

CHANGES TO DEFINITION OF SMALL BUSINESS:



This is a reminder to all clients that as from the 1st January 2011 the definition of a 'small business' changes.

Since the rollout of the Fair Work Act a "Small Business" has been recognised at law as one which has 15 fulltime equivalent (FTE) employees.

From the 1st January this will no longer be the case.

A Small Business will be one which employs 15 employees on a 'head count' regardless of their classification (ie fulltime, part time and casual) and the number of hours they work.

This will also include employees engaged in related entities and employees who are being terminated.

Essentially this means that the statutory period where a new employee cannot take an unfair dismissal claim reduces to 6 months from the date of employment for entities which employ more than 15 workers. In addition businesses that were previously exempted from the severance pay requirements of the redundancy provisions under the NES will now be required to make payments based on length of service.

If your operations are affected you need to ensure that you have sound policy and processes in place to manage the poor performance and termination of employees and of your new obligations where you are making an employee redundant.



This will be the last E-Bulletin for 2010. We wish you a very Merry Christmas and please drive safely if you are on the roads this Festive Season. We look forward to seeing everyone in January 2011.

NEW

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