

Deloitte.

Workforce Transition Services

Shaping your business



For Six Years Running

Audit • Tax • Consulting • Corporate Finance •

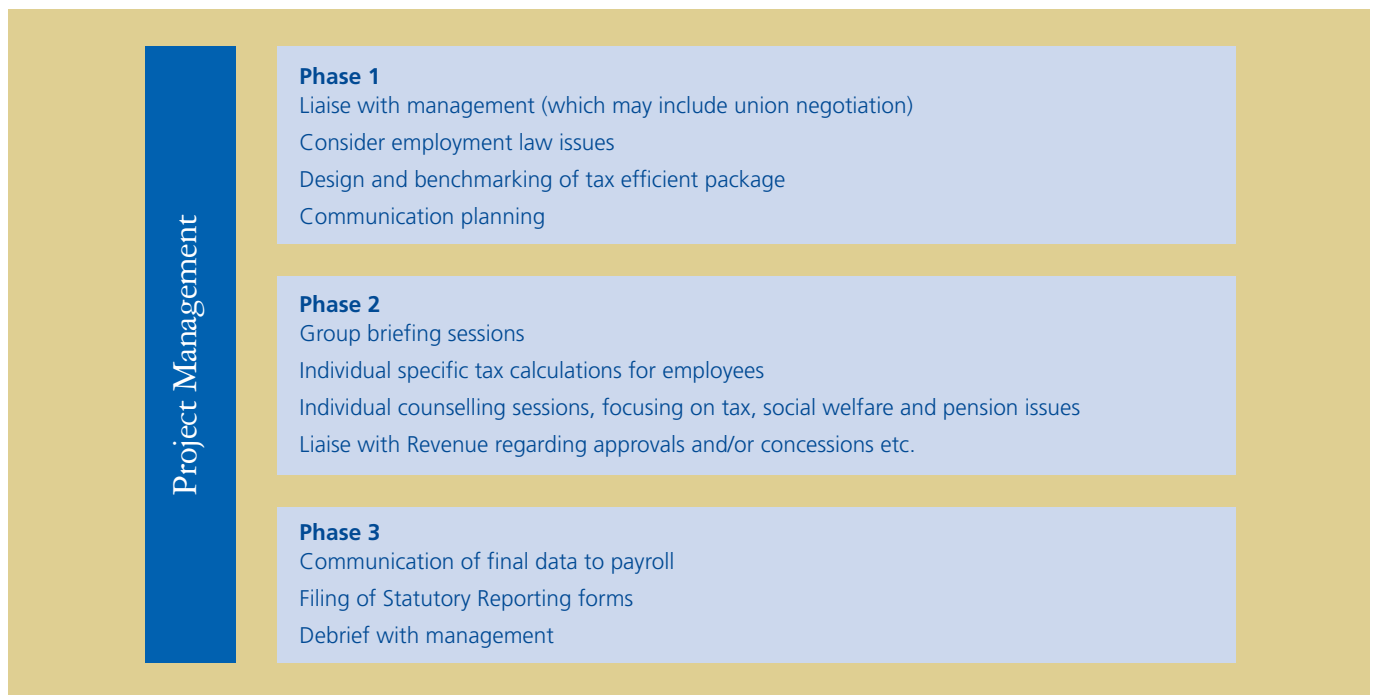
Workforce Transition Services

Today's competitive business environment poses many strategic challenges to businesses. As a result, some organisations may need to restructure or reshape their employee profile in order to maintain competitiveness. Such change is difficult to achieve and may sometimes require the introduction of a workforce redundancy programme.

There are many factors involved in a redundancy programme. Our workforce transition service is made up of professionals from our legal, tax, pensions and human capital practices. This structure ensures that clients can avail of a complete solution which addresses all areas of the transition process.

Workforce transition is a challenging process for any company. We ensure that you, as an employer, are fully compliant with relevant legislation and best practice and that your employees are afforded the best advice. A smooth transition process will instil a confidence in those employees who are retained and who represent the future of your business.

Figure 1. Our service methodology



A smooth transition process will instil a confidence in those employees who are retained and who represent the future of your business

Our service offering

Our team provides a unique service that addresses all areas of workforce transition, including:

1. Project Management

Redundancy is an onerous process for all concerned. Tight deadlines should be imposed to ensure the smooth running of the process. Transition programmes of considerable size may require project management assistance to ensure that all of the relevant deadlines are met.

2. Negotiation and Representation:

Workforce redundancy programmes usually result from a negotiation process between the employer and employee representatives or their unions. An experienced external advisor can bring objectivity and perspective to this process.

We can assist with the following :

- Direct negotiations with employee representatives on the rationalisation programme or provision of assistance to management in its negotiations with employee representatives or their unions in relation to the rationalisation programme.
- Representing the client in formal industrial relations processes (submission of claims to Labour Relations Commission, Labour Court etc)
- Development of a spreadsheet model providing management with detailed and summarised costings and comparisons of various alternative proposals which may be put forward during negotiations on severance agreements

3. Legal

A number of legal issues need to be considered in advance of undertaking a workforce transition programme. These include the legal steps in administering the redundancies and the prevention of redundancy disputes. Practical and up to date legal advice will help ensure an organisation is protected against any unwelcome claims.

We can assist with the following:

- Review of all legal options available to the organisation on workforce transition including redundancy, layoff, short time or redeployment.
- Review of any proposed redundancies to ensure they are genuine and a fair selection procedure has been used.
- Review of contracts of employment and ancillary legal documentation to ensure all legal requirements including minimum notice, redundancy selection procedures etc have been met.
- Ensuring large scale redundancies or collective redundancies are properly administered and consultation obligations are met through unions and employee representatives.

4. Tax and PRSI

Statutory Redundancy payments can be made without the deduction of tax. Other non-contractual severance payments can be the subject of favorable taxation exemptions and reliefs. The exemptions and reliefs available to an employee are dependant on their personal circumstances, for example length of service, recent earnings, company pension entitlements, foreign service and top slicing relief.

We can assist with the following:

- The tax efficient delivery of non-contractual severance packages.
- Preparation of individual tax calculations estimating the net cash position of each departing employee and taking account of any tax free entitlements under the company pension scheme.
- Delivery of group briefing sessions to outline the general tax and social welfare implications.
- Facilitation of individual counseling sessions to highlight the specific tax exemptions/reliefs relative to each particular employee.
- Preparation and submission of Forms RP50 and ensuring the issue of the employer rebate from the Department of Enterprise, Trade and Employment.
- Act as a liaison between HR, Finance and payroll personnel to ensure the correct communication of final data to payroll; and
- Liaise with Revenue officials on certain approvals and concessions.

5. Pension

Where an organisation has an occupational pension scheme, departing employees may be entitled to immediate or deferred pension benefits which may impact on the taxation exemption available on termination. Pension scheme funding may also need to be considered.

6. Outplacement

Outplacement is an essential part of any transition programme and will enhance the departing employee's ability to seek future employment.

Our outplacement methodology is as follows:

- Consultation with each employee.
- Assistance with Psychometric Profiling and the use of assessment tools to allow the participant to increase self-awareness and aid in a career direction decision.
- Provision of feedback to individuals from the psychometric profiling.
- Assistance with practical interview techniques. Guidance can be based on video taped mock interviews.
- Advice on job Search and guidance relative to the Irish market; and
- Assistance with preparation of CVs including administrative support.

Our team incorporates experts from a number of our service lines enabling us to offer a complete solution to your business.

If you would like to obtain further information, please contact:



Brian McDonald,
Partner,
Tax

Tel: + 353 1 417 2420
Email: bmcdonald@deloitte.ie



Mark O'Donnell,
Director,
Consulting

Tel: + 353 1 417 2580
Email: maodonnell@deloitte.ie



Aidan O'Connell,
Director,
Consulting

Tel: + 353 1 417 2562
Email: aconnell@deloitte.ie



Sarah Connellan,
Director,
Tax

Tel: + 353 1 417 2432
Email: sconnellan@deloitte.ie



Wendy Doyle,
Manager,
Employment Law

Tel: + 353 1 417 8628
Email: wdoyle@deloitte.ie

Deloitte Profile

Deloitte's 1,100 people in Dublin, Cork and Limerick provide audit, tax, consulting, and corporate finance services to public and private clients spanning multiple industries. With a globally connected network of member firms in 145 locations, Deloitte brings world class capabilities and deep local expertise to help clients succeed wherever they operate.

Deloitte's 165,000 professionals are committed to becoming the standard of excellence. Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

Dublin

Deloitte & Touche
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

T: +353 1 417 2200
F: +353 1 417 2300

Cork

Deloitte & Touche
No.6 Lapp's Quay
Cork

T: +353 21 490 7000
F: +353 21 490 7001

Limerick

Deloitte & Touche
Deloitte & Touche House
Charlotte Quay
Limerick

T: +353 61 435500
F: +353 61 418310

www.deloitte.com/ie

Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu and its Member Firms.

These materials and the information contained herein are provided by Deloitte & Touche and are intended to provide general information on a particular subject or subjects and are not an exhaustive treatment of such subject(s). Accordingly, the information in these materials is not intended to constitute accounting, tax, legal, investment, consulting or other professional advice or services. The information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser. These materials and the information contained therein are provided as is, and Deloitte & Touche makes no express or implied representations or warranties regarding these materials or the information contained therein. Without limiting the foregoing, Deloitte & Touche does not warrant that the materials or information contained therein will be error-free or will meet any particular criteria of performance or quality. Deloitte & Touche expressly disclaims all implied warranties, including, without limitation, warranties of merchantability, title, fitness for a particular purpose, non-infringement, compatibility, security and accuracy.

Your use of these materials and information contained therein is at your own risk, and you assume full responsibility and risk of loss resulting from the use thereof. Deloitte & Touche will not be liable for any special, indirect, incidental, consequential or punitive damages or any other damages whatsoever, whether in an action of contract, statute, tort (including, without limitation, negligence) or otherwise, relating to the use of these materials or the information contained therein.

If any of the foregoing is not fully enforceable for any reason, the remainder shall nonetheless continue to apply.

© 2008 Deloitte & Touche. All rights reserved

Member of **Deloitte Touche Tohmatsu**