An Roinn Fiontar,
Turasóireachta agus Fostaíochta
Department of Enterprise,
Tourism and Employment

Regulatory Impact Analysis

General Scheme of Employment (Miscellaneous Provisions) Bill 2026



Part 1: Introduction

A Regulatory Impact Analysis (RIA) is an assessment of the likely effects of a proposed new regulation or regulatory change so as to ascertain whether or not the new regulation would have the desired impact of a policy. To this end, a RIA is designed to identify the potential costs and desired outcomes of the proposed policy objectives.

As Government Departments are required to undertake a RIA in respect of all proposals for primary legislation, and which involve changes to the regulatory framework, this document sets out the RIA in respect of the General Scheme of the Employment (Miscellaneous Provisions) Bill 2026.

Given this General Scheme covers a number of different policy proposals, the document sets out separate RIAs in respect of each policy area as follows:

- Part 2: Amendments to the Employment Permits Act 2024 [Heads 03 - 10]
- Part 3: Amendments to section 36 of the Workplace Relations Act 2015 [Head 12]

A number of the proposed amendments in this General Scheme are technical in nature for which a RIA is not required and has not been prepared. These include:

- Amendments to S42A(5) of the Industrial Relations Act 1946 [Head 11]. This is a technical update to remove outdated references to obsolete minimum wage rates and replaces them with the current age-based percentages set out in the National Minimum Wage Act 2000.
- Amendments to Chemical Weapons Act 1997 [Head 13]. This is a technical amendment to provide further legal certainty.

Review

The Department will prepare a post-enactment report, as required under Oireachtas Standing Orders, to review the functioning of the Bill, should it be enacted, 12 months following its enactment.

Publication of RIA

The Department is publishing this Regulatory Impact Analysis on its website.

Part 2: Amendments to Employment Permits Act 2024

1. Summary of Regulatory Impact Analysis

Department: Enterprise, Tourism and Employment	**Title of legislation:** General Scheme of Employment (Miscellaneous Provisions) Bill 2026
Stage: Seeking Government approval of General Scheme	**Date:** September 2026
Related Publications: • Employment Permits Act 2024	
Available to view or download at: https://enterprise.gov.ie/en/legislation/	
Contact for enquiries: Jamie Kennedy, Economic Migration Policy Unit Email: Jamie.Kennedy@enterprise.gov.ie **Policy objectives being pursued** • To amend the Employment Permits Act 2024 to implement changes to the restriction on the grant of employment permits which is based on the number of EEA to non-EEA national employees of an employer – the "50:50 rule". • To introduce a defined statutory pay reference period within which minimum annual remuneration (MAR) compliance must be assessed. • The General Scheme will also adjust the labour market needs test (LMNT) to support the continued employment of non-EEA workers already in the State, plus two technical amendments that do not involve any changes in policy. **Policy options considered:** 1. Do nothing. 2. Make legislative changes providing for, primarily, a targeted and specific base for adjustment to the 50:50 rule to contribute to efforts to address critical labour challenges in specific health and social care services, and a pay reference period for assessing remuneration compliance to support enforcement of non-payment of remuneration thresholds. **Preferred option:** Option 2	

Options			
	Costs	***Benefits***	***Impacts***
1.	• The employment permits system is run on a cost neutral basis.	• No benefits	• The current legislative provision continues to compound

	• However, continuing with the current legislation may impose additional costs on employers and sectors experiencing severe labour shortages, through seeking advice on the restrictive legislation, and also on alternative labour supply options. • In addition, inflexibilities which are intrinsic to the statute's structure may have cost implications in terms of enterprise development.		deteriorating access to labour in the health and social care sector. • Failure to develop labour market support for specific sectors based on clear evidence. • Current demographic trends will likely heighten risks to the sustainability of essential care services. • Risk of job losses where employer cannot satisfy 50:50 rule.
2.	• The employment permits system is run on a cost neutral basis i.e. administrative costs are balanced by fee income. • Additional costs likely to be imposed on employers and sectors might be avoided without compromising the policy goal.	• Increased flexibility and clarity in the employment permits regime to keep pace with the changing economy and demographics. • Reduced operational challenges for employers and sectors in provision of much needed public services due to the shortage of skilled workers. • Balanced and targeted approach to addressing requirement for labour with the need to prioritise Irish/EEA labour market supply. • Reduced administrative burden on processing of employment permit applications where	• Adaptative and flexible legislation capable of addressing labour challenges by providing access to employment permits in a measured and targeted way for roles in the health and social care sector. • Appropriate response to findings of the 2024 review of the healthcare assistant role that highlighted structural shortages, high turnover, and unmet demand especially in private nursing homes; and that the rationale for strict company-level limits under the 50:50 rule may have to be reviewed.

		adjustment supports the grant where it is appropriate. • Provide a defined statutory pay reference period within which minimum annual remuneration (MAR) compliance may be assessed.	• Respond to Future Forty projections of a rapidly rising old-age dependency ratio, and the labour force stagnating without continued inward migration. • Respond to NESC's "Building a Virtuous Demographic Cycle" which highlights falling birth rates, an ageing population, and a shrinking worker-to-dependent ratio without strong labour participation and migration. • Address an enforcement difficulty in meaningfully verifying MAR compliance on an annualised basis

2. Description of Policy Context and Objectives

Policy Context

Ireland implements the principle of Union Preference through a restriction on the grant of an employment permit or what is termed the 50:50 rule. It was originally introduced in the Employment Permits Act 2006 as a requirement for more than 50% of the employees be Irish/EEA/UK/Swiss nationals as a measure to enforce Union Preference and address any potential concerns on the displacement of Irish workers.

In comparison with other EU/EEA countries, Ireland operates among the strictest interpretations of Union Preference at company level and has done since 2006.

The ratio is calculated based on all employees of an employer regardless of role or individual terms of employment. The ratio consists of Irish/EEA/UK/Swiss workers on one side, and non-EEA workers on the other – including those employed under an employment permit, holders of various Department of Justice, Home Affairs and Migration immigration permissions, and beneficiaries of international protection / temporary protection.

Over time, the implementation and enforcement of the 50:50 rule has been cited as imposing an additional challenge in certain sectors by unintentionally compounding deteriorating access

to labour in the health and social care sector. Structural labour shortages, increasing demographic pressures, high turnover, and sector specific recruitment challenges, especially for the Healthcare Assistant (HCA) role, mean that continued implementation of the rule be revised, with the aim of developing labour market realities for specific sectors, under set circumstances and based on clear evidence.

While the majority of sectors do not report issues meeting the 50:50 rule, the issues currently faced by the health and social care sector, including continuity of patient care is of concern. In the case of HCAs and the 50:50 rule, greater adaptability is needed in economic migration policy to sustain long-term care capacity and manage Ireland's demographic and fiscal trajectory.

A 2024 KPMG review found that admitting non-EEA HCAs did not harm the domestic labour market. Instead, it highlighted structural shortages, high turnover, and unmet demand especially in private nursing homes. This study and its findings suggested that the rationale for strict company-level limits under the 50:50 rule may have to be reviewed.

Policy Objectives

Ireland's ageing population is sharply increasing long-term care needs, while the domestic labour supply is not keeping pace. The Future Forty study projects a rapidly rising old-age dependency ratio, and the labour force stagnating without continued inward migration. NESC's "Building a Virtuous Demographic Cycle" likewise highlights falling birth rates, an ageing population, and a shrinking worker-to-dependent ratio, warning of a potential "downward vicious cycle" without strong labour participation and migration.

The main objective of the General Scheme is to adjust the current restrictive framework of the 50:50 rule in response to demographic trends that are likely to heighten risks in terms of access to the requisite labour and skills, increase pressure on public health services, increase risks for service continuity, compliance, and higher system-wide costs. Between 2026–2028, over 5,300 HCA permits will require renewal. Employers who cannot satisfy the 50:50 ratio cannot renew existing permits, risking sudden staff losses.

The adjustments to the Employment Permits Act 2024 will provide for more flexibility and targeted provisions to support the economy's skills needs and will maintain the key policy intentions of the legislation which include:

- Prioritise the resident and EEA labour force through existing criteria (e.g. Labour Market Needs Test (LMNT), 50:50 rule) as well as considering mechanisms relating to upskilling in applicant sectors.
- Improve the agility of the system by adjusting the application of the 50:50 rule on employers without any detrimental impact on the domestic and EEA labour market priorities.
- Continue to operate an employment permits system that facilitates the attraction of required skills.
- Maintain the employment rights of migrant workers.

- Reduce risk of exploitation of migrant workers through prevention of prolonged irregular or insufficient remuneration patterns.
- Ensure a clear and efficient regulatory basis.

3. Identification and analysis of policy options

Option 1: Do nothing

Description of Option

Under this option, no legislative changes will be made.

Costs

No direct costs associated with this option. However, healthcare providers report ongoing difficulty attracting Irish and EEA candidates risking the provision of care services. As the population ages, demand for long-term care, disability services, community supports and hospital capacity will continue to grow, driving substantial new workforce needs across health and social care.

Benefits

There are no benefits envisaged under this Option.

Impacts

To continue to implement the current legislative restriction on the grant of an employment permit will continue to impose deteriorating access to labour in the health and social care sector. The primary competitiveness challenge highlighted is the sector's inability to fill critical staffing shortages under the current 50:50 rule. Being unable to fill vacancies forces providers to reduce capacity, rely on expensive agency staff, or risk non-compliance with care standards each of which drives up operating costs and weakens long-term viability.

The current legislation can be revised under set circumstances to develop labour market realities for specific sectors with regard to recruitment challenges and demographic pressures. Ireland needs to remain an attractive destination country for skilled migration, especially while long-term demographic changes continue. Without these proposed amendments, Ireland will not remain competitive within the global talent market and could fail to maintain an adequate level of skilled migration into the country to support sustained economic growth and wider societal needs.

Continued risk of exploitation of migrant workers and exacerbating enforcement difficulties for authorised officers of the Workplace Relations Commission (WRC) who act on behalf of the Minister for Enterprise, Tourism and Employment under the Employment Permits Act 2024.

Option 2: Make targeted changes to legislation

Description of Option

To amend the Employment Permits Act 2024 to implement changes to the restriction on the grant of employment permits applying to the number of EEA to non-EEA national employees of an employer – the "50:50 rule".

The legislative changes provide clearly defined and targeted provisions that can:

- adjust the ratio of EEA to non-EEA national employees of an employer;
- adjust the categories of non-EEA national employees of an employer;
- address critical labour challenges in specific health and social care services;
- introduce a defined statutory pay reference period within which minimum annual remuneration (MAR) compliance may be assessed;
- adjust the labour market needs test (LMNT) to support the continued employment of non-EEA workers already employed in the State; and
- implement two technical amendments that do not involve any changes in policy.

Costs

Costs to the State:

These proposals are not expected to have an additional draw on the Exchequer resources.

The proposal to reinforce the payment of remuneration thresholds are not expected to generate significant additional administrative costs for the State.

This proposal is not expected to have an additional draw on human or financial resources for Employment Permit processing.

The HCA specific rate is currently at €32,691. However, in line with increases to the minimum annual remuneration (MAR) thresholds for employment permits implemented in March 2026, and further proposals under the MAR roadmap of increases for 2027, these thresholds will be increased further. The policy objective of these increases to the MAR thresholds is to ensure a balanced economic migration system without any detrimental impact on the domestic and EEA labour market priorities.

Costs to employers/employees:

No additional costs to employers are envisaged.

Being able to fill vacancies will help address capacity issues, reduce reliance on expensive agency staff, and reduce risk of non-compliance with care standards. A targeted adjustment to the 50:50 ratio would allow providers to consistently fill essential roles, stabilise service delivery, avoid high emergency staffing costs, and maintain competitiveness.

The proposals to reinforce the payment of remuneration thresholds are not expected to generate significant additional administrative costs for employers beyond the commitment given by the employer at the grant of the permit to honour the remuneration set out in the application.

Costs to third parties:

No additional costs to third parties are envisaged.

Benefits

Benefits to the State:

The changes proposed will enable a controlled response to workforce pressures by allowing sector-specific derogations for critical roles such as Healthcare Assistants and Home carers,

while also providing for the modernising of how migrant worker categories are counted within the ratio.

Collectively, these measures would support service continuity, reflect the reality of Ireland's evolving labour market, and provide the Minister with evidence-based levers to respond to demographic change and future shortages while preserving the overall integrity and intent of the employment permits framework.

Cross government support has been expressed for these changes, including from the Department of Health who also acknowledge the wider commitment beyond these changes to reduce reliance on overseas recruitment through increased domestic supply.

Benefits to employers / employees:

These measures provide a targeted response to urgent staffing pressures in critical care roles supporting employers in achieving service continuity. The new legislation would deliver near-term flexibility and longer-term policy resilience giving confidence to employers in devising further recruitment plans.

Central to these proposals are the labour rights of migrant workers, who face greater vulnerability to exploitation and poorer conditions, particularly in lower-paid roles such as HCAs. Wage differentials between public and private employment in the sector, dependency on employers for permit renewal, high turnover and limited career progression all point to practices that must improve. These proposals are intended to be contingent on a structured improvement to retention, terms and conditions across the private providers in this sector.

The policy intention with regard to the minimum pay period is to provide compliance clarity to employers by setting out a 13-week reference period. This would align with existing employment legislation (Minimum Notice and Terms of Employment Acts) and would reduce uncertainty while giving employers operational flexibility.

Within that period, the remuneration paid must be equivalent to, or exceed, the remuneration as agreed when the permit was issued, providing employees with surety of payment of wages.

Costs to third parties:

No additional costs to third parties are envisaged.

Impacts

Implementing these changes will provide the State with an adaptative and flexible employment permits legislative framework capable of addressing labour challenges by providing access to employment permits in a measured and targeted way for roles in the health and social care sector.

The changes proposed will contribute to ensuring the continued delivery of essential health and social care services, within the operation of the 50:50 rule. The proposed powers will enable a controlled response to workforce pressures by allowing sector-specific derogations for critical roles such as Healthcare Assistants and Home carers, while also providing for the modernising of how migrant worker categories are counted within the ratio.

Collectively, these measures would support service continuity, reflect the reality of Ireland's evolving labour market, and provide the Minister with evidence-based levers to respond to demographic change and future shortages while preserving the overall integrity and intent of the employment permits framework.

Conclusion

Having considered the two options, Option 2: Make targeted changes to legislation is the preferred policy response.

Maintaining the status quo under Option 1 would do little to address the significant and growing workforce shortages faced by the health and social care sector. The current legislative framework should reflect labour market realities, demographic trends, or the scale of recruitment challenges experienced by continuing to apply the existing restrictions without amendment may fail to address those changing demographics impacting staffing shortages, increase employer costs through reliance on agency workers and overtime, constrain service capacity, and undermine Ireland's competitiveness as a destination for skilled migrant workers.

Option 2 provides a proportionate and targeted legislative response that preserves the overall integrity of the employment permits system, while introducing the flexibility necessary to address critical labour market needs. The proposed amendments would enable sector-specific derogations where evidence demonstrates acute workforce pressures, particularly in essential health and social care roles such as Healthcare Assistants and Home Carers. The measures also modernise the operation of the 50:50 rule and provide mechanisms to better support the retention of non-EEA workers already employed in the State.

While there is a potential fiscal consideration associated with lower-paid permit holders, this risk is mitigated by ongoing increases to minimum remuneration thresholds and is outweighed by the wider economic and societal benefits of maintaining essential health and social care services. Furthermore, the proposals are not expected to generate significant additional administrative costs for the State or employers.

Overall, Option 2 delivers clear benefits in terms of service continuity, workforce sustainability, regulatory flexibility, and responsiveness to future labour market needs. It represents a balanced and evidence-based approach that addresses immediate staffing challenges while supporting longer-term policy objectives, including the protection of migrant workers, the sustainability of care services, and the continued development of domestic labour supply. For these reasons, Option 2 is the recommended policy outcome.

4. Impact Analysis

National Competitiveness

The primary competitiveness challenge highlighted in the review of labour shortages in the health care sector is not wage competition or cost structures, rather it is the sector's inability to fill critical staffing shortages under the current 50:50 rule. Being unable to fill vacancies forces providers to reduce capacity, rely on expensive agency staff, or risk non-compliance with care standards each of which drives up operating costs and weakens long-term viability.

A targeted adjustment to the 50:50 ratio will allow providers to consistently fill essential roles, stabilise service delivery, avoid high emergency staffing costs, and maintain competitiveness.

Socially excluded or vulnerable groups including gender equality, poverty, people with disabilities and rural communities

Disability services depend on consistent HCA and home-carer staffing. If providers cannot renew permits, service interruptions could affect independence, continuity of care, and community supports. Greater flexibility directly protects service reliability for individuals who rely on stable daily assistance.

Rural nursing homes are at greater risk due to smaller local labour pools and heavier reliance on non-EEA workers. Inability to renew HCA permits could lead to reduced service capacity or closures, with knock-on effects on local employment and access to care. A temporary adjustment would help maintain essential services where alternatives are limited.

There are no impacts for other socially excluded or vulnerable groups including gender equality or poverty.

The environment

There are no impacts for the environment.

Significant policy change in an economic market including impacts on competition and consumers

It is clear from recent reports such as Future Forty that continued inward migration will be vital to maintain growth in the labour force, and growing our labour force will be essential to protecting our future economic prosperity and supporting our society. The current Programme for Government has set a target of 300,000 new jobs created by 2030, and, as migrant workers accounted for 61.4% of employment growth between 2019 and 2024, there is little doubt that migration will be the main driver of this job growth.

Migrant workers are crucial contributors to the national workforce, addressing skills and labour shortages, supporting services and economic development, while also enriching Irish society. Workers choosing to come to Ireland for employment is a positive outcome for employers who gain from their expertise and productivity, and for the State in terms of the provision of critical services, as well as general economic development.

Ireland must work to enhance the management of migration, and to prioritise the attraction and retention of skilled migrants to ensure the long-term viability of our economic model.

The legislative changes proposed will recalibrate the balance of access to employment permits for migrant workers, in certain roles and sectors, subject to cross government consultation and stakeholder evidence, with the need to continue to ensure the domestic and EEA labour market is prioritised. Ireland is competing globally for international talent, increasing both in semi-skilled roles alongside highly skilled professionals. Adaptation to the employment permits legislation is measured, with a solid legal basis while delivering on the purpose of the legislation to the needs of the economy.

North-South, East-West relations

There are no impacts for North South, East-West Relations.

The rights of citizens/human rights

There are no impacts for the rights of citizens/human rights.

Compliance burden on third parties e.g., citizens and business

There is no compliance burden on third parties, e.g., citizens and business.

SME Test

The SME Test has been completed and has been published separately.

5. Consultation

The Department of Health and the Department of Justice, Home Affairs and Migration provided key input during policy development of the 50:50 rule change. A report was presented to the Strategic Migration Policy Group for cross-departmental review to ensure a coordinated government approach.

6. Enforcement and Compliance

The State's general policy is to promote the sourcing of labour and skills needs from within the workforce of Ireland, the European Union, other EEA states, the UK and the Swiss Confederation (hereafter EEA nationals).

Under the Employment Permits Act 2024, at the time of applying for a new or renewal employment permit, at least 50% of all employees of an employer must be Irish, EEA, UK or Swiss Confederation nationals. This is referred to as 'the 50:50 Rule' and is one of the mechanisms used by Ireland to meet the commitment for Union Preference for labour under the Act of Accession 2005. Ireland has the strictest interpretation of Union Preference in the EU at company / organisation level.

Where the grant of a new or renewal employment permit would result in the employer exceeding the 50:50 ratio, the application would be refused. Such refusals could potentially render migrant workers subject to invalid permissions and pose a threat to service provisions of the employer. Should the employer achieve compliance of the 50:50 rule at a later date, applications may be considered for grant.

Authorised officers of the Workplace Relations Commission (WRC) act on behalf of the Minister in enforcement of the employment permits legislation including the 50:50 provisions through regular inspection protocols directed by the WRC. These inspections include both random and targeted inspections. This regime would continue to be effective under the proposed amendments.

Part 3: Amendments to Section 36 of the Workplace Relations Act 2015

1. Summary of Screening Regulatory Impact Analysis

This Screening Regulatory Impact Analysis considers a proposed amendment to Section 36 of the Workplace Relations Act 2015 relating to the use of Fixed Payment Notices.

Department: Enterprise, Tourism and Employment	**Title of legislation:** General Scheme of Employment (Miscellaneous Provisions) Bill 2026
Stage: Seeking Government approval of General Scheme	**Date:** September 2026

Related Publications

Workplace Relations Act 2015 | Law Reform

Contact for enquiries regarding the Workplace Relations Act 2015

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Proposed Actions and Policy Options

Proposed Action – Amend the Workplace Relations Act 2015

Policy options considered:

Option 1: Do nothing/no policy change.

Option 2: Amend section 36 the Workplace Relations Act 2015

Context:

Without proper records, workers may be unable to enforce their statutory rights to leave, rest periods and correct pay. A lack of records also reduces transparency and can create unfair competition among employers by undermining a level playing field.

- The only avenue open to the WRC currently is to prosecute employers for failure to keep records.
- The proposed amendment would provide the Workplace Relations Commission (WRC) with an alternative mechanism to address non-compliance for failure to keep proper records, through the issuance of a Fixed Payment Notice (FPN) under Section 36 of the Workplace Relations Act 2015.

- It is anticipated that the use of an FPN would reduce related administrative and legal costs for both the Exchequer and businesses, as the mechanism should encourage resolution without recourse to the courts.

Preferred Option: Option 2.

2. Description of Policy Context and Policy Objectives

Without proper records, workers may be unable to enforce their statutory rights to leave, rest periods and correct pay. A lack of records also reduces transparency and can create unfair competition among employers by undermining a level playing field.

The concept of a Fixed Payment Notice in lieu of prosecution is an established enforcement process in the WRC and is currently applied in the following legislation:

- Section 11 of the Protection of Employment Act 1977.
- Sections 4(4), 4B (8), 4D (2), 4E (3) and 4F (3) of the Payment of Wages Act 1991.
- Section 23 of the National Minimum Wage Act 2000.
- Section 6B of the Terms of Employment (Information) Act 1994.
- Section 10(1) of the Employment (Contractual Retirement Ages) Act 2025.

Fixed Payment Notices are provided for under Section 36 of the Workplace Relations Act 2015 and are issued to employers by WRC Inspectors in respect of specified offences under employment legislation.

A Fixed Payment Notice will state that:

- the person is alleged to have committed a specified offence,
- the person may, within 42 days from the date of the notice, make payment of the prescribed amount, which should be accompanied by the notice, to the Commission, the person is not obliged to make the specified payment, and
- a prosecution in respect of the alleged offence(s) will not be initiated if the payment is made during the 42-day period.
- A person who receives a Fixed Payment Notice may, within 42 days of the date of the Notice, make a payment to the Commission of the amount specified in the Notice. If the payment is made within the statutory 42-day period, a prosecution will not be instituted against such person.

Failure to make payment in respect of a Fixed Payment Notice may result in prosecution proceedings being instituted by the Commission in relation to the underlying specified offence.

Policy Context

3. Identification and analysis of policy options

In 2024, approximately 37% of successful enforcement proceedings taken by the WRC under Section 25 of the OWTA did not result in convictions against employers. In 2025, this increased to approximately 48%. This reinforces the concern that the deterrent effect may be weakening, with almost half of 2025 enforcement proceedings resulting in outcomes other than conviction.

Cost implications:

The low conviction rate also has significant cost implications. In 2025, total legal fees incurred by the WRC amounted to approximately €364,000. This figure does not include the considerable administrative burden on Inspectors, who must instruct the prosecuting solicitor, prepare documentation for disclosure, attend court hearings as witnesses on behalf of the WRC, and complete all follow-up administration after the case has concluded**.**

In 2025, proceedings were issued in 66 cases involving breaches of Section 25 of the OWTA. Based on a minimum solicitor fee of €1,240 per case, this equates to approximately €82,000. However, this represents only the minimum cost; the total may have been higher where multiple pieces of legislation were included.

To address these challenges, the Department proposes introducing a Fixed Payment Notice (FPN) as an alternative to the current summary offence provision under Section 25 of the OWTA.

Advantages of the proposal

Fixed Payment Notices offer a timely, proportionate and compliance-focused response to record-keeping offences, reducing administrative burden while supporting prompt corrective action.

The anticipated impacts are as follows:

1. Reduced legal costs and streamlined enforcement: a considerable proportion of non-compliant employers may comply with an FPN, avoiding the need for prosecution and reducing the cost of court proceedings.
2. Discretionary enforcement: The WRC would retain discretion over the enforcement mechanism, allowing it to escalate serious or repeated breaches directly to prosecution.
3. Resource allocation: WRC inspection resources could be redirected from administrative and court-related duties to inspection activities.
4. Employee rights: employees' rights would be supported through a more timely and effective enforcement measure.
5. Supporting a wider range of outcomes**:** The FPN mechanism could complement existing options and help reduce the extent to which outcomes such as probation and charitable donations are relied upon.

Costs

Costs would likely be limited to those associated with legislative drafting and implementation. No significant Exchequer costs would be expected.

Benefits
The proposed amendment will help provide legal certainty, remove ambiguity in the legislation, and allow the WRC to use Fixed Payment Notices as an alternative compliance mechanism in appropriate cases, giving the WRC two options to achieve compliance whereas currently there is only the prosecution route.

4. Impact analysis

National Competitiveness (incl. employment)
The proposed legislative amendment is expected to have a positive impact on competitiveness by supporting an effective employment rights compliance framework.
It would assist in the timely resolution of compliance issues, contributing positively to labour market stability and economic competitiveness.

Socially excluded or vulnerable groups including gender equality, poverty, people with disabilities and rural communities
This proposal is not expected to have any adverse impact on socially excluded or vulnerable groups, including in relation to gender equality, poverty, people with disabilities, or rural communities.

The WRC's use of Fixed Payment Notices would support effective employment rights compliance and benefit all workers, including vulnerable workers.

The environment
This proposal is not envisaged to have any adverse impact on the environment.

Significant policy change in an economic market including impacts on competition and consumers
This proposal does not reflect a significant policy change in an economic market and as such no particular impacts have been identified.

North-South, East-West relations
No particular impacts have been identified.

The rights of citizens/human rights
The proposed amendment would promote employer compliance with record-keeping obligations under the law.

Without supporting records, workers may be unable to enforce their statutory rights to leave, rest periods and correct pay.

A lack of records also reduces transparency and can create unfair competition among employers by undermining a level playing field.

Compliance burden on third parties e.g. citizens and business
No additional compliance burden on businesses, citizens, etc. is envisaged.

SME Test

The SME Test has been completed and has been published separately.

5. Consultation

The proposal has been developed on foot of detailed internal analysis and legal advice. Further engagement may take place with SME representative bodies and relevant stakeholders as considered appropriate and as required.

6. Enforcement and Compliance

No additional enforcement mechanisms are required. The amendment would provide the WRC with an additional compliance mechanism using Fixed Payment Notices in respect of employers' record-keeping obligations, supporting compliance without the necessity of recourse to the courts.