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**Bille na gCuideachtaí (Cearta Fostaithe a Chosaint i  
Leachtuithe), 2021**  
**Companies (Protection of Employees' Rights in  
Liquidations) Bill 2021**

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*Meabhrán Míniúcháin*  
*Explanatory Memorandum*

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**BILLE NA gCUIDEACHTAÍ (CEARTA FOSTAITHE  
A CHOSAINN I LEACHTUITHE), 2021  
COMPANIES (PROTECTION OF EMPLOYEES' RIGHTS IN  
LIQUIDATIONS) BILL 2021**

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**EXPLANATORY MEMORANDUM**

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**Purpose of Bill**

The purpose of the Bill is to improve the rights of employees in situations where their employer is in liquidation and there is a winding up of the company. The Bill makes provision for recognition of redundancy payments that are agreed in relevant collective agreements in a winding up of a company. The Bill also gives preferential creditor status to employees in a winding up of a company.

**Provisions of Bill**

*Section 1* is a standard provision defining terms used in the Bill.

*Section 2* amends Section 621(2) of the Companies Act 2014 to clarify that redundancy payments and entitlements due to employees under the terms of collective agreements are considered in a winding up of a company in a liquidation.

*Section 3* amends the Companies Act 2014 to add a new section to give employees preferential creditor status in the event of a company being wound up in a company liquidation.

*Section 4* provides for the short title of the Act.

*Mick Barry, TD,  
Aibreán, 2021.*

