



Template for application of the SME Test

Right to Request Remote Working Bill 2022

Screening question

Q. To what extent is the proposed legislation relevant for SMEs?

Not relevant Relevant Highly relevant

The following questions are relevant to consideration of the above question:

- Are SMEs within the scope of the legislative initiative?
- Does the initiative specifically target SMEs?
- Will SMEs be impacted directly or indirectly by the initiative?
- Are SME impacts likely to be more substantial than on other companies, for example, in terms of adverse effects?

If 'Relevant' or 'Highly Relevant', please proceed to complete Sections 1-5.

1. Identification of affected businesses

Q1a: Please identify the types of SMEs that will be directly affected by the proposed legislation.

Micro (1-9 employees)

Small (10-49 employees)

Medium (50-249) employees

N/A



Q1b: Please identify the types of SMEs that will be indirectly affected by proposed legislation (i.e. SMEs not in scope, but potentially affected indirectly, for instance through impacts on supply chain)

Micro (1-9 employees)

Small (10-49 employees)

Medium (50-249) employees

N/A

Q1c: Has an estimate been carried out of the numbers of micro, small and medium companies affected directly or indirectly by the legislation?

Yes No N/A

There is no data available as to the number of companies that currently provide remote or hybrid working in Ireland. However CSO stats indicate that as many as 450,000 employees worked remotely to some extent over the past two years. There has been a significant long-term shift in attitudes to remote work amongst both employers and workers throughout the country. Acceptance of remote work is high. The clarity to be provided by the legislation will be beneficial to both workers and employers

Q1d: Will the proposed legislation have a greater impact on SMEs in any particular economic sector?

Yes No

If Yes, please specify.

The Right to Request Remote Working Bill 2022 will apply to SME's in traditionally office based and administration sectors where the work lends itself to remote working .

Q1e: Will the proposed legislation have a greater impact on SMEs in any particular region?

Yes No

If Yes, please specify.



2. Consultation

2.1 What consultation will take or has taken place to capture input from the SME community, particularly those potentially most impacted by this initiative?

Public consultation

Other (e.g. stakeholder meetings, targeted consultation)

N/A

If Other, please provide details:



3. Assessment of the impacts on SMEs

Q3a What are the expected positive impacts of the legislation on SMEs (e.g. improved regulatory framework or working conditions, cost savings)?

Impacts of the scheme are universal for all businesses, not specifically SMEs.

Impact on Participation Levels in Labour Market - The flexibility afforded by remote work may help to increase participation in the labour market, including amongst cohorts with low participation rates such as women, people with caring responsibilities, older people and people with disabilities. Ireland has one of the lowest rates of employment amongst persons with disabilities in Europe. This low employment rate relates to the many barriers and possible disincentives to employment that people with disabilities face. Mobility, transport and physical access issues may make attending a workplace difficult. Working from home for persons with disabilities in some cases is the only viable alternative. Increased remote work adoption provides an opportunity to work where otherwise it may not have been possible.

Attracting and retaining Talent - A better work-life balance will lead to higher employee retention and removes geographical barriers to recruitment as well as offering savings on office space and other facilities. It will also assist companies to attract and retain talent as part of the benefits offered to potential employees.

Gender Equality - One of the fundamental elements in promoting gender equality in the workplace and reducing the gender pay gap is in ensuring that women and men have equal access to the workplace. The adoption of remote working arrangements, if embraced equally by women and men, may present an opportunity to address some of the barriers to the full participation of women in the workforce and improve female representation at senior level.

Environment/Climate Impact

Increased remote work adoption has the potential to reduce the congestion on roads. The latest Census data (2016) showed that the number of people commuting to work was growing strongly, up by 11 percent on the previous Census. The data also showed that the number of people commuting by car had risen by 8 percent. A sustained reduction of commuters and commuting time will, over time, bring a reduction in transport carbon emissions. Depending on patterns of remote working, such savings could, however, be offset in the near term by increased emissions from buildings, in



particular domestic dwellings. Previous work in this area indicated that, for each new full-time remote worker, estimated average daily transport-related emissions savings of approximately 2.6-2.9kg CO₂, depending on petrol/diesel fuel mix, could be achieved.

Regional Development

In recent decades, rural regions have faced various challenges such as higher population decline and ageing than cities, fuelling urban-rural divides. Remote working provides new opportunities for regions outside of the cities to mitigate or reverse these structural trends by attracting new residents, through more affordable housing, lower costs of living and better environmental amenities, to boost economic activities and revitalise communities.

Increased remote work adoption can help to enable balanced regional development and it could help to revitalise villages and towns across Ireland. Remote work can provide people with the opportunity to stay within their localities whilst pursuing their careers instead of moving or spending their workday elsewhere. Remote work can also facilitate workers to move to less congested urban and rural locations, again supporting balanced regional development.

Q3b Will the proposed legislation result in any of the following impacts for SMEs?

- Administrative costs, including the obligation to provide information on the activities or products of the company, including one-off and recurring administrative cost
- Other compliance costs, including the obligation to pay fees or duties; and costs created by the obligation to adapt the nature of the product/service and/or production/service delivery process to meet economic, social or environmental standards.
- Other impacts, including on business entry and exit; competition and competitiveness, whether proposed regulations might discourage, entrepreneurship or innovation; potential impact of any proposed exemption thresholds on business growth; impacts on SME population composition and location.

Yes No

Q3c If yes, please describe impacts, including whether any impacts will affect particular cohorts of SMEs differently, for example based on size (micro, small and medium), age of the business (e.g. start-up costs for new companies), economic sector and geographic location.

The administration requirements of the Right to Request Remote working Bill 2022 will impose administrative costs on employers that currently do not have remote work policies in place. The Department has endeavoured to mitigate the burden. The legislation will provide for the development of Codes of Practice to provide guidance to employers,



employees and their representatives on the general principles which apply in the operation of remote working and to aid with the implementation of the new legislation. Information will also be provided in the form of templates for Remote Work Policies to assist employers develop their own Policy and to help them identify the types of information and procedures that should be outlined in the policy.

While it is evident that Right to Request Remote working could impose additional administrative costs on employers, in the absence of qualified data it is difficult to quantify these amounts.

The facilitation of remote working requests by an employer is likely to lead to at least some increased costs for employers generally. The reality faced by businesses in the past 24 months is that they have had to adapt to a period or periods of remote and hybrid working, where possible, during the pandemic. In many cases employers have had to invest in IT infrastructure and mobile technology that lends itself to the hybrid or remote working models to maintain output and production. Therefore, in many instances the legislation may require no additional investment and even where investment has not been made to date, most companies' future IT investment strategy will be determined by functionality of the technology in remote and hybrid settings as well as onsite.

The legislation is not intended to impose significant new costs on employers. In fact, excess cost is a reasonable business ground for refusing a request for remote work within the proposed legislation. There is a dearth of available data on the likely costs, and it will depend on the scope to facilitate remote work within the role or organisation concerned, the IT equipment in use within those organisations and its functionality to work in disparate locations.

4. Assessment of alternative options and mitigating measures

4a If the analysis above has shown that the draft legislation will result in impacts on SMEs, has there been consideration of any measures to mitigate against these impacts, such as less onerous reporting requirements, exemptions for certain cohorts of SME, simplified language etc? (See list of examples of potential mitigating measures on page 5 above)

Yes No N/A



Please provide details.

The Right to Request Remote Working Bill legislation is not intended to impose significant new costs on employers. In fact, excess cost is a reasonable business ground for refusing a request for remote work within the proposed legislation. There is a dearth of available data on the likely costs, and it will depend on the scope to facilitate remote work within the role or organisation concerned, the IT equipment in use within those organisations and its functionality to work in disparate locations.

In some instances, any business costs incurred in purchasing equipment may be somewhat offset by reductions in office rental space savings, and in reduced spend on related costs such as electricity, heating, cleaning, catering and potentially commercial rates.

5. Post-completion of SME Test

5a Do you intend to summarise the outcome of the SME Test, including identified impacts and provision for mitigating measures, under the Impacts section of any Memorandum for Government proposing the legislation?

Yes No N/A

A Regulatory Impact Assessment has already been carried out on the Right to Request Remote Working Bill 2022 and was included as part of the initial Memorandum for Government that requested permission to draft the Bill.

5b Do you intend to make this form available publicly on your Department's website?

Yes No

The Regulatory Impact Assessment on the Right to Request Remote Working Bill has been published on the Department of Enterprise, Trade and Employment website and covers costs and impacts on businesses. The Bill is not SME specific and covers all businesses.