

Overview	Legal Change	Action required
<p>Termination Rules A new termination ground is introduced to lower slightly the barriers to legal dismissals.</p>	<p>Currently there are 8 distinct grounds for dismissal (the a - h grounds). For a court to order a termination one of the grounds must apply. Problems arise if the employer cannot make their case based on a single ground.</p> <p>With effect from January 1st, 2020 a new ground will come into effect, known as 'cumulation' or i-ground. This enables employers to combine more than one existing ground for lawful dismissal. For example, both unsatisfactory performance (d-ground) and damaged working relationship (g-ground) can be used together.</p> <p>If a court grants the termination on the i-ground it may also award additional compensation up to a maximum of half of the 'transition allowance'.</p>	<p>Nothing at this stage.</p> <p>From 2020, terminations may be slightly easier but also potentially more expensive.</p>
<p>Transition Allowance Changes to the calculation of termination compensation ('transition allowance').</p>	<p>With effect from January 1st, 2020 employees will be entitled to accrue the transition allowance from the first day of their employment, including trial periods. Currently employees are only allowed this allowance after 2 years.</p> <p>The calculation of the allowance will be one third of gross monthly salary for each full year of service regardless of employee age or years of service.</p> <p>This replaces the current allowance which provides for one half of gross monthly salary for service years exceeding 10.</p>	<p>Nothing at this stage.</p>
<p>Successive Fixed Term Contracts Extension of the period in which successive fixed term contracts are allowed.</p>	<p>Currently only 3 successive fixed term contracts in a 24 month period are permitted before the contract becomes indefinite.</p> <p>From January 1st 2020 the permitted period is extended to 36 months.</p>	<p>Nothing at this stage but note the greater flexibility.</p>
<p>On-Call Workers New rules protecting on-call workers.</p>	<p>With effect from January 1st 2020, on-call employees will be entitled to 4 days advance notice to report for work and must be paid if the work is then cancelled within the 4 days. The notice can be reduced to 24 hours by collective agreement.</p> <p>After 1 year of an on-call contract, employers must offer on-call workers guaranteed working hours based on the average number of hours worked in the last 12 month period.</p>	<p>If this is relevant to your business consider whether a change is possible to the relevant collective agreement.</p>

This is a high level general update only. Legal advice should be obtained on specific circumstances.