individual on any date an employee who is employed by that individual for the purposes of his own household shall be disregarded if—
  - (a) the employee's contract of employment normally involves employment for less than eight hours weekly, and
  - (b) not more than one other employee is so employed for the purposes of that household (whatever the number of hours of employment which any such other employee's contract of employment normally involves in a week).”
- (4) In section 117 of that Act (employees paid by person other than employer), after subsection (2) there shall be inserted—
 

“(2A) Section 104A shall have effect in relation to a payment falling within section 104(1)(a) or (b) and made to an employee to whom this section applies as if, in subsection (1)—

  - (a) any reference to the employer were a reference to the person responsible for paying the remuneration, and
  - (b) the reference to employees employed by the employer were a reference to employees who are employed by that person or whose remuneration is payable by him as mentioned in subsection (1) above.

(2B) In the application of section 104A(1) in relation to a payment falling within section 104(1) (a) or (b) and made by an employer to an employee, the reference to employees employed by the employer shall be construed as including a reference to employees whose remuneration is payable by the employer as mentioned in subsection (1) above.”

**28 Abolition of payments equivalent to redundancy rebates**

No payment shall be made by the Secretary of State under—

- (a) section 111(2) of the Employment Protection (Consolidation) Act 1978 (payments equivalent to redundancy rebates in respect of civil servants, etc.),
- or

(b) section 113(1) of that Act (similar payments in respect of employees of foreign governments),  
in respect of any termination of employment occurring after the commencement of this section.

## **29 Power to make corresponding provision for Northern Ireland**

An Order in Council under paragraph 1(1)(b) of Schedule 1 to the Northern Ireland Act 1974 (legislation for Northern Ireland in the interim period) which states that it is made only for purposes corresponding to those of sections 27 and 28 of this Act—

- (a) shall not be subject to paragraph 1(4) and (5) of that Schedule (affirmative resolution of both Houses of Parliament); but
- (b) shall be subject to annulment in pursuance of a resolution of either House.