


Financing adult learning database

Name of the instrument - Local language	Payback clause
Name of the instrument - English translation	Payback clause
Scheme ID	239
Country	 Ireland
Reporting year	2020
Type of instrument	Payback clause
Sub-type of instrument	Payback clauses are possible with no explicit limitations
Type of entry	Single instrument

Short description	Employers and employees can agree on a pay-back clause. There are defined eligibility requirements for these arrangements. Employers may calculate the specific schedule of reimbursement of training costs, but such training agreements usually stipulate a reimbursement according to the period between the end of the training and the resignation of the employee: a reimbursement of 100% of the training costs if the employee resigns within 3 months after completing training; 75% reimbursement after 3 to 6 months; 50% after 6 to 9 months and 25% after 9 to 12 months. One year after training, employees are not usually asked to reimburse training costs.
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable
Name of the sector (for sectoral instruments)	Not applicable
Relevance	Further instrument
Legal basis	Section 5 of the Payment of Wages Act, 1991
Objective(s) and	No official objectives. Payback Clauses are legal under the

target(s)	Payment of Wages Act (1991) but have to be compliant.
Year of implementation	1991
Operation/management	According to 'Chambers Ireland' (38), payback clauses can be contained in employment contracts.
Eligible group(s)	All employers
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	Defined in the contract between employer and employee.
Source of financing and collection mechanism	Employer funds training, employee provides (partial) repayment eligible training costs in case of premature departure from the company
Financing formula and allocation mechanisms	Employers may calculate the specific schedule of reimbursement of training costs, but such training agreements usually stipulate a reimbursement of 100% of the training costs if the employee resigns within 3 months after completing training; 75% reimbursement after 3 to 6 months; 50% after 6 to 9 months and 25% after 9 to 12 months. One year after training, employees are not usually asked to reimburse training costs.
Eligible costs	Defined in the contract between employer and employee.
Volumes of funding	There is very little evidence of the frequency of the use of payback clauses in Ireland.
Beneficiaries/take up	Not applicable
Organisation responsible for monitoring/evaluation	Not applicable
Most relevant webpage - in English	http://www.irishstatutebook.ie/eli/1991/act/25/enacted/en/html
Recent changes	No recent amendment Recent changes in response to COVID-19 No changes
Sources	Section 5 of the Payment of Wages Act, 1991: http://www.irishstatutebook.ie/eli/1991/act/25/section/5/enacted/en/html...