



## **Laga Newsflash** Collective dismissal 2018: the numbers

Each quarter, the Federal Public Service Employment, Labour and Social Dialogue publishes statistics regarding collective dismissals in Belgium. They recently announced the numbers for 2018. In this newsflash, we highlight the most striking data and already look ahead to 2019.

### **Increased number of announcements after a decline in 2017**

87 *intentions* to a collective dismissal were announced in 2018, potentially impacting 6,027 employees. This is a clear increase compared to 2017, during which “only” 62 announcements (3,829 employees) occurred.

### **Distribution/Transport industries take a hit**

With 2,974 out of 6,027 intended dismissals, the distribution and transport industries are responsible for nearly 50%.

Note that these numbers are highly impacted by the greater, media-covered collective dismissals, e.g. the announcement of Carrefour in 2018.

### **Information and consultation procedure generally concluded within a term of 60 – 90 days**

In line with previous years, parties concluded nearly half of the information and consultation procedures within a term of 60 days, and 2/3 within 90 days. While every file is different, one could certainly consider a two to three month lead time as a reasonable estimate.

## Information and consultation procedure saves 10% of jobs

In 2018, 73 decisions to proceed with a collective dismissal were taken following the information and consultation procedure with the employee(s) (representatives). These decisions resulted in a dismissal of 5,088 employees, while the intention originally impacted 5,602 employees.

The last five years, the percentage has been constantly fluctuating between 5 – 15%, which emphasises that in practice, it is extremely likely that an *intention* is (fully) converted into a *decision*.

## What about 2019?

It is hard to predict whether the announcement of approx. 1,900 dismissals in the telecom industry has set the tone.

It is however clear that the “*bridge pension*” scheme (unemployment with company allowance or UCA) is under increased pressure as a mitigating measure for major waves of dismissals. Note that at the end of 2018, in the framework of the Labour Deal, the Council of Ministers approved a draft Royal Decree to limit the minimum age to 59 for UCA in case of a restructuring. The possibility for the social partners to agree on further exceptions would be deleted. This would stand in stark contrast to 2017 – 2018, during which the minimum age was lowered to 56 year by CBA 126.

Given the current situation of the government, as well as the negotiations regarding the Interprofessional Agreement 2019 – 2020, we will have to wait and see to which extent this intention will be executed.

## FAQ Restructuring?

Laga’s Employment, Pensions and Benefits team can assist with all phases of a restructuring.

The team is readily available to help with any questions or provide additional information.

**Stijn Demeestere, Advocaat-vennoot/Avocat associé, Tel: + 32 2 800 71 42, Email: [sdemeestere@laga.be](mailto:sdemeestere@laga.be)**

**Julien Hick, Advocaat-vennoot/Avocat associé, Tel: + 32 2 800 70 66, Email: [juhick@laga.be](mailto:juhick@laga.be)**

**Thomas De Donder, Advocaat/Avocat, Tel: + 32 2 800 70 54, Email: [tdedonder@laga.be](mailto:tdedonder@laga.be)**

**Stijn Theunis, Advocaat/Avocat, Tel: + 32 2 2 800 71 33, Email: [stheunis@laga.be](mailto:stheunis@laga.be)**



Laga  
Gateway building  
Luchthaven Brussel Nationaal 1J  
1930 Zaventem  
Belgium

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