



**Musgrave Operating
Partners Ireland Limited**
Newcastle Road, Lucan,
Co. Dublin, Ireland.
T: +353 (01) 630 2000
E: group@musgrave.ie
musgravegroup.com

Limerick Proposal September 2021

Introduction

The Company requested a meeting with the Mandate Official for the Limerick store as the store continues to face significant sales challenges as the year is progressing. The sales challenges it has faced over the last number of months have impacted the store's labour percentage is increasing, and there are a high number of inflexible/fixed hours that impacts the stores ability to roster the right people at the right time, to ensure we are delivering the best Customer Service in our Limerick store.

In order to address these concerns, the Company and Mandate Trade Union held a meeting on Wednesday 1st September 2021.

At this meeting, the Company presented the trading performance of Limerick, the challenges that it faces, and a full review of the high labour percentage and the fixed hours in the store that contribute to this. The primary objective of this plan is to focus on protecting the future viability of this store and supporting long term sustainable employment.

Company Proposal

The Company is seeking to improve the sustainability of the Limerick Store.

Colleague Options

The company has a number of voluntary options open to colleagues

1. A Voluntary Redundancy Programme will be opened for applications for a 2-week period.
2. Buy out options that were available as part of the Stores of Concern Programme

1. Voluntary Redundancy Programme

We are opening a voluntary redundancy programme in the Limerick Store and will consider applications from all Sales Assistants in this store. Selection for voluntary redundancy will be on a FIFO (First In First Out) basis.

1.1.1. Selection Criteria:

- The Company will consider applications from Mandate Sales Assistants (which includes Experts & Specialists) that hold an A, B or C contract with 10+ years' service from the Limerick Store who wish to leave on a/Voluntary Redundancy Programme.
- All colleagues that wish to apply for this Voluntary Redundancy Programme should do so by completing the application form (Appendix 1).
- The Programme will open for applications for a 2-week period from the date of this document.
- Colleagues leave dates from the business will be phased in line with the needs of the business, estimated to commence in late 2021.
- Colleagues currently on Protective Leave e.g. Maternity Leave, Adoptive Leave, Parental Leave, Sick Leave are eligible to apply for this programme once they meet the qualifying criteria.



- Colleagues currently on Leave of Absence will not be considered for this programme
- If the Company cannot facilitate the application, then the expression of interest will be held on file and the application reviewed should there be a further round of offers.
- The Company may consider applications from other Mandate represented colleagues, however acceptance of such applications would be at the discretion of the Company, based on the level of saving it will make to the store, and requires a business case to support it.
- In all cases the First in First out (FIFO) rule will take precedent within each grade for selection in the store.
- Acceptance for redundancy applications per store is at the discretion of the Company.

1.1.2. Voluntary Redundancy Terms

- A sum equivalent to 5 weeks of gross pay for each year of service (inclusive of statutory redundancy entitlements)
- Gross pay will be calculated with reference to the average gross pay in the 52 calendar weeks worked prior to the proposed exit date. Any exceptional circumstances that impacts on a colleague's average weekly pay will be reviewed by HR on a case by case basis.
- All continuous service will be reckonable for calculating service period.
- Service in excess of 26 weeks will be considered as a year for the purpose of service calculations.
- All of the above payments to be treated in the most tax efficient manner possible within the terms of the current legislation.
- Colleague leave dates from the business will need to be phased in line with the needs of the business.
- The Company reserves the right to require colleagues to work their minimum notice as per the guidelines set out in the legislation. Where notice may not be required, colleagues will be paid in lieu of their statutory entitlements.

1.1.3. Once off Ex- Gratia Completion Payment

The Company is proposing to pay a once off gross lump sum payment in line with service outlined in Table 1 below. This will be paid to those colleagues who remain with the Company until their final exit date. The payment will be made as part of the ex-gratia payment in the redundancy payment and will be paid in the most tax efficient manner.

Table 1: Ex-Gratia Payment

Years of Service	Payment
More than 10 years and less than 15 years	€4,500
15 Years +	€5,500



1.1.4. Financial Advice & Outplacement:

A Financial advisor will be made available to colleagues that have had their application accepted and are leaving the business. Sessions will be arranged for colleagues in advance of their exit date. See Appendix 1.1 for Redundancy Information Guide

The Company has engaged the services of an Outplacement Support Agency to ensure Colleagues are supported both professionally and personally, in the case where they opt for voluntary redundancy. All Colleagues will be entitled to avail of this outplacement support, to include a Self Marketing Workshop focused on CV fine tuning, interview preparation and job search planning.

2 Voluntary Buyout

A Voluntary Buyout Programme will be open to colleagues within the Limerick store that have premium rate entitlements. This would include colleagues with guaranteed overtime entitlements, red circled rates of pay or personal allowances that they wish to buyout to a C rate. All Buyout payments are subject to tax.

2.2.1. Buy-out of Guaranteed Overtime

All Colleagues currently working in the Limerick store who have an entitlement to guaranteed overtime can opt to have their guaranteed overtime bought out. Guaranteed Overtime has been acquired in the past and relates typically to specific terms of contract types, such as:

- Early Morning Payment(s)
- Late Night Payment(s)
- Double-time (where appropriate)

Guaranteed overtime will be bought out in the following manner:

- The buyout terms are **2 times (24 Months)** the annualised loss.
- This would be applicable only to those colleagues actually working the overtime in the previous 52 calendar weeks.
- The amount to be bought out will be referenced to the guaranteed overtime earned in the previous 52 calendar weeks worked.
- Any exceptional circumstances that impact the buyout will be reviewed by HR on a case by case basis.
- The buyout amount will be paid 6 weeks after the cessation of the overtime in the store.
- Colleagues will no longer retain any rights to work overtime, but will be required, through normal business operations, to be available to work overtime if and when the needs arise.
- Where Colleagues guaranteed overtime has been bought out under this proposal, future overtime will only be paid in line with the terms of their contract of employment. There will no longer be a right to work guaranteed overtime.



Example 1: Buy-out of Guaranteed Overtime

Guaranteed Hours: Colleague works late night every Thursday for 3 hours at double-time.

Rate: €15.34 per hour.

52 Weeks: Guaranteed overtime earned in the previous 52 Weeks: €4,786.08

Total Gross Buyout payable (2yrs): €9,572.17

Please note Buyout payments are subject to tax

2.2.2. Buy-out of red circled rates of pay

All Colleagues currently working in the Limerick Store who have a red circled rate of pay (i.e. any rate that is currently above the relevant scale for the role) can volunteer to have the rate of pay bought out in the following manner:

- The buyout terms are **2 times (24 Months)** the annualised loss.
- The buyout amount will be paid 6 weeks after the cessation of the rate applicable.
- Where a Colleague's rate is bought out, they will be placed on the highest point of their relevant scale.
- The Colleague will retain their contract type and associated terms,
- If they opt to buyout their base rate, this will impact all future overtime payments.
- The table below outlines the top pay scale rates per grade:

Current Position	New Rate of pay
Sales Assistants	€13.13 Pt 3 New C Sales Assistant rate

Example 2: Buy-out of red-circled rate of pay

Current Rate: €15.34 per Hour

Rate after buy out: €13.13 per hour

Current weekly Pay: €598.26 (based on a 39-hour contract)

Weekly Pay on C Contract: €512.07 (based on a 39-hour contract)

Total Gross Buy-out payable: €8,639.76

Please note Buyout payments are subject to tax

2.2.3. Buy-out of Personal Allowances

All Colleagues currently working in the Limerick Store who have personal allowances can volunteer to be bought out in the following manner:

- The buyout terms are **2 times (24 Months)** the annualised loss.
- The buyout amount will be paid 6 weeks after the cessation of the personal allowance in the store.
- The personal allowance will be bought out in full and the Colleague no longer retains the allowance
- Expert and Team Leader allowances are not applicable to this buyout proposal.



Example 3: Buy out of Personal Allowance

Current Personal Allowance: €81.54 per week

Annualised Personal Allowance: €4240.08

Total Gross Buy Out Payable: €8,480.16

Please note Buyout payments are subject to tax

2.2.4. Other Buy-out Requests

The Company would consider other buy out options that colleagues may feel would be a cost benefit to the Company on a case by case basis. Please note that the acceptance of additional buy out applications will be at the discretion of the Company, based on the level of saving it will make to the store and provided it delivers a strong payback.

- The Buyout Programme will reopen for applications for 2 weeks from the date of this document. All colleagues that wish to apply for a buy out request should do so by completing the application form (Appendix 2).

The Closing date for applications for Voluntary redundancy and Buyouts is Sunday 19th of September 2021.



Appendix 1: Voluntary Redundancy Application Form	
Clock No.	
Full Name	
Store	
Address <i>(Please note all correspondence will be sent to this address)</i>	
Contact Numbers Home / Mobile	
Position	
Date of Birth	
Date Joined Company	
I understand that this is a voluntary programme & that the right of selection remains with the Company based on a number of factors and that I have no automatic entitlement to be released from my employment. Signed: _____ Date _____	
Signed Store Manager: _____ Date _____	
HRSS Use Only Received By: _____ Date _____	



Appendix 1.1

Redundancy Information Guide

Terms

The proposed package is 5 weeks' pay for each year of service. The redundancy payment for tax purposes is split into 2 portions:

1) Statutory Entitlement

- Two weeks' pay for every year of service over the age of 16 and one further week's pay
- No tax is applicable on the statutory proportion however please note the amount of statutory redundancy is subject to a maximum earnings limit of €600 per week (€31,200 per year).

2) Ex- Gratia Element

This is the remaining payment to make up the 5 weeks' pay for each year of service and is subject to tax.

Tax Free Exemptions

The following 3 tax free exemptions are applied to the ex-gratia element of the redundancy payment. Whichever of the 3-tax free exemption is the higher value is then applied to the ex-gratia element of the redundancy package.

1. Basic Exemption

The Basic Exemption is a tax-free exemption of €10,160 plus an additional tax-free exemption of €765 for each complete year of service. Partial years of service are dis-regarded.

2. Increased Exemption

The Increased Exemption is the Basic Exemption plus an additional €10,000 tax-free less the net present value from the scheme. The Increased Exemption is only available where you have not received it previously in the past ten tax years and is subject to Revenue approval.

3. SCSB:

The SCSB (Standard Capital Superannuation Benefit) is calculated by taking your average annual gross remuneration for the last 36 months of your employment divided by 3 and multiplying it by the number of complete years of service and dividing by 15. As with the Increased Exemption, the SCSB is reduced the net present value from the pension scheme

Definitions

Average weekly pay:

Annual salary divided by 52 weeks

36 months earnings:

Total earnings over last 36months from exit date

Service:

Based on start date (casual start date is used if verified by Revenue) and service rounded to nearest full year

Age:

Date of Birth is used to calculate age

Net Present Value:

This will be requested from the Pension scheme provider on your behalf. This value is included when calculating any tax applicable on the ex-gratia element.

The final confirmation of your exit date and net redundancy figure will be communicated to you in due course. In order to finalise your net redundancy figure, HR will need to request your Net Present value from Mercer, our Pension advisor.

Appendix 2: Voluntary Buy Out Application Form	
Clock No.	
Full Name	
Address <i>(Please note all correspondence will be sent to this address)</i>	
Contact Numbers Home / Mobile	
Store	
Department	
Type of Buy-out:	(Please tick one or more if applicable) Guaranteed Overtime <input type="checkbox"/> Red Circled Rate of Pay <input type="checkbox"/> Personal Allowance <input type="checkbox"/> Other Buy-out Requests <input type="checkbox"/>
Date of Birth	
Date Joined Company	
I understand that this is a voluntary programme Signed: _____ Date _____	
Signed Store Manager: _____ Date _____	
HRSS Use Only Received By: _____ Date _____	