A BILL FOR A LAW TO AMEND THE LABOUR LAW (2007 REVISION) SO AS TO REMOVE THE MAXIMUM PERIOD FOR WHICH CERTAIN PAYMENTS MAY BE MADE; AND FOR INCIDENTAL AND CONNECTED MATTERS

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THE LABOUR (AMENDMENT) BILL, 2011

MEMORANDUM OF OBJECTS AND REASONS

This Bill amends the Labour Law (2007 Revision).

Clause 1 provides for the short title.

Section 41(1) of the principal Law allowed severance pay to be given at a rate of one week’s pay for each completed period of twelve months of employment, subject to a limit of twelve weeks’ pay. Clause 2 amends that subsection to remove that limitation so that severance pay can be paid with respect to all the years that a person was employed.

Under section 47(1) of the principal Law, retirement/resignation allowance was payable at a rate of one weeks’ wages for each complete period of twelve months’ service, up to a maximum of twelve weeks. Clause 2 amends that provision so as to remove that maximum.

Finally, under section 55 of the principal Law, a Labour Tribunal had power to award compensation of one week’s wages for each completed year of service, up to a maximum of twelve weeks. Clause 3 amends subsection (3) of that section to remove that limit.
THE LABOUR (AMENDMENT) BILL, 2011

ARRANGEMENT OF CLAUSES

1. Short title
2. Amendment of section 41 of the Labour Law (2007 Revision) - computation of severance pay
3. Amendment of section 47 - retirement/resignation allowance
4. Amendment of section 55 - remedies for unfair dismissal
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SO AS TO REMOVE THE MAXIMUM PERIOD FOR WHICH CERTAIN
PAYMENTS MAY BE MADE; AND FOR INCIDENTAL AND
CONNECTED MATTERS

ENACTED by the Legislature of the Cayman Islands.

1. This Law may be cited as the Labour (Amendment) Law, 2011.

2. The Labour Law (2007 Revision), in this Law referred to as the “principal
Law”, is amended in section 41(1) by deleting the words “, subject to a maximum
of twelve week’s pay”.

3. The principal Law is amended in section 47(1) by deleting the words
“subject to a maximum of twelve weeks’ pay”.

4. The principal Law is amended in section 55(3) by deleting the words “and
shall not exceed twelve weeks’ wages in aggregate”.

Short title
Amendment of section 41 of the Labour Law (2007 Revision) - computation of
severance pay
Amendment of section 47 - retirement/resignation allowance
Amendment of section 55 - remedies for unfair dismissal
Passed by the Legislative Assembly the day of , 2011.

Speaker.

Clerk of the Legislative Assembly.