

Hiring Workers in Israel and their Dismissal

Doron and Eldad are the owners of a big construction company employing 150 employees.

Recently, Doron and Eldad have received demands from employees who claimed that no hearing was held with them before being dismissed from the company. Doron and Eldad turned to us to get explanations concerning this issue.

Acceptance for work:

When accepting an employee to work in a company it isn't required to have him sign a labor contract, but it is highly recommended. A good labor contract prevents disputes and disagreements since the primary agreements are being written and no one is required to remember them.

A written labor contract is required specifically for officers or trust positions. A trust position is defined as a position in which the employer cannot supervise the employee's work and the employee possesses significant authority such as being authorized to dismiss employees. The labor courts' judgment established criteria for whether or not an employee is a trust position employee or not, which has a great significance.

A trust position employee, such as CEO, VP, etc., cannot demand payment for extra hours. Thus, there are many disputes between employees and employers in labor courts regarding this point.

For the matter under discussion, it isn't sufficient for the labor contract to determine we are dealing with a trust position, and further proofs are required. But the labor contract can reinforce the employer's claim in this matter.

According to the Notice to Employee (Working Conditions) Law, 5762-2002, the employer must provide the employee with a sheet specifying all the working conditions of the employee, including amounts of pension provision, study fund, etc. the exact details that must be provided in this form are prescribed by the law and the regulations.

Dismissal:

The topic of dismissal or termination of employment is a subject encompassing numerous sub-topics, which obviously can't be all addressed

here. The most significant new thing in recent years is the compulsory hearing that applies to employers before dismissing employees.

What is a hearing? A hearing is a proceeding in which the employer hears the employee's claims, and considers whether due to the employee's claims the former should dismiss the latter or have him continue with his job.

The hearing proceeding is done as follows:

First, the employee must be provided with a written notice specifying the employer's claims against the employee, and setting a date for the hearing. The notice must be provided to the employee within a period in advance that would allow the employee to prepare his claims against dismissal.

When the hearing takes place one must provide the employee with all the claims against him and have him give his response. The hearing is recorded in the hearing minutes, which precisely records what the participants say, that is, the employer and the employee.

After the hearing the employer must consider whether to keep the employee or dismiss him, all according to the employee's claims in the hearing.

If the employer decided to dismiss the employee despite the employee's claims in the hearing, the employer must provide the employee with a dismissal letter and provide with the employee a prior notice as prescribed by law, according to the employment term of the employee in the company. Also, the employer must provide to the employee the employment period the employee has worked in the company in writing.

During the prior notice period, the employer has the option to dismiss the employee from work entirely, but then the employer must pay the employee's salary during for the prior notice period, but the employer may also decide to have the employee continue working during the prior notice period. This period is mostly used to introduce another employee who will assume the duties of the leaving employee.

Upon dismissal, the employee deserves a severance pay at the rates prescribed by law, but only if the employee worked at least one year with the employer. Many employers dismiss employees before letting them gain one year of seniority, but labor courts tend to determine that in such cases the employee deserves a severance pay, which usually makes this step inexpedient.