

HIGH IMPORTANCE



NAECI Registration – Checklist for Employers

Introduction

NAECI Registration was introduced on 5 January 2015. This Checklist is produced to assist employers working in the engineering construction industry to access the benefits of Registration and avoid the downsides of failing to register.

Who is covered

This checklist applies to all engineering construction companies who issue a contract of employment to their employees which states that they are employed under the NAECI or commonly the Blue Book.

NAECI 1.3 states, "Registration of work is a requirement for employers to use the NAECI". Working on a Category 1 project or a Category 2 site brings with it adherence to NAECI. Employers working on Cat 3 or Other work need to Register that work otherwise they are at risk of being in breach of contract with their employees.

Benefits of Registration

- NJC approved use of NAECI
- Common employment terms and conditions
- Employee engagement and an agreed framework for good industrial relations
- Full access to NAECI procedures
- NJC professional support
- Good safety practices governed by NJC safety advice
- Beneficial tax arrangements for radius and accommodation approved by HMRC
- Welplan range of benefits

The NAECI is a collective agreement. To recap, only those party to the National Agreement who have registered their work have the right to use it in its entirety. The NAECI is also copyrighted and cannot be used in employment contracts or local agreements without the express consent of the NJC.

The Parties to the NAECI are the Unions (GMB and UNITE) and the Employers (ECIA, SELECT and TICA) and the authority to use NAECI is confirmed solely by Registration. **Any company which does not register their work with the NJC has no right to use any of the terms of NAECI in whole or part on that work (NAECI 1.3).** Failure to register the work excludes them from being party to the NAECI for that work even though they may be a member of one of the signatory Employers' Associations.

Category 3 and all Other engineering construction work has to be registered with the NJC, otherwise the full terms of NAECI can neither be applied nor be made available to you. The NJC has identified some 150 sites of which are neither Category 1 or Category 2 but where engineering construction companies have registered their work.

To avoid potential legal claims where NAECI or Blue Book contracts have been issued, employers should register their work as applicable. The differences in your employment terms between Registered and non-registered work are set out for you here.

Comparison

So, although a company may offer NAECI terms, unless the work is NAECI Registered, the company has no access to the benefits of NAECI taxation treatment arrangements approved by HMRC. As such, travel and accommodation costs will then be fully taxable and other benefits including Death Benefit will not be payable by Welplan.

Checklist

Benefit	Included in Registered work	Included in non-Registered work
NJC approved	Yes	No
NJC professional support	Yes	No
NJC Facilitation (grievance/dismissal)	Yes	No
Grievance disputes resolution procedures	Yes	No
NAECI Death Benefit - £35k	Yes	No
Conditional Death Benefit - £35k	Yes	No
Accidental Death - £40k	Yes	No
NAECI Welplan Benefits	Yes	No
NAECI Bereavement Leave	Yes	No
HMRC approved radius allowances	Yes	No
HMRC approved accommodation allowance	Yes	No

Where do you stand?

If you are on a Category 1 project or Category 2 site, then you have no reason to be concerned. However, if you are on **Other** engineering construction activities, shutdowns or turnarounds, your company is at risk if you have not Registered with the NJC. **For example, if you have a death on site and you have not registered, your employee's dependents stand to lose up to £110k.**

- If your employees' contracts of employment state NAECI or Blue Book then:
- If you have not registered your work, your employees are not entitled to the benefits on the left-hand side of the table above and you may be in breach of contract
- The NJC office can advise you how to resolve this - please call us on 020 7734 0244
- Or email Julie.jordan@njceci.org.uk
- Contact your signatory Employer's Association for advice/assistance

NAECI Registration

Registration is a requirement for using NAECI terms and conditions. It is there to assist you and to ensure that you receive the full protections of the Agreement and to ensure that your employees receive the benefits you promised them.

Reference: NAECI 1.3 & 1.4, NJC Guidance Notes (14)05 & (15)01, www.njceci.org.uk/naeci-registration