

**THE OFFICIAL GAZETTE      20TH MARCH, 1999**  
**LEGAL SUPPLEMENT – C**

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**PARLIAMENT OFFICE,**  
Public Buildings,  
Georgetown,  
Guyana.

18th March, 1999.

The following Bill which was introduced in the National Assembly is published for general information.

*F. A. Narain,*  
Clerk of the National Assembly.



**GUYANA**

BILL No. 6 of 1999

**TERMINATION OF EMPLOYMENT AND SEVERANCE PAY  
(AMENDMENT) BILL 1999**

**ARRANGEMENT OF SECTIONS**

**SECTION**

1. Short title.
2. Amendment of section 2 of the Principal Act.
3. Amendment of section 21 of the Principal Act.

A BILL

Intituled

An Act to amend the Termination of Employment and Severance Pay Act, 1997.

A.D. 1999 Enacted by the Parliament of Guyana:—

Short title.  
Act No. 19  
of 1997

1. This Act, which amends the Termination of Employment and Severance Pay Act 1997, may be cited as the Termination of Employment and Severance Pay (Amendment) Act 1999.

Amendment  
of section  
2 of the  
Principal  
Act.

2. Section 2 of the Principal Act is hereby amended by the substitution for the definition of ‘severance of employment’ of the following definition —

“severance of employment” means termination of the contract of employment by an employer under section 7 (a) or (c) (ii);”

Amendment  
of section  
21 of the  
Principal  
Act.

3. Section 21 (4) (c) of the Principal Act is hereby amended by the substitution of a semi-colon for the full stop at the end and the insertion immediately thereafter of the following new paragraph —

“(d) is being retired from his employment having attained the age of sixty years or such other age as may be agreed upon between the parties and is entitled to a gratuity or pension or both from his employer under any law, collective labour agreement or contract of employment whether such entitlement is under any contributory or non-contributory pension scheme.

Provided however that where any gratuity payable on his retirement is less than the amount the employee would have received under section 21 (1), the amount under section 21 (1) shall be paid.”

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Termination of Employment and Severance Pay Act 1997, which Presently allows for payment of severance allowance to an employee who terminates his employment by serving notice on his employer. This can have serious financial consequences for employers as employees can use it as a tool to bankrupt employers by mass termination of their employment.

The amendment to section 2 seeks to provide for payment of severance allowance only where the employee's contract of employment is terminated by the employer under section (7) (a) or (c) (ii), that is, with the mutual consent of the employee or after the serving by the employer on the employee of a notice of termination. The amendment to section 21 seeks to exclude payment of such allowance where the employee is entitled at the termination of his employment to a gratuity or pension under any law, collective labour agreement or contract of employment.

*H B. Jeffrey,*  
Minister of Labour and Health