

COVID-19: Workforce Restructuring

As the economic impact of COVID-19 becomes clearer, many businesses may be faced with the prospect of restructuring their workforce to survive in the longer term. Our workforce restructuring services team are a group of professionals who specialise in employment taxes, pensions and reward.

Key considerations

There are many tough challenges which an employer faces when considering a workforce restructuring programme during the COVID-19 pandemic such as:

- designing a severance package that meets with employees' expectations and fits the financial constraints of the company;
- timing and communication of the workforce changes given the current restrictions on business operations and social distancing requirements;
- ensuring HR teams have the expertise to implement the changes;
- support HR and senior management to identify mission critical roles and potential successors, preparing a development plan for those identified to ensure they are fully prepared for the transition;
- maximising the tax efficiency of the severance package for employees and ensuring the employer is meeting all related tax obligations;
- ensuring the employer payroll reporting requirements are met;
- providing relevant advice and support for impacted employees;
- ensuring employee pension benefits are dealt with in the most tax efficient manner;
- remove responsibilities on the employer in respect of former employee pension benefits; and
- ensuring employees can retain employee benefits (life insurance and income protection) on a personal basis on cessation of employment.

How we can help?

Our team can tailor our advice to your needs. Our services include the following:

- assisting with the design of severance packages;
- preparation of tax free exemption calculations and calculation of statutory redundancy entitlements using our latest technology tool;
- advice on employer tax and payroll requirements;
- hold online virtual group briefings and one to one meetings with employees to outline the calculation of the severance

package, the tax exemptions available, pension options and social welfare benefits available after they leave employment;

- assist with Revenue negotiations and clearance;
- personal financial planning services to employees during or after the redundancy process, including:
 - cash flow management – helping manage cash flow efficiently while searching for new roles;
 - identifying suitable solutions for redundancy payments (debt repayment or investment advice); and
 - pension advice – what options employees have upon leaving service.
- conduct pension scheme cleansing exercises to remove deferred benefits from the company's pension scheme; and
- ensure employee benefit schemes are structured to offer employees flexibility upon leaving service.

In addition, our specialist People and Change team can work to support you to:

- conduct a talent review to assess the existing workforce capacities and capabilities;
- discuss and define future workforce requirements, taking into account the organisation's vision and strategy, and emerging factors;
- identify mission critical roles and identify potential successors, preparing a development plan for those identified to ensure they are fully prepared for the new position;
- identify retention risks; and
- develop a targeted development plan for each level, to engage and retain employees and help them take responsibility for career management.



Contact

At Grant Thornton, we can meet with you to discuss the key elements of workforce restructuring in your business. Please do not hesitate to call a member of our team to discuss further.

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