

StraightTALKING



Keeping up with employment law

Liz McKeon explains the importance of NERA compliance

The importance of compliance with the National Employment Rights Authority (NERA) cannot be understated. With over 100 inspectors and a potential fine of up to €250,000, as a salon and Spa owner, are you very familiar with your NERA obligations? If not, now is the time to get compliant!

NERA is an office of the Department of Enterprise, Trade and Employment. It aims to secure compliance with employment rights legislation and to foster a culture of compliance in Ireland through five main functions: Information, Inspection, Enforcement, Prosecution, Protection of Young Persons.

In general, inspectors can: enter any premises at a reasonable time, demand sight of records, take copies of records, and interview and require information from any relevant person.

The following list sets out the standard records which an inspector will require access to during the course of an inspection:

1. Employer registration number with the Revenue Commissioners;
2. Full name, address and PPS number for each employee (full and part-time);
3. Terms of employment for each therapist;

4. Payroll details (gross to net, rate per hour, overtime, deductions, shifts, commissions, bonuses, tips etc);
5. Copies of pay slips;
6. Employees' job classification;
7. Dates of commencement;
8. Register of employees under 18 years of age;
9. Hours of work for each employee (including starting and finishing times, meal breaks and rest periods);
10. Whether board and / or lodgings are provided and relevant details;
11. Holidays and public holiday entitlements received by each employee;
12. Any documentation necessary to demonstrate compliance with employment rights legislation.

How an inspection is undertaken

NERA inspectors undertake both 'announced' and 'unannounced' inspections. In the case of 'announced inspections', the inspector will contact the employer by letter or telephone to advise the employer that it is intended to carry out an employment rights compliance inspection on their business and to make the necessary arrangements for undertaking the inspection.

In the case of 'unannounced inspections'; the inspectors just turn up and asks for the production of appropriate records.

In carrying out the inspection, which typically lasts two to three hours, the inspector:

- Ascertains the name of the person who keeps and updates the records;
- Examines the records to establish that they are compliant with the relevant employment rights legislation;
- Determines the rate of pay in respect of each employee from the rosters and the wage records presented;
- Informs the employer of any breaches under the legislation identified;
- May interview employees.

After the inspection NERA will contact the employer in writing to advise them of the outcome of the inspection. If breaches have been identified, NERA may:

- Issue a letter to the employer asking them to rectify the breaches;
- Refer the matter to the Legal Services for prosecution;
- Undertake a further inspection.

So, make sure your salon is compliant so you can get on with the business of running your business!

Liz McKeon is a Business Coach and Trainer, specialising in the beauty industry. For further information, visit www.lizmckeon.com or telephone **086 386 1243**.

