



Amendments to Severance Payments CAP.355A (Note 2)

Further to our guidance which was issued on June 18, 2020 regarding the amendments made to the Severance Payments Act as a result of the public health emergency declared on March 28, 2020; the BEC wishes to offer clarity regarding the expiration of the amended clause.

As many have noted the changes to the Severance Payment Act were meant to be temporary and while this means that the amended act will cease on July 31, 2020, the provisions under the Act remains relevant for the periods identified below:

☐ Eligibility for Severance Payment

An employee who has been laid off or kept on short time is eligible for severance if they have been laid off or kept on short time for **twenty-two (22) consecutive weeks** or **eighteen (18) or more weeks within a twenty-four (24) week** period if one of the following conditions are met:

1. They were laid off or placed on short time anytime between March 01 and April 30, 2020 .

OR

2. They were laid off or placed on short time before June 01, 2020 due to travel restrictions AND the restrictions due to the Emergency Management Directives (COVID-19) Curfew (#1-5).

☐ Question 1:

My employee was placed on lay-off May 30, 2020 for a period of 13 consecutive weeks. However, we extended the lay-off for an additional 9 weeks. Does this mean that the employee can claim severance on July 31 or must return to work on July 31?

☐ Answer:

No, the employee's lay-off period was provided for under the amended act and he/she would be due to return to work or give notice to claim severance after the completion of the additional 9 weeks of layoff.



☐ Question 2:

My Company is now seeking to lay-off and utilize short-time from August 01, 2020. What is the duration of time that can lay-off or short-time be used?

☐ Answer:

August 01, 2020 falls outside of the provisions of the amendments, as such, if an employee was laid off or placed on short time prior to or outside of the revised stipulations, these temporary amendments do not apply. Employers must then refer to the original provisions in the Severance Payments Act, Cap 355A, which state that an employee who has been laid off or kept on short-time for thirteen (13) consecutive weeks or sixteen (16) weeks within a twenty-six (26) week period by the same employer, may claim a severance payment.