

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE LABOUR LAW (2007 REVISION)  
SO AS TO REMOVE THE MAXIMUM PERIOD FOR WHICH CERTAIN  
PAYMENTS MAY BE MADE; AND FOR INCIDENTAL AND  
CONNECTED MATTERS**



**THE LABOUR (AMENDMENT) BILL, 2011**

**MEMORANDUM OF OBJECTS AND REASONS**

This Bill amends the Labour Law (2007 Revision).

Clause 1 provides for the short title.

Section 41(1) of the principal Law allowed severance pay to be given at a rate of one week's pay for each completed period of twelve months of employment, subject to a limit of twelve weeks' pay. Clause 2 amends that subsection to remove that limitation so that severance pay can be paid with respect to all the years that a person was employed.

Under section 47(1) of the principal Law, retirement/resignation allowance was payable at a rate of one weeks' wages for each complete period of twelve months' service, up to a maximum of twelve weeks. Clause 2 amends that provision so as to remove that maximum.

Finally, under section 55 of the principal Law, a Labour Tribunal had power to award compensation of one week's wages for each completed year of service, up to a maximum of twelve weeks. Clause 3 amends subsection (3) of that section to remove that limit.

**THE LABOUR (AMENDMENT) BILL, 2011**

**ARRANGEMENT OF CLAUSES**

1. Short title
2. Amendment of section 41 of the Labour Law (2007 Revision) - computation of severance pay
3. Amendment of section 47 - retirement/resignation allowance
4. Amendment of section 55 - remedies for unfair dismissal

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ENACTED by the Legislature of the Cayman Islands.

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| 1. This Law may be cited as the Labour (Amendment) Law, 2011.   | Short title  |
| 2. The Labour Law (2007 Revision), in this Law referred to as the “principal Law”, is amended in section 41(1) by deleting the words “, subject to a maximum of twelve week’s pay”. | Amendment of section 41 of the Labour Law (2007 Revision) - computation of severance pay |
| 3. The principal Law is amended in section 47(1) by deleting the words “subject to a maximum of twelve weeks’ pay”.   | Amendment of section 47 - retirement/resignation allowance                               |
| 4. The principal Law is amended in section 55(3) by deleting the words “and shall not exceed twelve weeks’ wages in aggregate”.   | Amendment of section 55 - remedies for unfair dismissal                                  |

Passed by the Legislative Assembly the      day of      , 2011.

Speaker.

Clerk of the Legislative Assembly.