STATUTORY INSTRUMENTS

1981 No. 315

AIRCRAFT AND SHIPBUILDING INDUSTRIES

The Shipbuilding (Redundancy Payments Scheme) (Great Britain) (Amendment) Order 1981

Laid before Parliament in draft

Made - - - - 2*nd March* 1981

Coming into Operation 3*rd March* 1981

The Secretary of State, in exercise of the powers conferred on him by sections 1 and 2 of the Shipbuilding (Redundancy Payments) Act 1978**(a)** and for the purposes mentioned in section 1(1) of that Act, hereby makes the following Order, a draft of which has been laid before and approved by a resolution of each House of Parliament in accordance with section 2(10) of that Act:—

1. This Order may be cited as the Shipbuilding (Redundancy Payments Scheme) (Great Britain) (Amendment) Order 1981 and shall come into operation on the day after it is made.

2. Subject to Article 3 below, Article 1(1) of the Schedule to the Shipbuilding (Redundancy Payments Scheme) (Great Britain) Order 1978 ("the 1978 Order")**(b)** shall be amended as follows:—

(1) for the definition of "qualifying company" there shall be substituted the following:—

" "qualifying company" means a relevant company whose business on or after 1st July 1977 consists or consisted wholly or mainly of qualifying activities;";

(2) for the definition of "unemployed person" there shall be substituted the following:—

" "unemployed person" means in relation to any day a person who on that day is unemployed and:—

(*a*) is entitled to receive unemployment benefit under the Social Security Act 1975**(c)** in respect of that day; or

(*b*) would be so entitled but for

(i) the fact that he is certified as incapable of work through sickness or injury; or

(ii) the fact that his right to that benefit is exhausted; or

(iii) having been a self-employed earner as defined in section 2(1)(*b*) of that Act for any period before that day; or

(iv) the provisions of regulations made under section 85 of that Act (overlapping benefits); or

(v) being a married woman or widow and having elected to pay primary class 1 contributions at the reduced rate in accordance with regulations made by virtue of section 3(2) of the Social Security Pensions Act 1975**(d)**; or

(a) 1978 c. 11. **(b)** S.I. 1978/1191, amended by S.I. 1979/898, 1980/630.
(c) 1975 c. 14. **(d)** 1975 c. 60.

(vi) the fact that that day is one of the first three days of a period of interruption of employment; or

(*c*) has worked for less than 16 hours in the week in which that day falls and would be so entitled but for the fact that that day is not to be treated as a day of unemployment under regulation 7(1)(*h*) of the Social Security (Unemployment, Sickness and Invalidity Benefit) Regulations 1975**(a)**; or

(*d*) is undergoing training at a course under the Training Opportunities Scheme operated by the Manpower Services Commission under the Employment and Training Act 1973**(b)** or at a training course approved by the Secretary of State for the purposes of this Scheme;

and "unemployed" shall be construed accordingly;".

3. The 1978 Order shall be construed as if the definition of "qualifying company" in Article 1(1) of the Schedule thereto had at all times been the same as the definition of that expression set out in Article 2(1) above but the amendment to the definition of "unemployed person" in Article 2(2) above shall not apply for the purpose of determining whether a person was unemployed on any day before the coming into operation of this Order.

4. The definition of "previous earnings" in Article 1(1) of the Schedule to the 1978 Order shall apply in relation to a person in whose case the relevant date falls on or after 1 February 1981 as if the limit of £100**(c)** to the amount of a week's pay in paragraph 5 of Schedule 1 to the Redundancy Payments Act 1965**(d)** had been a limit of £130.

5. Paragraph (1)(*b*) and, except for the purpose mentioned in Article 3 above, paragraph (1)(*c*) of Article 2 of the Shipbuilding (Redundancy Payments Scheme) (Great Britain) (Amendment) Order 1979**(e)** are hereby revoked.

Norman Tebbit,
Minister of State,
Department of Industry.

2nd March 1981.

(a) S.I. 1975/564. **(b)** 1973 c. 50.

(c) The limit was raised to £110 in relation to a person in whose case the relevant date fell on or between 1 February 1979 and 31 January 1980 and to £120 where it falls on or after 1 February 1980 (S.I. 1979/898, 1980/630).

(d) 1965 c. 621; paragraph 5 of Schedule 1 was amended by paragraph 21 of Part I of Schedule 16 to the Employment Protection Act 1975 (c. 71) and by S.I. 1977/2031.

(e) S.I. 1979/898.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order further amends the Scheme established by the Shipbuilding (Redundancy Payments Scheme) (Great Britain) Order 1978 for the payment of benefits to employees of British Shipbuilders and its subsidiaries who are made redundant or transferred to less well-paid employment.

The changes are:—

(*a*) that a person may now be eligible for benefits if the company which employed him when he was dismissed or transferred commenced qualifying activities after 1 July 1977 (Article 2(1)). By virtue of Article 3 the Scheme is to be construed as if it had always so provided, thereby enabling payments to be made under it to employees of such companies who before this Order comes into effect were in all other respects eligible therefor;

(*b*) that (in relation to any day after the coming into operation of the Order) a person is to be treated as unemployed where he is entitled to receive unemployment benefit (or, in specified circumstances, where he is not) and not merely if he is registered for employment (Articles 2(2) and 3);

(*c*) that the limit of £100 to a week's pay taken into account in calculating previous earnings is increased to £130 where the relevant date is on or after 1 February 1981 (Article 4).

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