STATUTORY INSTRUMENTS

1981 No. 916

AIRCRAFT AND SHIPBUILDING INDUSTRIES

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

Laid before Parliament in draft

Made - - - -	*29th June* 1981
Coming into Operation	*1st July* 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) Order 1981 and shall come into operation on 1st July 1981.

2. The Orders specified in Part I of Schedule 1 to this Order are hereby revoked subject to the transitional provisions set out in Part II of that Schedule.

3. The Scheme set out in Schedule 2 to this Order shall have effect as a scheme for Great Britain.

Norman Tebbit,
Minister of State,
Department of Industry.

29th June 1981.

(a) 1978 c. 11; section 2(4) was amended by section 5 of the Industry Act 1981 (c. 6).

(*Article 2*)

SCHEDULE 1

PART I

Orders Revoked

Reference	Description of Instrument
S.I. 1978/1191	Shipbuilding (Redundancy Payments Scheme) (Great Britain) Order 1978
S.I. 1979/898	The Shipbuilding (Redundancy Payments Scheme) (Great Britain) (Amendment) Order 1979
S.I. 1980/630	The Shipbuilding (Redundancy Payments Scheme) (Great Britain) (Amendment) Order 1980
S.I. 1981/315	The Shipbuilding (Redundancy Payments Scheme) (Great Britain) (Amendment) Order 1981

PART II

Transitional Provisions

1. The Scheme set out in the Schedule to the Shipbuilding (Redundancy Payments Scheme) (Great Britain) Order 1978 shall on and after 6th April 1981 be taken to have effect with the substitution for the provisions made by Article 10 thereof of the provisions made by Article 11 of the Scheme set out in Schedule 2 below.

2.—(1) Notwithstanding the revocation of the Orders specified in Part I above, those Orders shall continue to have effect for the purposes of making payments in accordance with them in respect of the week which is current on the coming into operation of the Scheme set out in Schedule 2 below.

(2) The first week in respect of which payments may be made under the said Scheme to an eligible employee who is eligible to receive a payment under sub-paragraph (1) above shall be the first week commencing after the week referred to in that sub-paragraph.

(*Article 3*)

SCHEDULE 2

THE SHIPBUILDING REDUNDANCY PAYMENTS SCHEME (GREAT BRITAIN)

Arrangement of Articles

Article

1. Interpretation
2. General conditions of eligibility
3. Lump-sum payments
4. Periodical payments to unemployed and certain employed persons
5. Periodical payments to self-employed persons
6. Re-employment of redundant employees by qualifying companies
7. Provisions supplemental to Article 6
8. Periodical payments during re-training provided by a qualifying company
9. Reduction of payments to persons in receipt of supplementary allowances
10. Travelling, resettlement and removal grants
11. Pension schemes etc
12. Disentitlement by reason of employment or residence abroad
13. Time for payment and claiming of payments
14. Rounding-up of benefits
15. Determination of questions

Appendix 1—Age table
Appendix 2—Length of service table

Interpretation

1.—(1) In this Scheme, unless the context otherwise requires—

"adjusted previous earnings" in relation to any person means the product of his previous earnings and the appropriate multiplier;

"age amount" in relation to any person means the amount specified in the Table set out in Appendix 1 appropriate to his age on the relevant date;

"appropriate multiplier" in relation to any person means, except in Article 7, the figure specified in the right-hand column of Appendix 2 opposite the number in the left-hand column equal to the number of complete years in the period ending on the relevant date during which that person was at all times in qualifying employment;

"current earnings", save as provided in Article 5, in relation to any person and any week means the average amount of his weekly earnings in employment during that week and the previous three weeks or, in relation to his third week of employment, his average weekly such earnings in his first three weeks of employment, in relation to his second week of employment, his average weekly such earnings in his first two weeks of employment and, in relation to his first week of employment, the amount of such earnings in that week;

"dismissal" in relation to any person means dismissal by his employer in such circumstances that for the purposes of the Employment Protection (Consolidation) Act 1978(**a**) he is taken to have been dismissed by reason of redundancy and "dismissed" shall be construed accordingly;

"earnings", for the purposes of the above definition of current earnings, include bonus and shift work payments and overtime payments made in any case where the employee is under his contract of employment required to work overtime and the payment is in respect of overtime so worked but do not include any other payments for overtime working, or payments related to particular working conditions; and where an employee's earnings in any week are affected by unpaid absence, by certified absence from work by reason of injury or ill health for which sickness benefit is payable by his employer, or by any reduction in the normal rate of production from whatever cause, his earnings shall be such amount as that employee would have earned if he had been normally employed in that week;

"eligible employee" has the meaning assigned to it by Article 2(1);

"full-time employment" means employment in which the employee is normally required to work for not less than 16 hours in each week;

"previous earnings" in relation to any person means, subject to paragraph (2) below, a week's pay of that person calculated in accordance with Part II of Schedule 14 to the Employment Protection (Consolidation) Act 1978 as that schedule has effect on the date which, in his case, is the relevant date, for the calculation of a week's pay for the purposes of Schedule 4 to that Act and, for all purposes other than Article 8, in calculating a week's pay of any person, payments made to him under Article 8 in respect of any week shall be treated as having been payable to him by his employer under the contract of employment in force on the relevant date;

"qualifying activities" means any of the following activities—

(*a*) the construction, repair, refitting, conversion or maintenance of ships;

(*b*) the manufacture of slow speed diesel marine engines;

(*c*) the training of persons in any of the skills required for any of the activities mentioned in sub-paragraphs (*a*) and (*b*) above;

(*d*) any activity which is carried on as wholly or mainly ancillary to any of the aforementioned activities;

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

"qualifying employment" in relation to any person means employment of that person wholly or mainly in qualifying activities;

(**a**) 1978 c. 44.

"relevant company" has the meaning assigned to it in section 1(3)(*a*) of the Shipbuilding (Redundancy Payments) Act 1978;

"relevant date" in relation to the dismissal of an employee, has the same meaning as it has in section 90(1) of the Employment Protection (Consolidation) Act 1978 including, for all purposes other than Article 12, subsection (3) of that section in circumstances in which that subsection applies and, in relation to an employee who is transferred, means the date on which he is transferred;

"relevant event" means the closure of any undertaking carried on by a qualifying company, or a reduction in the activities of, or in the number of persons employed in, any such undertaking;

"self-employed person" means a person who is gainfully employed for not less than 16 hours in each week in the United Kingdom, the Channel Islands or the Isle of Man otherwise than under a contract of service and otherwise than in an office (including elective office) with emoluments chargeable to income tax under Schedule E, whether or not he is also so employed;

"slow speed diesel marine engine" means an engine which is—

(*a*) designed for use for the main propulsion of ships; and

(*b*) designed to deliver continuously, at a crankshaft speed of less than 160 revolutions per minute, a power output greater than 4,000 horse-power, as measured under the operating conditions specified in the British Standard Specification published in parts under the number B.S. 5514 on 30th September 1977, 30th June 1978, 31st October 1979 and 31st December 1980 (specification for the performance of reciprocating compression-ignition (diesel) engines, utilizing liquid or gaseous fuel, for general purposes);

"transfer" means transfer to less well-paid employment and "transferred" shall be construed accordingly;

"unemployed person" means, in relation to any day a person who on that day—

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

(*b*) would be 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(**b**); or

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

(vii) the provisions of section 5 of the Social Security (No. 2) Act 1980(**c**) (which provides for abatement of unemployment benefit on account of payment of certain occupational pensions); 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(**d**); 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(**e**) or at a training course approved by the Secretary of State for the purposes of this Scheme;

(**a**) 1975 c. 14. (**b**) 1975 c. 60. (**c**) 1980 c. 39.
(**d**) S.I. 1975/564. (**e**) 1973 c. 50.

and "unemployed" shall be construed accordingly;

"week" means a period of seven days beginning on a Monday;

"year" except in Article 2 means a period of 52 consecutive weeks.

(2) The definition of "previous earnings" in paragraph (1) above shall apply as respects any time before this Scheme comes into operation in relation to—

(*a*) a person in whose case the relevant date falls before 1st February 1980 as if the limit of £100 to the amount of a week's pay in paragraph 8(1)(*c*) of Schedule 14 to the Employment Protection (Consolidation) Act 1978(**a**) had been a limit of £110;

(*b*) a person in whose case the relevant date falls on or after 1st February 1980 and before 1st February 1981 as if the said limit of £100 to the amount of a week's pay in the said paragraph 8(1)(*c*) had been a limit of £120; and

(*c*) a person in whose case the relevant date falls on or after 1st February 1981 as if the said limit of £100 to the amount of a week's pay in the said paragraph 8(1)(*c*) had been a limit of £130.

(3) For the purposes of this Scheme—

(*a*) a person shall be deemed to have been made redundant if he has been dismissed by reason of a relevant event and shall be deemed to have been made redundant on the relevant date;

(*b*) a person shall be deemed to have been transferred to less well-paid employment if, by reason of a relevant event, he has been transferred to other employment either with the qualifying company that employed him before the transfer or with some other qualifying company and his previous earnings exceed his current earnings in the first week of the employment to which he was transferred;

(*c*) a person shall be regarded as having been in qualifying employment throughout any week if and only if that week would count in computing a period of employment with any employer for the purposes of Schedule 13 to the Employment Protection (Consolidation) Act 1978 or Schedule 1 to the Contracts of Employment and Redundancy Payments Act (Northern Ireland) 1965(**b**)as if—

(i) references in those Schedules to a person's being employed were references to a person's being employed wholly or mainly in qualifying activities and references to employment were construed accordingly;

(ii) everything after paragraph 10 of the said Schedule 13 were omitted;

(iii) paragraph 5(3) and everything after paragraph 5A of the said Schedule 1 were omitted,

and in those Schedules, "week" had the same meaning as in this Scheme;

(*d*) a person shall be regarded as having been employed by a qualifying company throughout any week if and only if that week would count in computing a period of employment with that company for the purposes of Schedule 13 to the said Act of 1978 as if in that Schedule—

(i) "week" had the same meaning as in this Scheme, and

(ii) paragraphs 11 to 15 and everything after paragraph 16 were omitted;

(*e*) in determining the period during which a person was at all times in qualifying employment there shall be disregarded any period beginning with the date on which that person was called up under Part I of the National Service Act 1948(**c**) for whole time service and ending on—

(i) the date six months after the date on which ended the whole time service for which he was called up, or

(ii) the date during those six months on which that person first resumed qualifying employment,

whichever is the earlier; and

(**a**) 1978 c. 44; paragraph 8(1)(*c*) of Schedule 14 was amended by S.I. 1978/1777, 1979/1722 and 1980/2019.

(**b**) 1965 c. 19 (N.I.). (**c**) 1948 c. 64.

(*f*) if a person was in qualifying employment on 30th June 1977 then in determining the length of the period ending on the relevant date during which that person was at all times engaged in qualifying employment, that person's employment with a qualifying company after 30th June 1977 shall be deemed to be qualifying employment regardless of the activities in which he was employed after that date.

General conditions of eligibility

2.—(1) Any employee of a qualifying company who is or has been made redundant or transferred at any time during the period of six years beginning on 1st July 1977 and who—

(*a*) has on the relevant date attained the age of 19 and has not then attained the age of 65 (if a man) or the age of 60 (if a woman),

(*b*) has at all times in the year ending on the relevant date been employed by a qualifying company, and

(*c*) has had issued in respect of him a certificate such as is mentioned in paragraph (2) below

shall be eligible for payments under this Scheme, and is hereinafter referred to as an "eligible employee".

(2) The certificate mentioned in paragraph (1)(*c*) above is a certificate given by British Shipbuilders to the effect that, in its opinion,—

(*a*) where the relevant event is the closure of an undertaking, that undertaking will not be re-opened in the foreseeable future;

(*b*) where the relevant event is a reduction in the activities of an undertaking, those activities will not be increased in the foreseeable future; and

(*c*) where the relevant event is a reduction in the number of persons employed in an undertaking, that number will not be increased in the foreseeable future.

Lump-sum payments

3.—(1) British Shipbuilders shall pay—

(*a*) to every eligible employee who is dismissed and who on the relevant date is under the age of 40, £300;

(*b*) to every eligible employee who is dismissed and who on the relevant date is not under the age of 40 and not over the age of 62 (if a man) or 57 (if a woman)—

(i) the amount by which the aggregate of his age amount and his adjusted previous earnings exceeds the amount of his abatement defined in paragraph (2) below, or

(ii) if he is excluded from entitlement to payments under Articles 4 and 5 below by virtue of paragraph (5) of Article 4, £300;

(*c*) to every eligible employee who is dismissed and who on the relevant date is over the age of 62 (if a man) or 57 (if a woman) an amount calculated in accordance with the following formula:

$$£750 + a - b - \frac{c}{24}(£300 + a - b)$$

where—

"a" is the amount of his adjusted previous earnings;

"b" is the amount (if any) of his abatement defined in paragraph (2) below; and

"c" is 24 or, if it be lower than 24, the number of calendar months by which his age on the relevant date exceeds 62 (if a man) or 57 (if a woman), part of a month of his age for this purpose being ignored.

(2) The abatement referred to in paragraph (1) above is the amount by which the aggregate of the employee's age amount, the amount equal to twice his adjusted previous earnings and the amount of any payments he is entitled to under Part VI of the Employment Protection (Consolidation) Act 1978 in consequence of his being dismissed exceeds the product of 104 and the amount of his previous earnings.

Periodical payments to unemployed and certain employed persons

4.—(1) British Shipbuilders shall, subject to paragraph (5) below, make to an eligible employee who—

(*a*) is not under the age of 40 on the relevant date, and

(*b*) has been dismissed,

a payment calculated in accordance with paragraph (3) below in respect of each week of the period specified in paragraph (2) below throughout which he is not a self-employed person and throughout which he is unemployed or is engaged in full-time employment otherwise than with a qualifying company.

(2) The period mentioned in paragraph (1) above is

(*a*) in the case of a person the amount of whose adjusted previous earnings is not less than £1,040, 104 weeks commencing with the week beginning first after the relevant date; and

(*b*) in the case of any other person, the number of weeks commencing with the week beginning first after the relevant date equal to the number ascertained by dividing the amount of his adjusted previous earnings in pounds by 10 and rounding up the resulting quotient to the nearest whole number.

(3) The amount of the weekly payment referred to in paragraph (1) above—

(*a*) shall, in the case of a person the amount of whose adjusted previous earnings is not less than £1,040, be the amount ascertained by dividing the amount of his adjusted previous earnings by 104, and

(*b*) shall, in the case of any other person, be £10 except in relation to the last week of any period resulting from the rounding up of the quotient referred to in paragraph (2)(*b*) above in relation to which week it shall be the amount by which the amount of his adjusted previous earnings exceeds the product of £10 and the number resulting from rounding down the quotient referred to in paragraph (2)(*b*) above to the nearest whole number:

Provided that, in relation to any person and to a week in which that person is engaged in full-time employment otherwise than with a qualifying company, if the amount by which 90 per cent of his previous earnings exceeds his current earnings is less than the amount calculated in accordance with this paragraph that person shall, in respect of that week, be paid that lesser amount only and, if 90 per cent of his previous earnings does not exceed his current earnings, he shall not be entitled to any payment in respect of that week.

(4) In relation to any person and to a week in which that person is engaged in full-time employment otherwise than with a qualifying company, if that person is absent from work without pay and without the consent of his employer (other than by reason of having been certified as incapable of work as a result of sickness or injury) on any day or from any shift in that week, the amount which would otherwise be due to be paid to him in respect of that week shall be reduced by an amount equal to the product of the amount which would otherwise be due and the fraction $\frac{a}{w}$ where "a" is the number of days or shifts in that week on which that person is absent as aforesaid and "w" is the number of days or shifts in that week on which he would have worked had he not been so absent.

(5) If the aggregate of a person's age amount and the amount equal to twice his adjusted previous earnings does not exceed £300 that person shall be excluded from entitlement to payments under this Article.

(6) Nothing shall be payable under this Article to a person in respect of any week after that in which that person attains the age of 65 (if a man) or 60 (if a woman) or dies.

(7) For the purposes of this Article, if a person is unemployed or is engaged in full-time employment otherwise than with a qualifying company at the beginning of any week, he shall be deemed to be unemployed or to be so engaged throughout that week.

Periodical payments to self-employed persons

5.—(1) British Shipbuilders shall in respect of each relevant period make to an eligible employee who—

(*a*) is not under the age of 40 on the relevant date, and

(*b*) has been dismissed

a single payment calculated in accordance with paragraph (2) below in respect of those weeks in the period during which he is a self-employed person.

(2) The amount of a single payment under paragraph (1) above in relation to any eligible employee shall be an amount equal to the sum of the amounts calculated in accordance with Article 4(3) above in respect of each week of the relevant period during which he is a self-employed person; and for the purposes of this Article the said Article 4(3) shall have effect with the substitution for the proviso thereto of the following proviso—

"Provided that, in relation to any person and to a week in which that person is a self-employed person, if the amount by which 90 per cent of his previous earnings exceeds his current earnings (as defined in Article 5(5)(*a*) below) is less than the amount calculated in accordance with this paragraph that person shall, in respect of that week, be paid that lesser amount only and, if 90 per cent of his previous earnings does not exceed his current earnings as so defined, he shall not be entitled to any payment in respect of that week."

(3) Where it appears to British Shipbuilders that a person may be eligible for a single payment under paragraph (1) above, British Shipbuilders may in respect of each week in the relevant period (other than a week throughout which he is in full-time employment) make to him on account a payment of the appropriate amount calculated under Article 4(3) above.

(4) British Shipbuilders shall make their agreement to make any payment on account under paragraph (3) above conditional upon the person's agreeing to repay the amount (if any) by which the aggregate of any such payments made during the relevant period exceeds the amount of a single payment for which he would otherwise be eligible under paragraph (1) above in respect of that period.

(5) For the purposes of this Article—

(*a*) "current earnings" means, in relation to any person and to any week in a relevant period, the aggregate of—

(i) the average amount of his weekly earnings as a self-employed person during each week in that period in which he is self-employed, and

(ii) his current earnings (as defined in Article 1(1) above) in relation to that week otherwise than by virtue of employment with a qualifying company; and

(*b*) "relevant period" means—

(i) the period of 26 weeks commencing with the first week after the relevant date in respect of which the person is a self-employed person;

(ii) any subsequent period of 26 weeks commencing with the first week after any previous relevant period in respect of which he is a self-employed person,

but in any case expiring at the end of the week in which he ceases to be self-employed or at the expiration of the applicable period specified in Article 4(2) above, whichever first occurs.

(6) Paragraphs (5) and (6) of Article 4 above shall have effect for the purposes of this Article as they have effect for the purposes of that Article.

Re-employment of redundant employees by qualifying companies

6.—(1) If an eligible employee who has been dismissed—

(*a*) is re-employed by a qualifying company within a period, commencing on the

relevant date, consisting of a number of weeks which is less than the appropriate multiplier, and

(*b*) has received a lump-sum payment under Article 3 above exceeding £300,

his entitlement to payments under Articles 4 and 5 above shall cease and he shall be liable to repay to British Shipbuilders a sum determined in accordance with the formula set out in paragraph (2) below.

(2) The formula referred to in paragraph (1) above is $a\left(\frac{b-c}{b}\right)$ where—

"a" is the lump-sum payment under Article 3 above;

"b" is the appropriate multiplier; and

"c" is, in relation to a person who has been unemployed throughout the period referred to in paragraph (1)(*a*) above, the number of weeks comprised in that period and, in relation to a person who within that period has been engaged in other full-time employment or has been a self-employed person, is the number of weeks in that period throughout which he was unemployed.

Provisions supplemental to Article 6

7.—(1) If a person becomes liable to repay a sum to British Shipbuilders under Article 6 above and he is subsequently dismissed, then—

(*a*) in reckoning for the purposes of this Scheme the period ending with the relevant date in relation to the subsequent dismissal during which that person was at all times in qualifying employment, there shall be added to the period during which he was at all times actually in qualifying employment a notional period calculated in accordance with paragraph (2) below, and

(*b*) that person shall, for the purposes of Article 2(1)(*b*) above, be deemed to have been employed by a qualifying company at all times in the year ending on the relevant date relating to the subsequent dismissal.

(2) The notional period referred to above shall be the period specified in Appendix 2 opposite the appropriate multiplier and for this purpose "the appropriate multiplier" is the number in the right hand column of Appendix 2 nearest to the value of the quantity (b – c) in the formula in Article 6 above on the basis of which the amount of the repayment was calculated and if, of two numbers in Appendix 2 neither is nearer, the higher number shall be taken for this purpose.

Periodical payments during re-training provided by a qualifying company

8.—(1) This Article applies to an eligible employee in whose case the following conditions are fulfilled—

(*a*) he has been transferred to employment which involves his attendance at a course of training provided by a qualifying company with a view to his being retrained in new skills; and

(*b*) the certificate mentioned in Article 2(1)(*c*) above and given by British Shipbuilders in relation to him states that in the opinion of British Shipbuilders the purpose of his being transferred is to retrain him for employment with a qualifying company which involves the use of those skills.

(2) British Shipbuilders shall pay to an eligible employee to whom this Article applies a payment calculated in accordance with paragraph (4) below in respect of each week of the period specified in paragraph (3) below during which he is employed for attendance at the course of training if his previous earnings exceed his current earnings in that week.

(3) The period mentioned in paragraph (2) above is 26 weeks commencing with the first week after the relevant date.

(4) The amount of the payment referred to in paragraph (2) above in respect of any person and any week shall be—

(*a*) the amount by which that person's previous earnings exceed his current earnings in that week, or

(*b*) an amount equal to 35 per cent of his previous earnings,

whichever be the less.

Reduction of payments to persons in receipt of supplementary allowances

9.—(1) The aggregate amount of the payments to be made to a person under this Scheme shall be reduced by an amount calculated in accordance with paragraph (2) below.

(2) The amount of the reduction shall be the aggregate of the supplementary allowance payable to that person in respect of any period falling wholly within the period from the beginning of the week first following the relevant date to the end of the week immediately preceding the week in which the first payment to him under this Scheme is made or would, but for this Article, be made less the aggregate of the supplementary allowances which it appears to British Shipbuilders would have been payable in lieu of those actually paid had the benefit officer known the extent of that person's entitlement under this Scheme when those supplementary allowances were determined.

(3) Where the amount of the first payment which would otherwise be made under this Scheme does not exceed the aggregate amount of the reduction, that payment shall not be made and the balance (if any) of the amount of the reduction shall be carried forward and set off against later payments in the same manner.

(4) In this Article—

"benefit officer" means a person appointed pursuant to section 27(2) of the Supplementary Benefits Act 1976(**a**) to perform the functions conferred by virtue of that Act on benefit officers;

"supplementary allowance" means supplementary allowance payable under Part I of that Act.

Travelling, resettlement and removal grants

10.—(1) This Article applies to an eligible employee—

(*a*) who has been transferred, and

(*b*) in respect of whom British Shipbuilders has certified that, had he not been transferred, he would have been dismissed.

(2) British Shipbuilders shall, subject to paragraph (4) below, pay to an employee to whom this Article applies—

(*a*) where the employment to which he has been transferred is not within reasonable daily travelling distance of his home on the relevant date, a sum equal to the amount of his resettlement costs (if any), or £2,000, whichever be the less, and

(*b*) in any other case, an amount calculated in accordance with paragraph (3) below in respect of each week of the period of 104 weeks commencing with the week beginning first after the relevant date throughout which he is in the employment to which he has been transferred.

(3) The amount of the weekly payment referred to in paragraph (2)(*b*) above is in relation to any person—

(*a*) the amount by which any additional weekly expenses he may reasonably incur in travelling to his new place of employment exceeds £1, or

(*b*) £10,

whichever be the less.

(4) In relation to an employee to which this Article applies who, because he has been transferred, is eligible under any scheme for the payment of travelling, re-settlement or

(**a**) 1976 c. 71; Part I and section 27 were amended by the Social Security Act 1980 (c. 30) (see Schedule 2, Part II).

removal grants or allowances for transferred workers administered by or on behalf of the Manpower Services Commission or the Secretary of State under section 2 of the Employment and Training Act 1973(a)—

(*a*) there shall be deducted from any amount which would otherwise be payable to him under paragraph (2)(*a*) above the aggregate of the amounts of any lump-sum payments to which he is eligible under any such scheme, and

(*b*) there shall be deducted from any amount which would otherwise be payable to him under paragraph (2)(*b*) above in respect of any week the aggregate of the amounts to which he is eligible in respect of that week under any such scheme.

(5) In this Article "resettlement costs" means such costs, including fees incurred in connection with the purchase, sale or lease of residential property, as have in the opinion of British Shipbuilders been reasonably incurred by an employee in removing himself, his dependents and his and their household and personal effects to within reasonable daily travelling distance of his new place of employment.

Pensions Schemes etc

11.—(1) There shall be deducted—

(*a*) from the amount of the lump-sum payment which would otherwise be payable to an eligible employee under Article 3 above the amount of any lump-sum payment for which he is eligible under a scheme to which this Article applies;

(*b*) from any amount which would otherwise be payable to an eligible employee under Article 4 above or Article 5(3) above in respect of any week the amount of any payment for which he is eligible under such a scheme in respect of that week; and

(*c*) from the single payment which would otherwise be payable to an eligible employee under Article 5 above in respect of a relevant period the sum of the amounts of any payment for which he is eligible under such a scheme in respect of that period.

(2) Notwithstanding anything in paragraph (1) above, no deduction shall be made of the amount of any payment for which an eligible employee is entitled under British Shipbuilders Pension Scheme as having effect on 6th April 1981.

(3) This Article applies to any scheme (in whatever form and whether or not creating legally enforceable rights) from time to time operated by a qualifying company for the purpose of making payments to employees of a qualifying company who have ceased to be, or cease to be, employed by it.

Disentitlement by reason of employment or residence abroad

12.—(1) An employee shall not be entitled to any payment under this Scheme if on the relevant date he is outside the United Kingdom, unless under his contract of employment he ordinarily worked in the United Kingdom.

(2) An employee who under his contract of employment ordinarily works outside the United Kingdom shall not be entitled to any payment under this Scheme unless on the relevant date he is in the United Kingdom in accordance with instructions given to him by his employer.

(3) No payment shall be made under this Scheme to a person in respect of a week during which he is not ordinarily resident in the United Kingdom, the Channel Islands or the Isle of Man.

Time for payment and claiming of payments

13.—(1) No person shall be eligible for a payment under this Scheme unless that payment is claimed within six months after the date on which he became eligible for it:

Provided that British Shipbuilders may admit a claim not so made if satisfied that the delay in making the claim was not attributable to the fault of the person whose claim it is.

(2) Sums payable under this Scheme may be paid in arrear.

(a) 1973 c. 50.

Rounding-up of benefits

14. The amount of any payment under this Scheme shall, where it includes a fraction of a penny, be rounded up to the next penny.

Determination of questions

15. Any question arising under this Scheme shall be determined by British Shipbuilders; and for this purpose British Shipbuilders may authorise any of its members or employees or any officer or employee of a qualifying company to determine any such questions on behalf of British Shipbuilders:

Provided that where any question arising under Part VI of the Employment Protection (Consolidation) Act 1978**(a)** has been determined under that Act and that determination is relevant to any question arising under this Scheme that determination shall, to the extent that it is so relevant, be binding on British Shipbuilders.

(a) 1978 c. 44.

APPENDIX 1

AGE TABLE

Age in full years	*Payment* £
40	—
41	50
42	100
43	150
44	200
45	250
46	300
47	350
48	400
49	450
50	500
51	550
52	600
53	650
54	700
55	750
56	750
57	750
58	750
59	750
60	750
61	750
62	750
63	750
64	750

APPENDIX 2

LENGTH OF SERVICE TABLE

Length of Service Years	*Multiplier (Weeks of Pay)*
25	40
24	38
23	36
22	34
21	32
20	30
19	28
18	26
17	24
16	22
15	20
14	18·5
13	17
12	15·5
11	14
10	12·5
9	11
8	9·5
7	8
6	6·5
5	5
4	4
3	3
2	2
1	1

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order consolidates with amendments the Shipbuilding (Redundancy Payments Scheme) (Great Britain) Order 1978 as amended (which provides for payment of benefits to certain shipbuilding and ancillary employees who are made redundant or transferred to less well-paid employment).

The period during which persons must be made redundant or transferred in order to qualify for payments under the Scheme (set out in Schedule 2 to the Order) is extended for a further two years beginning on 1st July 1981 (Article 2(1) of Schedule 2). The other principal changes to the Scheme are—

(*a*) provision is made for a new method of calculating and of making payments under the Scheme to persons who are self-employed (Article 5);

(*b*) the deduction from payments under the Scheme in respect of benefits under certain pension schemes is not to apply to benefits under British Shipbuilders Pension Scheme on or after 6th April 1981 (Article 11 and Schedule 1, Part II, paragraph 1).

Other changes (made necessary by recent legislation) are—

(*c*) a person is to be treated as an "unemployed person" notwithstanding that he is not entitled to unemployment benefit by virtue of section 5 of the Social Security (No. 2) Act 1980 (which provides for abatement of unemployment benefit, including abatement to nil, on account of certain payments under occupational pension schemes) (Article 1(1));

(*d*) in view of the abolition of the Supplementary Benefits Commission, different provision is made for determining the amount of the deduction to be made from payments under the Scheme in respect of supplementary allowances (Article 9).

British Shipbuilders Pension Scheme may be inspected during normal working hours at the Offices of British Shipbuilders Pension Trustees Limited, Benton House, 136 Sandyford Road, Newcastle-upon Tyne NE12 1QE.

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