European Employment Insights

> Recent labor law changes include flexible paid holiday scheduling for parents, elimination of screen time limits, and reducing of termination exit documentation to a single employment certificate.

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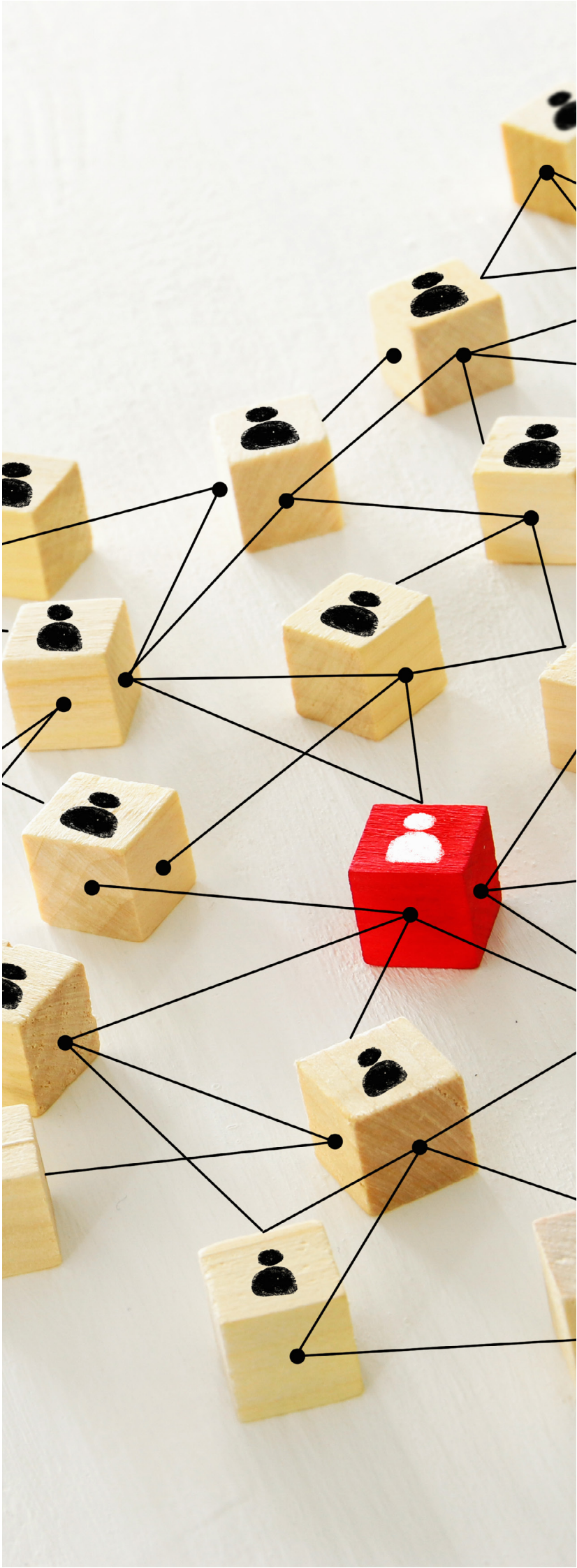

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Andersen Global Chairman and Andersen CEO
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Our firm is constructed as a global firm. We share an interest in providing the highest level of client service regardless of location.

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Introduction

European Guide to Support Employers
Employment of Managing Directors

This comprehensive guide provides a detailed overview of regulations and conditions surrounding the employment and appointment of managing directors within limited liability companies (LLCs) in over 30 European countries.

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You may also be interested in:

European Employment Insights

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October Issue **November Issue** **December Issue**

Context

Andersen Employment and Labor Service Line is your go-to partner for navigating the complexities of local and international labor laws and customs. We help you steer clear of employee-related issues while staying competitive in the global economy.

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Stay well informed and maintain your competitive edge with Andersen.

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Malta

If an employee willfully disobeys the lawful and reasonable instructions of their employer, they would be automatically and effectively repudiating their contract of service.

COURT

Industrial Tribunal sheds light on 'gross misconduct' definition

In November 2023, the Industrial Tribunal provided a significant clarification on the definition of 'gross misconduct' in the context of unjust termination of employment. Drawing upon the Supreme Court of Ireland's ruling in Brewster vs Burke and Ministry for Labour (1985), the Tribunal reinforced the notion that willful noncompliance with lawful and reasonable employer instructions can lead to contract repudiation. This principle established that a single incident of such disobedience could be sufficient for 'gross misconduct', thereby justifying termination.

In its decision, the Tribunal also referred to Astra Emir's reflections in the book 'Selwyn's Law of Employment' who, in explaining the case Clarkson vs Brown, Muff & Co Ltd (1974), consolidated this standard and sustained the justification of dismissal over such gross misconduct.

In its ruling, the Tribunal applied these principles, concluding that the defendant company's termination of the plaintiff's employment for gross misconduct was in line with established legal standards, upholding the essential integrity of the employer-employee relationship.

COLLECTIVE AGREEMENTS

COLA to be allocated to public service & public sector employees

A recent agreement between the government and various trade unions has been established to ensure that workers in the Public Administration sector receive the Cost-of-Living Allowance (COLA) benefits. Although the existing Collective Agreement already covers this right, a further agreement became necessary to align with the COLA increase of EUR 12.81 per week, as determined in Malta's Budget for 2023.

Consequently, it has been decided that public service and public sector employees will receive an additional EUR 6.41 per

week. This amount is in addition to the salary increases provided for in the 2024 Collective Bargaining Agreement. This enhancement will be uniformly distributed among all Public Officers, regardless of their pay scale. Similarly, in the Public Sector, every employee will benefit from this uniform top-up.

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Belgium

Launching by April 1, 2024, the new Federal Learning Account digital tool, following the 2022 Jobsdeal, will enable employees in larger firms to manage their training credits and access their training rights information online.

LAW
Introduction of a Federal Learning Account

As the result of the introduction of an individual right of training by the "Jobsdeal" in 2022, a digital tool is set to be launched by 1 April 2024. This tool aims to assist workers, employers, and training institutions in managing training credits, which are available to employees in companies with more than 20 staff members.

The Federal Learning Account is a digital application containing relevant data regarding the individual training rights, such as entitlement to 5 days of training per year starting from 2024. It also provides details on the number of training days to which an employee is entitled based on sectoral collective bargaining agreements, along with the total days or hours of training at the disposal of the employee during a given year and sector-specific professional training information resulting from such agreements. Employers are required to input specific data into the Federal Learning Account within a set deadline. This data includes employee details, adaptation of the right to training and the number of training days, the number of training days attended etc. Employers are responsible for the accuracy of the data they register.

Employees can access their Federal Learning Account electronically through the website www.mycareer.be.

COURT
Deliveroo couriers classified as employees

After a legal battle of several years regarding the employment relationship within the sharing platform economy, the Labor Court of Brussels has recently ruled that Deliveroo couriers must be qualified as employees. This decision is contrary to the first decision of the lower court in 2021 which qualified the employment relationship of Deliveroo couriers as self-employed workers and not employees. The decision off the Labor Court applies on 28 couriers who – together with the National Social Security Office and the labor prosecutor - have filed a lawsuit against Deliveroo in 2018 claiming that they should be considered as employees.

However, the decision of the Labor Court is a landmark decision, as according to the Labor Court the terms of the employment relationship established between Deliveroo and the couriers are incompatible with the qualification of an independent employment relationship and lead to the conclusion that this relationship must be considered as an employee relationship and therefore should be reclassified. The Labor Court stated as well that the Deliveroo system does not comply with several conditions, which need to be fulfilled to use the sharing economy system as self-employed worker. The sharing economy system was created to allow persons to gain some additional earnings by delivering services to other consumers, through the sharing platform economy.

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Bosnia and Herzegovina

As of January 1, 2024, employees on maternity leave are entitled to compensation based on their average salary for the past 18 months or the minimum wage for any unpaid months.

LAW
Republic of Srpska reforms maternity leave compensation

Labor Law of Republic of Srpska was amended in part of salary compensation during maternity leave, in a way that during the use of maternity leave, an employee is entitled to salary compensation in the amount of the average salary he/she earned during the last 18 months before the start of maternity leave.

If an employee has not received a salary for all of the last 18 months, when calculating the average salary, the amount of the lowest salary in the Republic of Srpska is taken for each month for which he/she has not received a salary. The intention of legislator is to avoid frequent abuse of salary compensation by employers at the expense of Public Fund for Child Protection. The amendments to the Law entered into force on January 1st, 2024.

LAW
Amendments of Law on Employment Mediation and Entitlements during Unemployment

Law on Employment Mediation and Entitlements during Unemployment was amended in part of method of calculating the period that a person spent in mandatory unemployment insurance. Current method of calculation, after amendments of the Law, is based on time period in which the unemployed person was insured against unemployment.

In addition, time period for which an unemployed person is entitled to compensation has been reduced to maximum period of 18 months, while the amount of compensation cannot be lower than 55% of minimum salary in the Republic of Srpska. The amendments to the Law entered into force on January 1st, 2024.

Read More

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Croatia

In cases of workplace bullying or harassment, the employee is entitled to compensation from the employer.

COURT
Accepted standards in practice regarding mobbing

In a recent decision, a County Court in Croatia clarified what types of behavior are considered mobbing in the workplace. Even though the term "mobbing" is not defined in the Labor Act or any other applicable law, according to accepted standards in practice, including judicial practice, it represents a specific form of behavior in the workplace by a person or a group of persons who systematically psychologically (morally) abuse and humiliate another person with the aim of endangering his or her reputation, honor, human dignity and integrity, up to the point of elimination from the workplace.

When such activities occur frequently, they are considered bullying. If this type of behavior occurs in a form that cannot be classified as harassment or discrimination, the employee is entitled to compensation from the employer in accordance with the general provisions of the Croatian Civil Obligations Act, i.e. for material and non-material damages.

LAW
Minimum wage for 2024 increased

A decree which entered into force on 1 January 2024 determined that the minimum wage in Croatia will amount to EUR 840 gross for the period from 1 January until 31 December 2024. A minimum wage is the lowest monthly amount of gross wage paid for full-time work and is established once a year, not later than 31 October of the current year for the following calendar year. Compared to the amount of the minimum wage for the year 2023 which was set at EUR 700, the new amount represents a significant increase of 20%. Interestingly, the minimum wage may not be set at a lower level than the one established for the previous year.

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Cyprus

Employers should review their internal policies and employment contracts to ensure that their provisions on remote work are conforming with the Remote Working Act.

LAW
Introducing the Remote Working Act

In December 2023, the statutory framework for the regulation of remote working (the "Remote Working Act") was introduced targeting employees in the private sector. Remote working is optional and can be implemented through an agreement with the employee. Employers should consider reviewing their employment contracts, as well as their internal policies, in order to ensure their provisions on remote working are aligned with the Remote Working Act.

COURT
Jurisdiction of district employment court in labor disputes

The interim judgement handed down by the Nicosia Employment Court in Case 214/2021 has reiterated that the district in which the employee renders services to an employer, as well as the employee's habitual district residence, are decisive factors in assessing the jurisdiction of the proper district employment court to adjudicate claims emanating from an employment contract.

GUIDELINES
Increase of social insurance contributions and national minimum wage

As from 1 January 2024: (a) social insurance contributions rates for both employers and employees to the Social Insurance Fund have increased by 0.5%, namely to 8.8%. These rates will be levied to insurable earnings of employees up to a salary of EUR 5.239 (when paid monthly) or EUR 1.209 (when paid weekly); and (b) the national minimum wage for full time employment after the completion of an employee's probation period has increased to EUR 1,000 (was EUR 940).

COLLECTIVE AGREEMENTS

Collective agreement for seamen of Cyprus flag vessels renewed

The Cyprus Shipping Chamber has renewed the collective agreement for persons employed on vessels carrying the Cyprus flag for a further two years, namely up to 31 December 2025. The renewed collective agreement reflects the internationally approved working standards, particularly with regards to the remuneration of seamen.

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Czech Republic

LAW
Whistleblowing Act already mandates internal reporting systems in medium-sized enterprises

The Whistleblowing Act came into force at the beginning of August 2023, at which time all private companies with more than 250 employees (as well as larger municipalities and publicly funded institutions) were required to implement an internal whistleblowing system in accordance with the Act. This obligation has now been extended to companies with 50 to 249 employees, regardless of turnover or other economic indicators. These companies must have an internal reporting system in place by December 15, 2023.

The law protects a relatively wide range of potential whistleblowers, including not only employees, but also job applicants, interns, or members of the company's board of directors. Employers are required to implement an internal whistleblowing system, which includes designating a competent person to receive reports, maintain the confidentiality of information received, and protect the identity of the whistleblower.

It is not entirely clear who this person should be according to the wording of the law, but the general opinion so far is that it should be a trained employee or an external expert. The law only states that this person must be of legal age, fully competent and have a clean criminal record.

Medium- sized companies with 50 to 249 employees are required to establish internal whistleblower systems; turnover or other economic indicators are not relevant.

The new type of more flexible employees' investment account cannot be withdrawn for at least ten years and until the saver reaches the age of 60.

LAW
Introduction of long-term investment product for employees ("DIP")

Since the beginning of this year, a state-supported option for saving for old age has come into force alongside the already established third pillar. It opens up a new and probably more profitable way for employees and employers to save for retirement.
The advantage for employees is partial

freedom and the ability to save for their retirement at their own choice, with the option of putting their trust in shares, bonds or ETFs, not only Czech, but even established in foreign countries. Another advantage will be the lower costs for savers, compared to previous versions, where there was demanded to invest into actively managed funds. The savings itself will be held on special investment account with a broker. The government allowed employees a tax deduction from the tax base of up to CZK 48,000 per year. Similarly, the product can be tax-advantaged for employers – if the employer contributes to the employee's DIP, up to CZK 50,000 per year can be exempt from taxation.

Tax deductibility of non-cash meal allowances has been reduced and is now subject to the same requirements as meal vouchers.

LAW
Consolidation package affects taxation and social security contributions

The governmental efforts to reduce deficit have been implemented through a consolidation package that came into effect at the beginning of this year. The package includes not only increase of income tax of companies from 19 % to 21 %, but also increases in contributions towards social security system. For the employment bookkeeping the most important is an additional 0.6 % contribution of gross wages to sickness insurance deducted from employees' salaries.

The consolidation package also includes several changes to tax credits and tax-free allowances, which have a negative impact on the overall net income of employees. For instance, the previously unlimited tax deductibility of non-cash meal allowances has been reduced and is now subject to the same requirements as meal vouchers.

Employee income in the form of meal allowances, both in non-cash and cash forms provided by the employer, will be exempt only up to certain upper limit of the meal allowance. Anything above this limit will be considered as income of the employee and will be subject to taxation.

LAW
Protection of subcontractors' employees in construction industry

The amendment adopted in December 2023 brings new protection for subcontractors and their employees in the form of the contractor's liability for remuneration claims of the subcontractor's employees. The contractor will be liable for the remuneration of the subcontractor's employees to the extent in which they participated in the contractual performance for the contractor, and additionally up to the minimum wage.

So far, this provision will cover construction businesses, as defined by Construction Act. In addition to the standard subcontractor, an employment agency that has temporarily assigned its employees to the contractor shall also be considered a subcontractor. If there is a chain of subcontractors, then the contractor at the top of the chain is always ultimately liable, along with the contractor who provided the subcontractor.

If the subcontractor doesn't meet its responsibilities to its employees, the employee can request the contractor to pay the remuneration as guarantor. Failure of the contractor to do so may be punishable by a fine of up to CZK 2,000,000.

Existence of this protection must be notified to the relevant employees.

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France

The legislator's aim is to limit the entitlement to unemployment benefits of an employee who repeatedly refuses a permanent contract.

The objective for the first half of 2024 is to have a second set of simplified rules in the world of work to facilitate job creation in all sectors.

In particular, measures are being considered to control the acquisition of paid leave in the event of illness and to reduce the time limit for contesting dismissals (currently 12 months). This new reform should have a direct impact on employers/employees and modify a number of obligations!

LAW
Simplification of the French Employment Code

The outlines of a new law amending the French Employment Code are becoming clearer. It should come into force in the coming months. Indeed, Emmanuel Macron declared in early January that "the objective for the first half of 2024 is to have a second set of simplified rules in the world of work to facilitate job creation in all sectors". In September 2017, Emmanuel Macron had already initiated a reform aimed at introducing more flexibility into French employment law. This announcement was preceded by the appointment of a new Prime Minister, Gabriel Attal, who will be responsible for taking this project forward.

LAW
New information obligation for employers

In short, employers must now inform "France Travail" (the French Unemployment Agency) of each refusal of a permanent contract offered to an employee with a fixed-term contract. The legislator's aim is to limit the entitlement to unemployment benefits of an employee who repeatedly refuses a permanent contract. The information procedure applies if the offer of a permanent contract is for the same or a similar job in the same classification, with at least equivalent pay and working hours, and at the same place of work. The offer must be communicated by a means that indicates a specific date of receipt (preferably by registered or hand-

delivered letter) and must give the employee a reasonable period of time in which to make a decision. The absence of a response constitutes a rejection of the proposal. In the event of rejection of the permanent contract, the employer must inform “France Travail” within one month by electronic means via a dedicated Internet platform.

In civil proceedings, the illegality or unfairness of obtaining or producing a means of proof does not necessarily lead to its exclusion from the proceedings.

COURT
Recording and evidencee

From now on, a recording made without the consent of the parties may be used before a French Employment Tribunal to prove fault on the part of the employee or the employer. This is the result of a decision taken by the French Supreme Court on December 22, 2023. It represents a reversal of employment Case Law. The ruling states that "in civil proceedings, the illegality or unfairness of obtaining or producing a means of proof does not necessarily lead to its exclusion from the proceedings", particularly when the use of a recording made without the knowledge of the employer or employee is the only means of proving a claim. In criminal matters, the French Supreme Court has long held that no legal provision allows a criminal court to disregard evidence provided by private individuals on the sole ground that it was obtained illegally or unfairly. This is now also the case in employment matters.

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Germany

> **New innovative solution for making the labor market more flexible and benefits both employees and employers.**

LAW

New concept to tackle the shortage of skilled employees

The "dual earner model," allows employees before reaching the standard retirement age of 67 in the pension insurance scheme to receive a partial pension of up to 99.99% of their acquired pension entitlement while also earning their full salary. This model has become popular due to its flexibility and financial advantages for both employers and employees.

Consider an example: An employee with a monthly gross salary of EUR 5,000 and a pension entitlement of EUR 2,000 can opt for their full pension, salary, or a mix of both. By choosing a 99.99% partial pension and their full salary, their monthly income could rise to just below EUR 7,000. This option is appealing for those seeking financial gain and social security benefits like sick pay (*Krankengeld*).

Legally, opting for a 99.99% partial pension does not terminate employment. There are no special labor law notification requirements. This arrangement is particularly beneficial for long-term insured individuals, allowing them to retire without deductions while still receiving a regular salary.

Overall, "Model 99" offers a new approach, enhancing labor market flexibility and providing mutual benefits to employees and employers. It creates new employment opportunities for those in retirement age and assists in retaining skilled workers.

> **In the case of a registered letter, for which there is a proper delivery receipt with the signature of a postal employee, there is prima facie evidence of both the receipt of the letter and the fact that the letter was posted in the mailbox during normal mail delivery hours.**

COURT

Receipt of a notice of termination by registered mail

In a ruling (LAG Nürnberg, 15.6.2023 - 5 Sa 1/23), the Nuremberg Regional Labor Court addressed the evidence needed for confirming the receipt of termination notices

sent via registered mail. The case involved a dentist who contested the timely receipt of her termination notice, which was dated 28 September 2021 and received on 30 September 2021. The labor court initially dismissed her claim, and the Nuremberg Higher Labor Court upheld this decision.

The court determined that a registered letter with a proper delivery receipt, including a postal employee's signature, provides prima facie evidence of both the letter's receipt and its placement in the mailbox during normal delivery hours. The court considered the possibility of incorrect deliveries but deemed them legally negligible due to their rarity.

This decision underlines the importance of registered mail in legally ensuring the delivery of termination notices and other critical documents. For a termination notice to be considered received on the final day of the notice period, it must be placed in the mailbox during standard postal delivery times. A delay could render an extraordinary termination time-barred due to the two-week period, or postpone the termination date in case of ordinary termination.

Practically, this ruling implies that submission of posting proof and delivery receipt serves as solid evidence of receipt. For legal certainty and to avoid ambiguities, correct and documented delivery is crucial.

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Greece

Sanctions for violation of the regulations on the introduction of the digital work card will be imposed from 1 April 2024 in the industrial sector and from 2 May 2024 in the retail sector.

LAW
Implementation of the digital work card

Decision No. 113169/27.12.2023 of the Minister of Employment and Social Security has been published, which allows the application of all the provisions of the recent Employment Law 5053/2023 and modifies the current regulations regarding the digital work card, the declaration of "executive employees" on the ERGANI II platform and the forms uploaded on this platform.

As for the implementation of the digital work card, according to the ministerial decision, from 1 January 2024 the enterprises of the industrial sector (with the exception of energy, petroleum products and mining) and the retail sector will be registered in the digital card system.

Appropriate sanctions for violation of the regulations on the introduction of the digital work card will be imposed from 1 April 2024 in the industrial sector and from 2 May 2024 in the retail sector. Thus, an adaptation period is provided for the enterprises of the above two sectors.

LAW
When employees are classified as “executive”

In Greece, employees designated as “executive” are not subject to labor law restrictions regarding working hours, weekly rest, overtime, Sunday and holiday work, off-site work and night work.

The recent Decision No. 113169/27.12.2023 from the Minister of Labor and Social Security amends the earlier Ministerial Decision No. 90972/15.11.2021. This modification provides updated criteria for classifying employees as “executive”.

Under the new ministerial decision, an employee may be considered “executive” if he/she holds managerial authority over other company’s employees, or represents and legally bind the company in dealings with third parties, or he/she is a member of the employer's board of directors or an equivalent governing body, or he/she is a shareholder or partner owning more than 0.5% of the employer’s voting rights.

Furthermore, another criterion is evaluated is that employee leads directorates, divisions, departments, or other independent organizational units of the employer and on the same time he/she is receiving a monthly salary that is at least four times the legal minimum wage, which is a change from the previous threshold of six times the legal minimum wage.

Lastly, on the contrary to the second one, the third criterion relates only to the employee's monthly salary which has to be not less than six times the statutory minimum wage (according to the previous ministerial decision eight times) for that employee to be considered as “executive”.

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Hungary

Recent labor law changes include flexible paid holiday scheduling for parents, elimination of screen time limits, and reducing of termination exit documentation to a single employment certificate.

LAW
Labor law changes in 2024

In Hungary the granting of paid holiday has undergone changes: extra holidays after a child should also be allocated on the date requested by the employee. So, not only are 7 days of leave per year and parental leave required to be granted according to the employee's request, but also the extra holidays after the child(ren).

The rules on working in front of a screen have also changed, and the rule that the total actual working time in front of a screen must not exceed 6 hours per day or 75% of the daily working time has been abolished.

In addition, upon termination of the employment relationship, the employer is no longer required to issue six different documents, but only one document containing all the necessary information, the so-called employment certificate, either in electronic form or on paper.

These changes have been in effect since January 1, 2024.

Read More

LAW
Health and Safety training related change

With effect from 1 February 2024, for activities, jobs and positions that will be specified in the decree of the Minister responsible for employment policy, health and safety trainings may be conducted by providing the employees with general training topics published by the responsible Minister. This can also be accomplished by making the training material available on an internal electronic network accessible to the employees. In this context, detailed occupational safety training shall not be mandatory. The respective decree has not been adopted yet.

Read More

LAW
Key changes in residence permit procedures

Effective from 1 January 2024, a new Act law regarding the Entry and Right of Residence of Third-Country Nationals has been implemented. Besides several procedural changes and introducing more types of permits the Act's transitionary provisions cause that – with a very few exceptions - the submission of applications for a residence permit or for an interim, a national, or an EU residence card will not be possible from January 1, 2024, to February 29, 2024.

Procedures related to residence permit applications submitted before January 1, 2024, will be suspended during this period. However, it will still be possible to attach supporting documents to pending applications. For applications submitted by December 31, 2023, the immigration authorities will resume processing after February 29, 2024, without the need for a separate application. Residence permits expiring during the suspension period will automatically be extended until April 30, 2024, without the need for any further action by the individuals. Additionally, no separate certificate will be issued to confirm the extension of these documents' validity.

LAW
Minimum wage in 2024

Starting from December 1, 2023, the mandatory minimum wage for full-time employees has been raised to HUF 266,800. Additionally, the guaranteed minimum wage for full-time employees in positions that require at least an upper secondary education or vocational qualifications has been increased to HUF 326,000.

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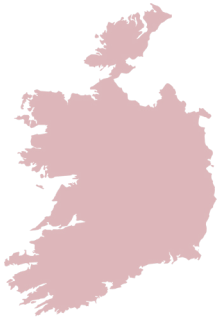
Ireland



COURT
Important development for employers and workers in the gig economy

The Irish Supreme Court recently handed down a decision in the case of Revenue Commissioners -v- Karshan t/a Domino's, which is of relevance to companies engaging workers in what is known as 'the gig economy'.

The decision provides an interpretive aid in establishing the type of relationship between parties, in looking at whether a worker is an employee or an independent contractor.

Using a five-part test, the court noted that items such as the worker's ability to accept or reject work, control over uniforms and the operation of rosters were helpful in assessing the parties' relationship. The workers were found to be employees, due to the level of control that the company exercised over them.

Employers should note that where there is a high level of company control over the work, the worker may be deemed an employee and thus afforded protections under Irish employment law.

Read More

As of January 2024 in Ireland, employees with more than 13 weeks' service are entitled statutory sick pay of up to five days per year, increasing to 10 days by 2026.

LAW
Updated statutory leave entitlements for employees

As of 1 January 2024, an employee who has at least thirteen weeks continuous service is entitled to statutory sick pay of 70% of their wages (up to a maximum of EUR 110 per day), for up to five days per year, once they have provided a medical certificate to their employer. The government intends to increase this entitlement to 10 days per year by 2026.

Employers should also note that certain provisions of the Work Life Balance (Miscellaneous Provisions) Act 2023

were recently commenced by the Irish government, resulting in two additional forms of statutory leave being made available to employees in certain circumstances.

Medical Care Leave provides an entitlement to 5 days of unpaid leave in a 12-month period for the purposes of providing personal care or support to certain specified categories of persons.

Domestic Violence Leave provides employees with an entitlement to 5 days of paid leave in a 12-month period, where an employee or relevant person has previously experienced, or is currently experiencing, domestic violence, and they require time of to seek certain specified forms of support or assistance.

LAW
Increase in National Minimum Wage

As of 1 January 2024, Ireland's national minimum wage has increased from EUR11.30 to EUR12.70 per hour for all employees aged twenty or over (a different rate applies in respect of any employee who is under twenty years of age).

The decision to increase the national minimum wage by EUR 1.40 marks the largest minimum wage increase since the introduction of the National Minimum Wage Act in 2000 and is reflective of the ongoing cost of living crisis in Ireland.

The new rate also brings Ireland's national minimum wage closer to its current living wage, which presently stands at EUR 14.80 per hour.

Employers should promptly take note of this development and take steps to ensure that any employees who might be paid the national minimum wage are paid at the increased rate. Failure to do so may result in an employee bringing a claim against their employer in the Workplace Relations Commission for breaches of the National Minimum Wage Act 2000 (as amended).

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Italy

LAW
2024 Budget Law and retirement rules

The Budget Law outlined the rules applicable in 2024 regarding retirement, including the following: (i) defining old age retirement (with an age of at least 67 and at least 20 years' pension contributions); (ii) defining early retirement (with 42 yrs and 10 mths contributions for men and 41 yrs and 10 mths contributions for women, and an age of at least 64); (iii) "Level 103" early retirment (age of 62 + 41 years of contributions, but subject to pension payment limitations); (iv) "Women Option" early retirement (age 61 + 35 yrs. contributions, but subject to critical conditions of disability, or caregiving, or major business crisis affecting the employing company).

LAW
2024 Budget Law and labor cost reductions

The Budget Law outlined certain measures meant to reduce labor costs and/or increase value to employees. Among them: (i) a 6 percentage points reduction of the employees' share of social contribution for wages not exceeding euro 2,692.00 monthly and a 7 percentage points reduction for wages not exceeding euro 1,923.00 monthly; (ii) a 5% income tax cap on incentives not exceeding euro 3,000 euro gross; (iii) a tax exemption on certain benefits provided to employees up to 1,000 euro gross per year (2,000 euro for workers with children); (iv) an exemption from the employees' share of social contribution, up to 3,000 euro per year, for women workers with at least two children.

LAW
Social Contribution Partial Exemption for Southern Regions

The European Commission accepted Italy's request to extend the "Social Contribution Partial Exemption for Southern Regions" for an additional 6 months, until June 30, 2024. Said measure provides a social contribution reduction of up to 30% in favor of private employers based in one of Italy's southern regions (Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sardinia, Sicily).

COURT

Social contribution remains due on the indemnity in lieu of notice, notwithstanding employees waiving their entitlement to the indemnity.

With decision 395/2024 the Court of Cassation opined that an employer's obligation to pay social security to the social security agency is autonomous and distinct from the obligation to pay the underlying indemnity in lieu of notice to an employee. For this reason, even if an employee has validly waived his/her right to the indemnity, the social contribution on it remains due. The Court's reasoning is in line with past precedents and is an important reminder to employers, since waivers to indemnity in lieu of notice are frequent clauses in settlement agreements that follow individual and collective redundancies.

Italian case law allows employees on sick leave to take vacation to prevent job loss, with employers obliged to balance business needs and employee rights unless alternative options, such as unpaid leave, are specified in collective agreements.

COURT

Workers may take vacation, while on an illness leave, in order to minimize the risk to lose their job for excessive illness.

With decision dated January 8, 2024, the Court again addressed the relationship between illness leave and vacation leave. The Court confirmed the possibility, for workers on an illness leave, to take vacation while on an illness leave, in order to change the ground of an absence from work to vacation, and avoid the loss of employment for excessive illness. In such cases, while workers do not have an unconditional entitlement to take a vacation leave, their employers must properly balance the business needs of their company, if any, to deny the use of vacation, with the workers' needs. Such a company obligation to attentively balance company and workers' needs would not be reasonable, on the other hand, in cases where the relevant collective agreement provides for other ways, such as unpaid leaves of absence, to avert the ill workers' loss of jobs.

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Lithuania

The Lithuanian Supreme Court ruled that an employer can deduct training costs from an employee's final salary only if the employee's salary exceeds twice the national average and the contract balances the interests of both parties.

COURT
Limits on deduction for employee's training expenses

The Lithuanian Supreme Court recently issued a judgement on an employer's right to deduct the training expenses incurred from an employee's final salary. The dispute arose because of an additional agreement between the parties, which required the employee to reimburse the employer for the costs of upgrading their qualifications if they left before one year had passed since the training. Although it is permissible to make agreements regarding compensations for additional training, issues may arise if the employer decides to obtain compensation by deducting the amount from the employee's salary. Lithuanian Labor Code limits the reasons for deducting sums from an employee's salary.

Therefore, the Court confirmed that any deviation from these mandatory norms is allowed only if an employee's salary exceeds two Lithuanian average gross salaries, and the agreement ensures a balance of interests between the parties. Therefore, employers should pay closer attention to balanced terms of agreements regarding additional training and the deductions for compensation from salaries.

GUIDELINES
Using a company car no longer exempt from taxes

The Lithuanian State Tax Inspectorate has released an updated commentary on the income tax duties related to the use of the company-provided cars for commuting to work. Previously, it was common practice to consider driving a company car to and from work as part of an employer's expenses, rather than a car for personal use. The only exception still applies when an employee is on call from home and may be required to leave for work at any time.

As a result, using a company car, even just for commuting purposes, is taxed as in-kind remuneration. Therefore, employers should be aware that the provision of a company vehicle will qualify as a benefit for personal use and will be taxed as part of the salary.

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If an employee willfully disobeys the lawful and reasonable instructions of their employer, they would be automatically and effectively repudiating their contract of service.

COURT

Industrial Tribunal sheds light on 'gross misconduct' definition

In November 2023, the Industrial Tribunal provided a significant clarification on the definition of 'gross misconduct' in the context of unjust termination of employment. Drawing upon the Supreme Court of Ireland's ruling in Brewster vs Burke and Ministry for Labour (1985), the Tribunal reinforced the notion that willful noncompliance with lawful and reasonable employer instructions can lead to contract repudiation. This principle established that a single incident of such disobedience could be sufficient for 'gross misconduct', thereby justifying termination.

In its decision, the Tribunal also referred to Astra Emir's reflections in the book 'Selwyn's Law of Employment' who, in explaining the case Clarkson vs Brown, Muff & Co Ltd (1974), consolidated this standard and sustained the justification of dismissal over such gross misconduct.

In its ruling, the Tribunal applied these principles, concluding that the defendant company's termination of the plaintiff's employment for gross misconduct was in line with established legal standards, upholding the essential integrity of the employer-employee relationship.

COLLECTIVE AGREEMENTS

COLA to be allocated to public service & public sector employees

A recent agreement between the government and various trade unions has been established to ensure that workers in the Public Administration sector receive the Cost-of-Living Allowance (COLA) benefits. Although the existing Collective Agreement already covers this right, a further agreement became necessary to align with the COLA increase of EUR 12.81 per week, as determined in Malta's Budget for 2023.

Consequently, it has been decided that public service and public sector employees will receive an additional EUR 6.41 per

week. This amount is in addition to the salary increases provided for in the 2024 Collective Bargaining Agreement. This enhancement will be uniformly distributed among all Public Officers, regardless of their pay scale. Similarly, in the Public Sector, every employee will benefit from this uniform top-up.

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Norway

As from the 1 of January 2024, during downsizing, group employers must now offer employees a suitable alternative position throughout the group, not just in the employee's current company.

LAW
Extended liability for the employer in the event of downsizing

When downsizing, employers' obligations now extend to all companies within a group, including the duty to offer alternative suitable work and employees' preferential rights to new positions.

This means that companies being part of a group are obliged to offer employees other suitable work, even if the employee is formally employed by another group company. An employee cannot therefore be dismissed in connection with a downsizing, if there is another position for which the person is qualified in the group. This obligation is considered secondary, applicable only if no suitable work is available within the employee's current company. The same principle applies to the preferential right.

These changes place great demands on overview and coordination across group companies during reorganization and downsizing processes.

LAW
The demarcation between employee and contractor

The term "employee" in the Working Environment Act is updated and more comprehensive.

The purpose of the change is to make it easier to distinguish between employees and contractors. The changes shall ensure that those who are, in reality, employees are classified as such and receive the protections they are entitled to under the law.

Employee status must be assumed, unless the employer can demonstrate that it is “overwhelmingly likely” that it is an independent contractor relationship. Businesses that use independent contractors must be able to prove and make it predominantly probable that there is an independent contractor relationship.

LAW
Right to employment after three years of temporary employment

From 1 January, a temporarily employed employee will have the right to permanent employment after three years of continuous employment. This is independent of the basis for the temporary employment.

LAW
New thresholds for working environment committee requirements

In certain cases, there is a requirement for companies to set up working environment committees. The threshold for this is the number of employees in the business. The threshold for when a working environment committee must be established has been lowered from 50 to 30 employees. In addition, a working environment committee may be required in businesses with 10 employees.

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Poland

The Supreme Court's decision gives the employer the right to terminate the employment contract immediately if the employee fails to notify the employer of his or her absence from work.

LAW

New whistleblower bill and government's announcement of imminent implementation of whistleblower protection law in 2024

The Polish government is working on a law on the protection of whistleblowers and promises to adopt it quickly - due to a two-year delay in complying with the EU directive. The bill, which is expected to be enacted in the second quarter of 2024, expands the definition of a whistleblower to include employees, contractors, entrepreneurs, members of corporate bodies and more.

Central to the law is a ban on retaliation against whistleblowers, protecting them from adverse actions such as demotions or unfair performance evaluations. The law specifies three ways to report violations: internally within the organization, externally to public authorities or through public disclosure, with protection contingent on prior internal or external reporting.

Significantly for organizations with at least 50 employees, including under B2B and civil law contracts, the law mandates the establishment of internal whistleblowing procedures, including receipt of reports, follow-up and feedback mechanisms. Confidentiality of the whistleblower's identity and details of the report is highlighted as a key responsibility of the organization.

The law also designates the Ombudsman as the main authority for dealing with external whistleblowing. The law is expected to take effect one month after its promulgation, and organizations will have another month to establish whistleblowing procedures. The legislation is an important step toward increasing legal protection for whistleblowers in Poland.

Read More

COURT

Supreme Court ruling on absence notification

In a landmark ruling on March 16, 2023 (III PSKP 14/22), the Polish Supreme Court clarified that not notifying an employer of an absence from work can lead to immediate termination of the employment contract. This decision emphasizes that employees

have two distinct responsibilities: justifying an absence and promptly informing their employer about it.

Under Polish law, employees are expected to immediately inform their employer of the reason and anticipated duration of their absence if foreseeable. Otherwise, they must notify their employer no later than the second day of their absence, as per the 1996 Regulation of the Minister of Labor and Social Policy.

While labor courts may consider exceptional circumstances preventing notification, such as sudden hospitalization or lack of contact, this ruling gives employers the authority to terminate contracts immediately in cases of unreported absences.

COURT
Higher Compensation for Workplace Bullying

A recent Supreme Court ruling, under case no. III PSKP 11/22, has set a new precedent for compensation in cases of workplace bullying, emphasizing that such compensation must be sufficient to satisfy the affected employee.

The court stated that the amount awarded for harassment should balance two key aspects: it must adequately reflect the damage suffered by the victim and also provide a sense of satisfaction. The ruling underscores that if the victim finds the compensation satisfactory, then it effectively fulfills its intended compensatory role.

This ruling marks a shift towards more substantial awards in workplace bullying cases, where compensation is based on both the impact on the victim and the victim's sense of justice.

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Portugal

Self-reporting an illness relieves employees from having to go to a medical facility and/or medical examination for this purpose.

LAW
Self-declaration of illness

Under the May 2023 amendments to the Labor Code, it is now possible for employees to unilaterally declare that they are ill by issuing a self-declaration of illness.

This declaration is made on the employee's word of honor and exempts them from having to go to a medical service and/or a doctor's examination for this purpose. However, the illness situation can be verified by a doctor, under the terms of specific legislation, and the submission of a self-declaration of illness with fraudulent intent constitutes a false declaration for the purposes of just cause for dismissal.

Medical self-declarations can only be issued twice a year, with a limit of three consecutive days for each period of illness. Therefore, if the employee is ill for more than three days, they shall go to a medical service to have a sickness certificate issued.

Employees who are absent from work due to a self-declared illness will have their absences justified, although they will not be remunerated.

LAW
Absence due to gestational mourning

Portuguese law already provided for the possibility of pregnant employees going through a process of termination of pregnancy to be granted a leave of between 14 and 30 days.

More recently, Law no. 13/2023, provided for the possibility that, in cases where this leave is not available, the employee may be absent from work for gestational mourning for up to three consecutive days.

In addition, in the case of leave for interruption of pregnancy or in the case of absence due to gestational mourning, the father has the right to be absent from work for up to three consecutive days.

Absences due to gestational mourning do not result in the loss of any employee rights, nor the loss of remuneration, and are considered as effective work.

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Republic of Moldova

In 2024, further changes to the labor law increase the number of family leaves, including those for adoptive parents and paternity leave for fathers of adopted children.

LAW
Business and family friendly amendments in labor law

In 2023, significant reforms were made to the Moldovan Labor Code to enhance both the business environment and family support mechanisms. These changes include making internal regulation optional for employers, rather than mandatory. Employers now have the ability to suspend employment, without salary, for up to 30 days in cases where an employee is absent without notification. Additionally, the scheduling of annual paid leave has been made flexible, and employers are no longer required to notify employees in writing about the start of their leave.

Further amendments effective from 2024 focus on family-related leave provisions, catering to both biological and adoptive parents. These include allowing a partially paid leave of 60 to 90 days for employees intending to adopt a child during the period of entrusting the child to the adoptive family. Both spouses can use this leave alternately, provided there is no overlap. The amendments also introduce paternity leave for fathers of adopted children and establish rules for the sequential application of different types of leave.

LAW
New labor law rules expected

A bill to amend the Moldovan Labor Code, aligning it with EU Directives, introduces several new labor rules. These include expanded and new legal definitions such as "working time", "rest period", and various worker types, along with "sufficient rest" and "light work". It also covers the regulation of interim employment, including conditions and salary entitlements, and provides for unpaid leave for caring for a relative or household member.

Additionally, the bill allows employees to give written or electronic consent for

overtime work, modifies the rules for final pay on the last day of work, considers professional training as working time when done outside the workplace, and enhances the regulation of apprenticeship contracts with additional terms and conditions.

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Romania

LAW
Limitations on IT, construction and agro-food income tax exemptions

Starting with the wage income related to November 2023, the tax incentives for the employees in the IT sector, construction sector as well as food industry and agriculture are aligned. Employees in these industries will benefit from tax exemption on wage income until December 31, 2028, for gross monthly income up to and including RON 10,000 (approx. EUR 2,011). The part of the gross monthly income exceeding RON 10,000 does not benefit from tax relief.

In addition, the social insurance contributions (CAS) rate (25%) payable by employees will be reduced by the percentage points corresponding to the contribution rate to the privately administered pension fund (4.75% applicable starting with January 1, 2024), so that the CAS rate payable by employees is 21.25% in 2024. Affected employees may opt to pay their contribution to the privately administered pension fund.

The new limitations also concern the elimination of the exemption from the social health insurance contribution - CASS (10%) payable by employees, the exemption for CAS payable by employers for extraordinary (4%) or special working conditions (8%) and the reduction of the insurance contribution for work (CAM) payable by employers, currently applicable in the construction sector/ food industry and agriculture.

LAW
Tax exemption for employer-paid vacation services

As of January 1, 2024, the cost of tourist and/or medical services, including transportation, paid by employers for their employees during vacation, is considered non-taxable income. This benefit applies up to a monthly limit of 33% of the basic wage, provided that the employees do not receive vacation vouchers. This new tax exemption policy is now in effect and offers a financial advantage to both employers and employees planning vacation-related expenses.

LAW
New rules on social security contributions for meal and holiday vouchers

Since January 1, 2024, meal vouchers and holiday vouchers provided by employers to their employees are subject to the social health insurance contribution (CASS) at a rate of 10%. Prior to this date, these vouchers were excluded from the CASS calculation basis and were only subjected

to a 10% income tax. This change in policy marks a noteworthy adjustment in the taxation of employee benefits.

LAW
Enhanced remote work rights for parents

Romania has introduced a new provision allowing employees with dependent children up to 11 years of age to opt for work from home or telework. Eligible employees can avail this for up to four days each month, in accordance with legal stipulations. This benefit, however, is subject to the nature and type of job roles, as certain positions may not be conducive to remote work.

In light of this development, Romanian employers are advised to update their internal remote work policies and human resources practices. It's crucial for them to ensure that employees are fully aware of their rights under this new provision. This initiative aims to provide a better work-life balance for parents, accommodating their family responsibilities alongside professional commitments.

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Slovakia

Mere reference to the work specified in a collective bargaining agreement is not sufficient justification for extending the employment relationship for a fixed period. To comply with the Labor Code, there must be a compelling reason that emphasizes the temporary nature of such employment.

The Labor Code permits exceptions to the general prohibition against chained fixed-term contracts, especially when the employment is linked to specific tasks outlined in a collective agreement. However, this does not mean that any task can be included in such agreements. Only those works with an inherently temporary nature are acceptable.

A key interpretation from the Supreme Court of the Slovak Republic highlights that simply stating the work is defined in the collective agreement is insufficient for renewing fixed-term contracts. There must be a substantive, temporary reason for such employment to align with the Labor Code's regulations. This ensures that fixed-term contracts are used appropriately and not as a means to circumvent the standard regulations of permanent employment.

COURT

Chained employment relationships for a certain period of time

In Slovak labor law, continuous fixed-term employment contracts, commonly known as 'chained' employment relationships, are generally not favored. However, the Labor Code does provide certain exceptions to this rule, particularly in the context of successive fixed-term contracts.

LAW

Changes to legislation as a result of consolidation of public finances

In order to improve the state of public finances in the Slovak republic, the Parliament has amended almost 20 acts. Some of them have a direct impact on employers.

1th September will no longer be considered as a public holiday in Slovakia for the purposes of labor law. It means that an employee is obliged to work during this day and is not entitled to extra wage compensation.

Moreover, health insurance contributions on the employer's side have increased.

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Slovenia

LAW

Changes on Pension and Invalidity Insurance Act

The Law on Amendments and Additions to the Law on Pension and Invalidity Insurance was published in the Official Gazette of the Republic of Slovenia, No 133/2023 of 27 December 2023.

The Act introduces, inter alia, amendments and additions relating to the calculation of the pension base for insured persons receiving partial invalidity allowance under the law or partial invalidity pension under the law due to part-time work, the introduction of the institute of guaranteed widow's pension and the payment of contributions on income from other contractual relationships.

The Act provides that, for insured persons who have acquired the right to part-time work under this Act, the bases for the period during which they worked at a level corresponding to their residual capacity to work and received a partial allowance or a partial invalidity pension will be converted to the average amount corresponding to the full-time base for the purpose of determining the pension base. As a result, these insureds will no longer have their partial invalidity allowance or partial invalidity pension taken into account when calculating their pensionable income, but will have this benefit recalculated to the amount they would have received if they had worked full-time.

Read More

COURT

Judgment of the High Court on the counting of on-call time as working time

The plaintiff was employed by the defendant as a non-commissioned officer in the rank of staff guide and was ordered to be on standby for a certain number of hours at a certain location from August 2019 to February 2022. The employer did not count the time of being on permanent standby as working time, as this is stipulated in the Defense Law. In the proceedings before the court of first instance, the issue at stake was whether the tasks assigned were exempt from the application of Directive 2003/88/EC of the European Parliament and of the Council of November 4, 2003 on certain aspects of the organization of working time.

Throughout the disputed period, the plaintiff performed tasks related to the protection of the state border on the basis of work orders, including being on standby at a specific location. During the standby period, he could not leave the barracks, and had to be present and reachable at all times.

Both the court of first instance and the court of appeals held that the performance of the task of guarding the state border was not excluded from the provisions of the directive, as it did not constitute any of the exceptions, in accordance with the provisions of Article 4(2) of the Treaty on European Union, as ruled by the CJEU in its judgment C-742/19.

Read More

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Spain

If an employee requests time off to care for his or her pet, the employer may allow the absence, but the employee must make up the missed hours at another time.

LAW

Clarifying Spain's animal welfare and its impact on employee leave

In March 2023 Spain implemented Law 7/2023, aimed at strengthening animal rights and welfare. Contrary to some misunderstandings among employees, this law does not modify the Spanish labor law to allow paid leave to care for sick animals.

However, it is important to read the terms of the relevant collective bargaining agreements, as they may contain specific provisions for such situations. It is worth noting that in Andersen in Spain's ongoing negotiations, such paid leave has not been included in these collective agreements.

As a result, if an employee asks for time off to care for a pet, the employer may allow it. However, it should be made clear that the employee should compensate for the lost hours at a later date. Failure to do so may lead to a deduction of wages corresponding to the time not worked.

In cases where absence is deemed unauthorized, this can result in disciplinary actions. Employers should be cautious before executing a disciplinary dismissal for such absences, as this may be seen as excessive and likely to be considered as unjustified.

Read more

COURT

The idiosyncrasy of the disciplinary dismissal. Does it really exist?

In recent months, there have been several court decisions questioning whether a disciplinary dismissal can be considered fair, even in extreme cases such as an employee urinating in a work bowl. While it is not impossible for such a termination to be declared as justified, it is very important to previously seek specialized legal advice in these situations.

An example is the ruling of June 29, 2023 (Ruling 4149/2023), in which an employee was dismissed for urinating in the workplace. The court ruled that this dismissal was unfair, not because of the act itself, which is punishable, but because of the way the evidence was gathered. The employer used

video recordings as evidence, but the court found this illegal because the camera was recording a place use also as a locker room, violating privacy.

The key issue here is the lack of legal guidance on the proper installation and use of video cameras in the workplace and understanding the legal limits of their use.

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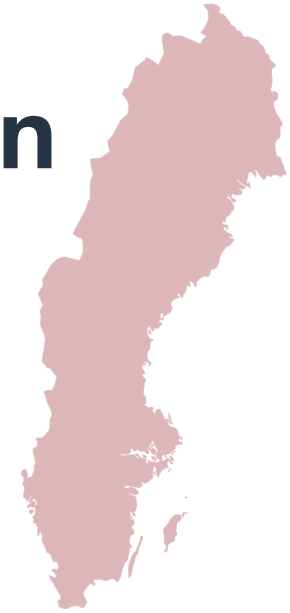

In 2023 Sweden experienced a series of serious workplace accidents, leading to the highest annual number of workplace-related fatalities in a decade.

LAW
Work-related deaths on the rise in Sweden

Sweden has recently experienced several serious workplace accidents.

On December 11, 2023, a construction site elevator fell 20 meters (66 feet) and crashed to the ground on a building site north of Stockholm resulting in five deaths. The victims were working for a subcontractor to the main construction company Andersson Company Byggnads AB and came from Sweden, Russia, Ukraine, and Afghanistan. Investigations are under way to determine what caused the accident and whether anyone should be held responsible. The incident halted all construction elevators in Stockholm.

After a fatal workplace accident at a sawmill in Orrefors in 2022 where a man in his 60s died and a man in his 35s was seriously injured the employer Södra Skogsägarna, a timber giant, must pay a company fine of SEK 14 million ($1.4 million). The reason for the accident was that a stack of wood packages fell over the employees. Larger companies with greater turnover and many employees must pay higher company fines.

A total of 57 people died in workplace-related accidents in Sweden in 2023, the highest number in a decade.

COLLECTIVE AGREEMENTS
The Tesla-conflict in Sweden

In October 2023, Tesla's Swedish mechanics, backed by the trade union IF Metall, initiated a strike demanding Tesla's engagement in a collective bargaining agreement. Persistent negotiations have yet to resolve the dispute, leading to extended sympathy actions from other unions.

The Swedish Transport Workers' Union imposed blockades on Tesla car operations in ports and waste management at Tesla's workshops. The Association of Real Estate Employees and postal workers have also

ceased services for Tesla, disrupting car deliveries and license plate distribution. Solidarity actions extend beyond Sweden, with Danish and Finnish unions blocking Tesla vehicle handling. This labor unrest underlines the strong influence of collective agreements in Sweden, where about 90% of workers are governed by such agreements, a cornerstone of the Swedish labor model.

The impasse poses significant challenges to both the integrity of Swedish collective bargaining practices and Tesla's business continuity in Sweden.

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Switzerland

The retirement age for women has been raised to 65 and is now the same as for men.

LAW
OASI (pension insurance) reform 2021 affects the increase of women's retirement age

On January 1, 2024, the OASI reform 21 came into force. It aims to ensure the financing of the first pillar until 2030. The reform will be financed by raising the retirement age for women and by increasing the VAT.

The main change of this reform is that there has been a harmonization of the retirement age: in fact the retirement age is now 65 for both men and women.

There is also more flexibility in the choice of retirement age, which means that both men and women can draw their pension from age 63 at the earliest or postpone it until age 70 at the latest. Women born between 1961 and 1969 can draw their pension from age 62. In addition, both men and women can now draw their pension gradually, early or postponing it by between 20% and 80%.

With the OASI 21 reform, there are incentives to work beyond the retirement age as it will be possible, under certain conditions, to consider income earned and contribution periods completed after the reference age in the new pension calculation, if the maximum pension is not reached or if you are entitled to a partial pension due to a contribution gap.

As of January 1, 2024, Italian cross-border commuters will be able to work remotely for up to 24.99% of their working hours without any social security or tax consequences.

LAW
Update on the new transitional Framework Agreement between Switzerland and Italy on Italian cross-border telework

At the end of December 2023, Italy decided to join the EU Framework Agreement on cross-border telework, which allows telework up to 49.99% without social security implications. According to this agreement, as of January 1, 2024, a person

residing in Italy who has an employment contract in Switzerland will be able to telework for a maximum of 49.99% of the working time stipulated in the contract, without any change in his or her pension and insurance status.

If this threshold is exceeded, the Italian social security authority will acquire the right to require the Swiss company to collect the corresponding contribution in Italy, which would entail a lot of bureaucracy as well as higher financial burdens.

However, teleworking, if carried out above certain thresholds, may lead to changes in the taxation of the income of the frontier worker. In particular, on the basis of the friendly agreement signed between Italy and Switzerland on November 28, 2023, from January 1, 2024, cross-border commuters (both "old" and "new") will be able to work from home for 25% of their working time without having to change their tax status. However, if they exceed this threshold, there will be important consequences for the amount of tax they have to pay.

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Ukraine

For employees mobilized for military service, there is now a provision that entitles them to request monetary compensation for all unused days of their annual basic and additional vacation accrued prior to their mobilization.

LAW
Vacation rules change

As of the end of December 2023, a new law slightly revised rules of granting certain types of vacation in Ukraine.

The law restricted the right of fathers or other close relatives to take vacation related to the birth of a child. While previously it was possible to exercise such right without any time limits, now such vacation shall be taken within a limited period of three months post-birth.

Vacation for preparation for and participation in sports competitions will now be governed by individual employment agreements or collective bargaining agreements, moving away from previous government regulations.

In response to emergency situations like pandemics, war, or natural disasters, the previously temporary COVID-19 rule regarding unlimited unpaid vacation duration under such circumstances has been permanently integrated into the Labor Code.

The period for unpaid vacation due to family circumstances has been extended from 15 to 30 calendar days annually.

For employees mobilized for military service, there is now a provision that entitles them to request monetary compensation for all unused days of their annual basic and additional vacation accrued prior to their mobilization.

Furthermore, during the martial law, employers have the authority to unilaterally convert days of annual paid vacation to unpaid vacation for days granted beyond 24 calendar days per year.

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