



REMARKS

By:

**THE HON. JASON HAYWARD JP MP
THE MINISTER LABOUR**

REEMPLOYMENT OF BERMUDIAN STAFF

16 JUNE, 2020

Good Evening,

During the COVID-19 pandemic, many businesses across the island were forced to close their doors, since which many businesses have reopened.

As a result of these closures, through the period of Shelter-In-Place, over 9,800 individuals were out of work and many millions of dollars have been paid out in benefits from the unemployment fund.

Although all sectors were hit hard with large numbers of persons unemployed, some sectors were hit particularly hard. The top five largest job losses during Shelter-In-Place are as follows:

1. Restaurants with 1815;
2. Hotels with 1345;
3. Construction with 1256;
4. Retail with 991; and

5. Small business with 921.

As the economy has slowly reopened, many persons have been reemployed. As of the most recent update, a total of 3,577 individuals have returned to work.

The numbers of reemployed is great news for Bermuda. However, with this good news, the Government has also received reports of inequitable employment practices happening in our country. From 30 March to 5 June 2020, I can report that the Labour Relations Section has received 409 labour related queries.

In some instances, there are reports that employers may be discriminating against Bermudians.

I can confirm that of the total of these queries received, 14 are related to Work Permit holders being retained or recalled to work over Bermudian workers.

I will break these 14 queries down into further details:

- Ten were public observations/general queries;
- One was referred to the Department of Immigration;
- One was investigated with no further action taken;
- Two others were received, one of which is currently under investigation.

While we strongly believe the majority of businesses are treating Bermudians fairly, there may be a few employers that will discriminate against Bermudians. If this practice is occurring, I ask those responsible stop immediately.

As we seek to further open up our economy for business, we urge employers to ensure that Bermudians are given equitable treatment.

It must be noted that employment practices in response to the pandemic have not been uniform across all sectors. For example, it is understood that employees in the International Business sector have largely remained employed and continued to work remotely. Other businesses have experienced similar success and we thank them for their efforts to keep their staff employed.

The Premier recently announced that Cabinet agreed to extend the Unemployment Benefit Program for another month to support our people and provide them with an added layer of security, as businesses reopen and our economy begins to move again.

To assist employees which were laid off, terminated, or made redundant as a result of COVID-19, the unemployment benefit was introduced. The unemployment benefit came into effect on the 24th of March 2020 and the application period will end on the 30th of June 2020.

The unemployment benefit provides a weekly benefit of up to \$500 to eligible persons, including work permit holders, for up to 12 weeks.

The Government will extend these benefits, but not the application deadline, to allow persons to receive further support while the country moves towards the new normal with the gradual re-opening of the economy during phase 4.

Additionally, following engagement with industry associations, the Government will also table legislation this week to amend the Employment Act 2000. The legislation will amend the portion of the Act with respect to lay off, due to the impact of the COVID-19 pandemic resulting in the state of emergency.

The change will exclude the period from 1 April to 30 June 2020 from the calculation of the period of four months, after which a lay off is deemed to be a termination for redundancy.

The existing provisions of the Employment Act would then apply for severance pay for those employees **not** recalled at the end of the four-month period starting from 30th of June 2020.

The purpose of this amendment is to protect both employees and employers in these unprecedented times. In the face of the global pandemic, employees should not lose their benefit entitlement of redundancy pay under the Act. This must be protected.

On the other hand, employers with little or no cash, and significantly lower revenues due to the pandemic, should not be forced into bankruptcy by paying these benefits. A compromise must be reached.

This move represents a balanced approach to provide both groups an opportunity to adapt to the new normal as we go through phase 3 and work toward entering phase 4.

It should be noted that the concerns of the Bermuda Hotel Association have not been ignored and the Government will be working with industry partners to find a solution to the specific problems that they are experiencing.

The Government will continue to work together with all stakeholders to allow Bermuda to get through these difficult times together.

Thank you.