



European  
**Employment**  
Insights

“

Slovenian court confirms that an employment relationship arises only with a signed contract or by starting work.

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**10**  
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# Context

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# A new era of workplace transparency in Greece – the Digital Employment Card.



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Member firm of Andersen Global

In this interview, Magdalena Patryas (Andersen in Poland) talks to Anastasios Triantafyllos (Andersen in Greece) about the challenges of monitoring working time in Greece and how the new digital employment card is set to change compliance and employees' protection.

**Q:** How has working time been traditionally monitored in Greece?

**AT:** Traditionally, and still applicable in many employers, working time in Greece has been monitored through a rather bureaucratic system. Employers are required to submit specific forms to the Ministry of Employment's electronic system (ERGANI) before overtime is performed by employees. This means that for overtime work, employers must file a declaration in advance. The system relies extensively on employer compliance and self-reporting, with limited means of verification. This approach creates a significant administrative burden for businesses while offering minimal real-time oversight of actual working hours, making it difficult to ensure that reported hours correspond to the actual working time provided by employees in the workplace environment.

**Q:** What practical problems arose from this traditional system?

**AT:** Greece's economy is predominantly composed of small and medium-sized employers, many of which lack HR departments or the administrative capacity to manage compliance requirements effectively. This reality, combined with persistent phenomena of undeclared and under-declared work, often resulting from deliberate underreporting by certain employers seeking to reduce employment costs, has further undermined the system's reliability. Such practices have led to unrecorded overtime and non-payment of remuneration, affecting employees' rights and the collection of social security contributions. This not only adversely affected employees'

Q&A

rights but also created unfair competition between compliant and non-compliant employers, ultimately undermining the entire employment market's integrity.

**Q:** What is the Digital Employment Card and what issues does it address?

**AT:** The Digital Employment Card is an innovative digital tool introduced to modernize and enhance the monitoring of employees' working time in Greece. It enables the precise and real-time recording of working hours, including start and end times, overtime, breaks, and all types of employee leave. The system operates in full interoperability with the ERGANI II Information System, ensuring seamless data integration and immediate reporting of all time-related information. The Digital Employment Card is available in both physical and digital formats. Employees can record their attendance either by using card readers located at their workplace or through a mobile application, which generates a QR code scanned by the employer's digital system. The system is being implemented progressively across different sectors of the economy, with the ultimate objective of achieving universal coverage.

**Q:** How does the Digital Employment Card solve the problems of the previous system?

**AT:** The Digital Employment Card transforms working time monitoring from a declaration-based framework into a real-time digital verification mechanism. By requiring employees to clock in and out electronically, it creates an objective and verifiable record of working hours that cannot be easily tampered with. Furthermore, the system automatically records regular hours, overtime, and night work, thereby reducing administrative errors and potential disputes. Labor inspectors can also access this data remotely, significantly enhancing enforcement capabilities. For employees, the system ensures transparency and provides reliable documentation of their actual working hours, enabling them to

substantiate claims for lawful remuneration of all hours worked, including overtime pay that was previously often underreported.

**Q:** What challenges exist in implementing the Digital Employment Card system?

**AT:** The implementation of the Digital Employment Card entails several practical and operational challenges, which necessitate a gradual, sector-by-sector deployment supported by initial pilot phases. Many small employers lack the necessary technological infrastructure or in-house expertise to support the adoption and effective operation of digital monitoring systems, requiring additional guidance and adaptation time. Technical issues may also arise, such as system malfunctions, software errors, or connectivity disruptions with the ERGANI information system, which can affect the timely recording of working hours. Moreover, the system's effectiveness depends on the accurate use of the card by employees. In this context, employers must ensure regular monitoring to prevent intentional misuse, such as delayed clock-ins or other forms of non-compliance that could distort recorded working time. In cases of violations, employers may face significant administrative penalties, as they bear responsibility for the proper implementation and operation of the system.

**Q:** Are all categories of employees required to use the Digital Employment Card?

**AT:** Based on the current regulatory framework, not all categories of employees are required to use the Digital Employment Card. Specifically, executive employees - who are exempt from the statutory working time limits under Greek Employment law - do not fall within the system's scope of application. In addition, remote workers are also excluded, given the distinct nature of their work arrangements and the absence of a physical workplace where the recording of working time can be conducted.

**Q:** Do other jurisdictions implement similar systems, and how does Greece's system differ?

**AT:** Many countries require employers to record employees' working hours and several operate national or large-scale digital systems. Within Europe, countries such as Spain, Germany, Portugal and Denmark have established mandatory time-recording obligations. For instance, Spain obliges employers to record each employee's daily working time using employer-selected methods (applications, badge machines, or paper records) rather than a single national QR card. In Germany, the Federal Labor Court (BAG) confirmed in 2022 that employers must record working hours to verify compliance with working-time rules, again leaving the method of recording to employers. Beyond Europe, Brazil operates a national Electronic Social Reporting System (eSocial) with certified electronic time clocks, and many Latin American countries, as well as Australia and the United States, impose recordkeeping obligations under national employment laws. Greece's Digital Employment Card stands out for its centralized, real-time system, directly linked to the ERGANI Information System and for its phased, sector-by-sector rollout. Most other jurisdictions mandate time recording but delegate technical implementation to employers, rather than enforcing a unified national digital mechanism.

**Q:** What has been the impact of the Digital Employment Card in Greece since its introduction?

**AT:** To date, the Digital Employment Card has begun showing promising results in the sectors where it has been implemented. According to the ERGANI Information System/software data, from January to July 2025, recorded overtime in sectors where the Digital Employment Card is implemented has increased by 80% compared to the same period in 2024, exceeding 3.5 million

hours of overtime work. The tourism sector shows the most impressive increase with a staggering 728% rise over the seven-month period and 541% increase in July alone compared to July 2024. Other sectors also show significant increases:

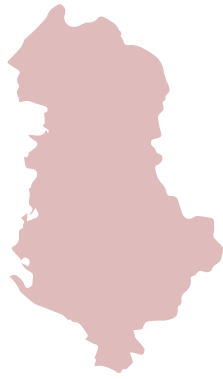
- food service (+301% over seven months, +154% in July 2025),
- retail (+105% over seven months, +89% in July 2025),
- manufacturing (+ 65% over seven months, +25% in July 2025).

**Q:** Beyond the figures, what broader significance does the Digital Employment Card hold for the Greek labor market?

**AT:** These figures clearly demonstrate that the Digital Employment Card is effectively capturing previously undeclared work, promoting transparency, and ensuring employees receive proper remuneration for their overtime hours while creating a level playing field for businesses that comply with employment regulations.

**Anastasios Triantafyllos** is Managing Partner for Employment Law at Andersen Legal in Greece, with over 20 years of experience in regulatory compliance and litigation. He advises on recruitment, executive agreements, working time, transfers of undertakings and dismissals, and has represented some of the largest companies in Greece in complex employment matters.

# Albania



**A new draft law on whistleblowing in Albania extends the scope of protection for whistleblowers, introduces channels for reporting irregularities, and strengthens safeguards against retaliation in line with EU standards.**



## LAW

### New draft law advances Albanian whistleblower protection

Albania has recently concluded the public consultation on the whistleblowing draft law, marking a significant step in the country's legal framework for protecting individuals who report legal violations.

### Harmonization of the whistleblowing system with the EU acquis

The new draft law aims not only to improve the whistleblowing legislation in the country, but also to further harmonize the Albanian legal framework with the EU acquis, especially with the requirements of the Directive (EU) 2019/1937 of the European Parliament and of the Council

of 23 October 2019 on the protection of persons who report breaches of Union law.

### Expanded scope of whistleblowing

The updated law allows whistleblowers to report any act or omission that violates the legal framework, including attempts to conceal violations. These violations can occur in areas such as public procurement, financial services, environmental protection, public health, consumer rights, data protection, and safety standards. By broadening the law's scope, Albania aims to encourage the reporting of wrongdoing beyond corruption and foster accountability across multiple sectors.

### Three whistleblowing reporting channels

The interior whistleblowing reporting channel, wherein the act of whistleblowing was conducted within the responsible unit of a company, and the exterior whistleblowing channel, where reporting was conducted with the competent authority, are now accompanied by the public whistleblowing channel. Public whistleblowing includes signaling, disclosing, or publicly communicating information about possible violations of the legal framework in accordance with the rules set out in this law. Public communication can be done through written and audiovisual media, online and social media, public meetings, public announcements, and all verbal, written, and recorded communications.

### Dedicated whistleblowing units

One major change concern organizational obligation. Companies and public authorities with over 50 employees must now establish dedicated whistleblowing units. Previously, this obligation applied

only to public authorities with over 80 employees, and private companies with over 100 employees. These units will handle internal reports, safeguard confidentiality, and initiate investigations. This adjustment substantially increases the number of institutions supporting whistleblowers, thereby strengthening legal protections and reporting mechanisms.

### **Protection against retaliation**

The draft law introduces robust safeguards against retaliation. It protects whistleblowers, their associates, and legal entities connected to them from adverse actions such as dismissal, demotion, transfer, intimidation, and financial penalties. The law also guarantees access to free legal assistance and stipulates that any contractual clauses that attempt to limit whistleblowing rights are invalid.

### **Promoting a safe reporting environment**

The law creates a secure environment for whistleblowers to come forward by offering three reporting channels, with public whistleblowing being the strongest in a small society such as Albania. The new draft law emphasizes internal reporting to encourage problem resolution within organizations, and external oversight through the High Inspectorate of Declaration and Audit of Assets and Conflicts of Interest ensures accountability. The combination of procedural clarity, confidentiality, and legal protection aims to improve institutional performance and build trust in the whistleblowing system. Currently awaiting revision by parliamentary legal commissions, the draft law represents a comprehensive approach to empowering whistleblowers in Albania, protecting them from retaliation, and expanding accountability across the public and private sectors.



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# Belgium



**Belgium abolishes its long-standing SWT early retirement scheme, limiting access only to medically justified cases under strict conditions.**



## LAW

### Belgium ends SWT system after fifty years

On 15 September 2025, the Royal Decree of 5 September 2025 was published in the Belgian Official Gazette, bringing long-awaited clarity on the abolition of the system of unemployment with company supplement (SWT, sometimes referred to in English as ‘early retirement with employer-paid supplement’). This follows the federal coalition agreement of 31 January 2025, which had announced the end of SWT after nearly fifty years of existence.

The decree confirms that no new entries into SWT schemes are possible, except for cases based on medical grounds. The general SWT at 62 ended on 1 April 2025, while schemes at 60 for heavy occupations, night work, construction, and long careers were abolished on 1 July 2025. The scheme for companies in difficulty disappeared earlier, on 1 May 2025. Transitional measures still protect employees dismissed before these

dates, provided they meet specific age and career requirements at the end of their employment.

The sole exception is SWT for medical reasons, reserved for workers with recognized disabilities or serious health conditions. Entry requires a minimum age of 58 and 35 years of career, under collective agreements extended until 31 December 2025. The decree also upholds the employer’s obligation to replace SWT beneficiaries with unemployed workers for three years.

**Belgium confirms a 0% wage norm for 2025–2026, keeping labor costs in line with neighboring countries while permitting indexation and existing benefits.**



## LAW

### Wage Norm 2025-2026 set at 0%

On 22 September 2025, the Belgian government confirmed through a Royal Decree that the wage norm for 2025–2026 is set at 0%. The wage norm defines the maximum margin by which wages in Belgium may rise compared to neighboring countries such as Germany, France and the Netherlands. This mechanism is designed to keep Belgian companies competitive and to safeguard employment. Because labor costs in those countries are not expected to increase, Belgium is not allowing any additional wage growth either. A 0% wage norm does not mean wages are frozen. Automatic indexations to match inflation remain in place, as do pay increases linked to seniority, promotions or job changes. Existing systems of bonuses and premiums, such as those under CBA 90

or innovation schemes, may also continue. Benefits that were already granted in 2023–2024 can still be maintained. What is restricted is the possibility of granting general wage increases on top of these. The government also announced that from 2026 the maximum tax-free value of meal vouchers will rise from EUR 8 to EUR 10 per voucher, although legislation is still required to make this effective. Meanwhile, sectors are negotiating collective agreements for 2025–2026. Employers that exceed the wage norm risk administrative fines.



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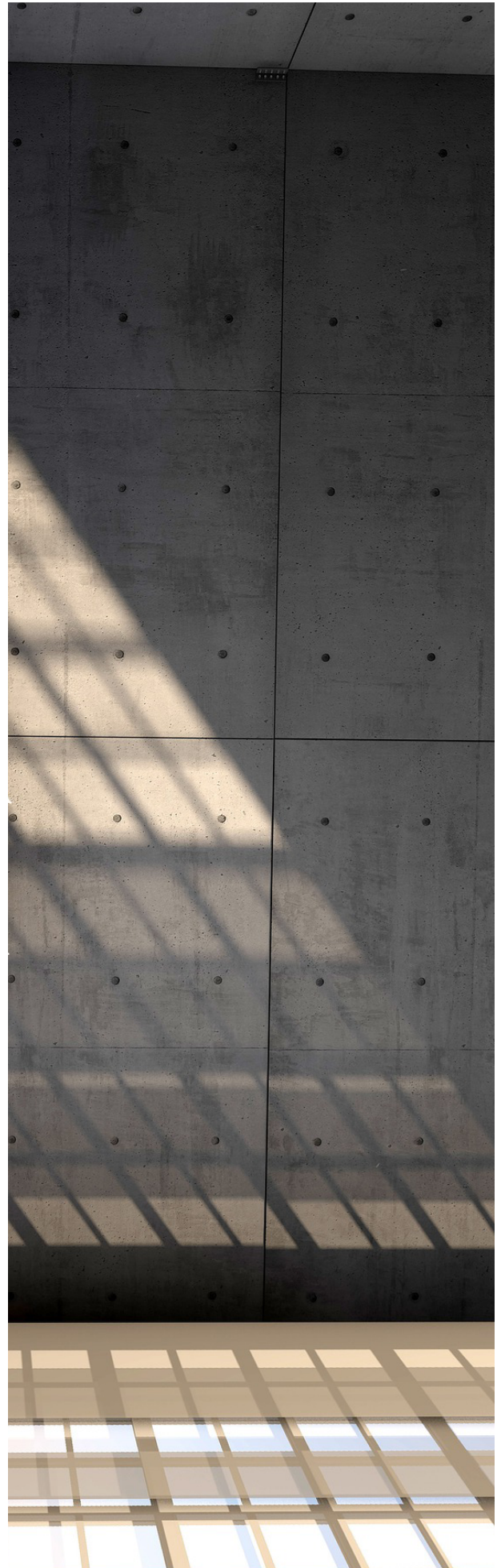
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# Bosnia and Herzegovina

The Supreme Court of Bosnia and Herzegovina has clarified that valid economic grounds for dismissal must exist at the very moment of termination.



## COURT

### Dismissal for a serious breach of employment obligation

By decision of 13 May 2025, the Supreme Court of the Federation of Bosnia and Herzegovina annulled lower court judgments and remanded a case concerning the termination of an employment agreement. The Court ruled that legitimate business-related grounds for dismissal, such as economic difficulties, must exist at the very moment the termination decision is adopted. Periods preceding or following the decision cannot be relied upon.

In this case, the employer terminated the employee's contract in January 2020, citing organizational restructuring, the abolition of the employee's position, and the absence of a suitable alternative role. The employer also argued that the employee lacked competencies for other positions and could not be retrained. Evidence showed that the company had suffered significant losses as of June 2019 but closed the financial year with a profit. During that time, the employer

restructured operations, consolidated sectors, reduced salaries, and terminated several employees, including the claimant.

The Supreme Court accepted the employee's argument that no valid economic grounds for dismissal existed in January 2020. Although the company had experienced losses earlier, the decisive fact was that the year ended profitably, meaning that at the time of termination there was no lawful justification for dismissal on economic grounds. The Court reaffirmed that business, technical, or organizational grounds must be directly present when the decision is taken.

The Court also addressed the employer's duty to consider alternative employment. It emphasized that this assessment must take into account the employer's size and organizational capacity, as well as the employee's education and qualifications. In this case, the employer operating multiple business units, failed to demonstrate convincingly that it was unreasonable to retain the employee, who had a degree in economics and had relevant professional experience.

### Decision of Supreme Court of the Federation of BiH, no. 63 0 Rs 039070 25 Rev of May 13, 2025



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# Croatia



**In cases of a particularly serious breach of employment obligations, the employer may terminate the employment contract through extraordinary dismissal without prior notice.**



## COURT

### Recent case law on loss of trust as grounds for extraordinary dismissal

In its reasoning for the decision on extraordinary dismissal, the employer stated that the employee was observed by her immediate supervisor and a colleague leaving her designated work area during working hours and travelling to a distant part of the city unrelated to her duties. Upon inspecting the vehicle she was using, it was found to be filled with company leaflets. When the supervisor attempted to call her, she did not answer and instead fled in the vehicle. During a subsequent meeting, the employee expressed no awareness of any wrongdoing.

The employer concluded that such behavior amounted to a particularly serious breach of employment obligations, undermining the mutual trust essential to the employment relationship. Due to the nature of the conduct

and the employee's attitude, the employer found the continuation of employment unacceptable.

The court held that the employer had justified reasons for extraordinary dismissal. The employee's actions constituted a serious breach of duty and caused a permanent breakdown of trust, making the continuation of the employment relationship impossible, even when considering all relevant circumstances and the interests of both parties.

### **Decision of County court in Zagreb, June 17, 2025, Gž R 324/2025**

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## LAW

### Amendments to the whistleblower protection act submitted to the Croatian Parliament

A proposal for amendments to the Whistleblower Protection Act has been submitted to the Croatian Parliament. The proposed changes aim to align the Act with recent developments in the legal framework of the European Union, including legal instruments adopted after the Act's entry into force, as well as to comply with recommendations issued by the OECD during Croatia's accession process to the Organization.

The amendments propose to explicitly clarify that the Act also covers the reporting of foreign public official bribery and related criminal offences. Furthermore, individuals who report irregularities directly to the police or the State Attorney's Office will, under the proposed changes, be entitled to the same level of protection as those who report to the competent external whistleblowing authority. If such a report is received by the

police or the State Attorney's Office, those bodies are obliged to promptly forward it to the competent external authority.

In addition, the proposal introduces specific deadlines for responses to lawsuits, holding main hearings, concluding first-instance proceedings, and issuing decisions on appeals, all aimed at experiencing judicial proceedings related to whistleblower protection. Finally, the proposal increases both the minimum and maximum fines for violations of the Act to ensure that penalties are effective, proportionate, and dissuasive.



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# Cyprus




## LAW

### Consultation requirements for collective dismissals

An employer in the private sector who intends to lay-off a group of employees should hold consultations in good time with the employees' representatives when the minimum number of employees dismissed by redundancy over period of thirty days in the establishment are:

- at least 10, where 21 – 99 employees are employed;
- at least 10% of the workforce, where 100 – 299 employees are employed;
- at least 30, where 300 or more employees are employed.

With a view to reaching a consensus, the employer must provide the employees' representatives with written particulars concerning:

- the reasons for the contemplated redundancies;
- the number and categories of the employees to be made redundant;
- the number and categories of employees normally employed;
- the period over which the contemplated redundancies are to be implemented;
- the selection criteria proposed to identify employees to be shortlisted for redundancy; and
- the method for calculating any further payments to be made to the employees as a result of the redundancy.

The employer must provide advance notice of at least one month to the Ministry of Labor and Social Insurance before any contemplated collective redundancies are implemented, annexing further thereto the aforesaid written particulars.



## LAW

### Minimum notice periods on termination of employment

An employee who has been employed by the same employer for at least six months and has completed any agreed probation period may request to move to a form of employment with more predictable and secure working conditions, where such an option exists.

Under Law 25(I)/2023, the employer is obliged to provide a reasoned written reply to such a request within one month. This one-month deadline applies to all employers, including natural persons as well as micro, small, and medium-sized enterprises, and cannot be extended. Moreover, the law expressly excludes the possibility of an oral response, whether in relation to an initial request or to any subsequent similar request submitted by the same employee.



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# Germany



## COURT

### Extraordinary termination of a board member for violation of the GDPR

Forwarding internal, sensitive business emails by an executive board member of a public company to a private account was held to violate the GDPR and constituted an important reason under Section 626(1) of the German Civil Code (BGB), justifying extraordinary termination.

Over a longer period, the board member had sent confidential emails (including commission plans, salary and commission statements, compliance procedures, and company transactions) from his work account to his personal account. He contested his dismissal, but the court ruled that this amounted to unlawful data processing under Article 6 GDPR, as no legal basis existed for such transfers.

The judges stressed that although not every GDPR breach justifies termination, this case involved serious violations. At least nine emails contained highly sensitive information, compromising both the company's legitimate business interests and those of third parties. This irreparably destroyed the trust necessary for the employment relationship.

The board member argued that the supervisory board had tolerated his practice, but the court found no evidence to support this claim. It concluded that the employer could not reasonably be expected to continue the contract, and the extraordinary termination was valid.

The ruling highlights the importance of strict compliance with data protection obligations. Private email accounts lack the safeguards of corporate systems, and GDPR violations - even at executive level - can result in dismissal for gross misconduct.

### Munich Higher Regional Court Munich, July 31, case 2024 – 7 U 351/23



## COURT

### Employer rating on review platforms

Employer review portals are becoming increasingly important, not only to recruiting but also as a factor in reputation. Negative, anonymous reviews often lead to legal disputes. The Higher Regional Court Dresden has now specified when portals may allow such reviews.

A logistics company had filed a lawsuit against Kununu after an anonymous review ("Worst employer ever") was published. The employer disputed that the reviewer had ever been employed there and demanded both the deletion of the review and the disclosure of the user's identity.

The Higher Regional Court of Dresden confirmed that the mere denial of an employment relationship by the employer

is sufficient to trigger an obligation on the part of the platform operator to verify the review. However, review platform can fulfill this obligation by presenting anonymized evidence from the reviewer. There is no general obligation to disclose the identity.

The court clarified that freedom of speech under Article 5 of the German Constitution carries great weight and that employer reviews are generally permissible if they are not obviously unlawful. The statement “Worst employer ever” is protected by freedom of speech. But employer reputation can be protected against “fake” reviews, and review platforms must act once notified, though employers will rarely learn the reviewer’s name.

**Decision of Higher Regional Court Dresden, 17 December 2024, case 4 U 744/24.**



**COURT**  
**Unlawful termination during probation period after commitment to continued employment**

The Regional Labor Court Düsseldorf has ruled that termination during the probationary period may be invalid if a binding commitment to continue employment has been made beforehand. In the present case, the employee was informed by his direct supervisor and authorized signatory approximately five weeks before the end of the probationary period that the company was prepared to continue employing him. Shortly thereafter, the same supervisor terminated the employment contract during the probationary period.

The court ruled that this action was contrary to good faith within the meaning of Section 242 of the German Civil Code (BGB). The commitment made by the authorized manager created a basis of trust from which the employer could not simply withdraw. In such a case, a dismissal can be effective if new, objectively comprehensible reasons arise that justify a withdrawal from the promise to continued employment. The employer bears the burden of proof.

**Decision of Regional Labor Court Düsseldorf, 14 January 2025, case 3 Sla 317/24.**



**COURT**  
**Unlawful continuous video surveillance and monetary compensation for employees**

The Hamm Regional Labor Court ruled that 22 months of continuous video surveillance in the workplace, despite the employee’s explicit objection, constituted a serious violation of personal rights and justified monetary compensation of EUR 15,000.

A steel processing company had installed a total of 34 cameras with zoom and live monitoring functions in its production halls and warehouses, which also covered the employee’s workstation. Although the employee had expressly objected to the surveillance, it was nevertheless continued.

The labor court of first instance had already awarded compensation, and the Hamm Regional Labor Court confirmed this. The judges made it clear that neither Section 26 of the German Federal Data Protection

Act (BDSG) nor Article 6 GDPR could justify the measure and that the consent clause contained in the employment contract was invalid due to a lack of voluntariness. No legitimate interest on the part of the employer was apparent, as less intrusive means would have been available.

**Decision of Regional Labor Court Hamm,  
28 May 2025, case 18 SLa 959/24.**



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# Hungary

**Tying the validity of a residence permit of a guest worker to employment does not violate the Fundamental Law.**



## COURT

**The Constitutional Court decision clarifies issues related to the stay of guest workers in Hungary**

The Hungarian Constitutional Court has ruled on whether guest workers automatically lose their residence permits once their employer reports the end of their employment, even if their permits are still valid.

The Constitutional Court reviewed a judicial motion challenging the constitutionality of Sections 33 (2)–(4) of Act XC of 2023 on the general rules for the entry and residence of third-country nationals. The contested provision states that if a guest worker's employment terminates while their residence permit is still valid, the permit automatically becomes invalid on the sixth day following the employer's notification, without the need for an individual immigration authority procedure.

According to the referring judge, this regulation infringes the right to fair administrative procedure, the right to a

reasoned decision, and the right to legal remedy, since the affected foreign worker is not notified of the exact date of invalidation and has no opportunity for judicial review. The judge further argued that under Article XIV of the Fundamental Law of Hungary, invalidation could only be ordered through an individual, reasoned administrative decision.

The Constitutional Court, however, concluded that the challenged provisions do not conflict with the Fundamental Law of Hungary. In its reasoning, the Court emphasized that the validity of a residence permit may lawfully be tied to a fixed period or a condition, and that automatic invalidation does not breach the requirement of due process. Since employment is the legal basis for residence, the termination of employment is not the result of an administrative decision but a labor law matter that can be challenged in a labor dispute. In addition, the foreign worker has access to judicial remedy against any immigration expulsion order if it is issued against him or her.

On these grounds, the Constitutional Court ruled that the contested provisions were consistent with the principle of legal certainty and the objective of preventing illegal residence and therefore dismissed the court's motion.

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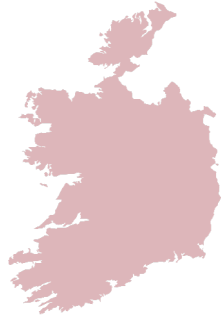
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# Ireland



**An employee may notify their employer they do not consent to retire at the mandatory retirement age provided for in their contract, and they wish to work to the State Pension Age.**



## LAW

### The Employment (Contractual Retirement Ages) Bill 2025

The new Employment (Contractual Retirement Ages) Bill 2025 creates a new model for mandatory retirement below the state pension age.

The Bill provides that where an employer provides for a Contractual Retirement Age (“CRA”) below the state pension, which is currently 66 years of age, an employee may notify their employer they do not consent to retire at the mandatory retirement age provided for in their contract, and they wish to work to the State Pension Age.

In situations where there is a CRA of 66 or above, the provisions of the Bill will not apply.

If the employee does not consent to retire at the contractual retirement age, they must

notify their employer in writing – not less than three months and not more than one year before the date on which the employee is due to reach the contractual retirement age, or where the notification period provided in the employee’s contract for termination of their employment is greater than three months, not less than this period or the period of six months, whichever is shorter.

Where an employee has notified their employer of their request, and the employer elects to enforce the CRA, which is below 66, the employer must provide a reasoned written reply to the employee within one month of receipt of the notification from the employee, this reply must set out the justification for the contractual retirement age. Employers must show that the CRA is objectively and reasonably justified by a legitimate aim and that the means of achieving it are appropriate and necessary. The Bill provides that an employer who, without reasonable cause, fails to provide a reasoned reply may be guilty of a criminal offence. An employee has a right to bring a complaint to the WRC where the employer has not complied with their obligations in relation to the Bill.



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# Italy



## LAW

### Italian law on artificial intelligence

The Italian Parliament passed law 132 of September 23, 2025 on artificial intelligence.

The law is aligned with the EU regulation 2024/1689 and purports to outline provisions to promote AI in certain fields (without additional obligations): healthcare and disability, employment, security and defense, government, professional activities.

Regarding employment, the law set up an “Observatory panel”, on the adoption of artificial intelligence systems in the workplace, to define a strategy, monitor its impact, identify the sectors that are more affected and promote the training of employers and employees.

The law designated the Italian national competent authorities for the purposes of article 70 of the AI Act (EU regulation 2024/1689): AgID (the Agency for Digital Italy) and ACN (the National Cybersecurity Agency). The law also delegated the government to adopt a regulation on the training of AI systems.

Most importantly, the law authorized the government to invest up to one billion euro in the capital of SMEs active in the fields of AI, cybersecurity and enabling technologies.



## LAW

### Italy moves to strengthen fair remuneration through collective agreements

On September 26, 2025, the Italian Parliament approved law 144 on fair remuneration. Said law does not directly outline rules but identifies the objectives to be pursued and delegates authority to the government to draft and pass the relevant substantive laws.

The main goals are:

- to define the most widely implemented collective agreements for each category of workers;
- to outline the obligation by providers and sub providers in outsourcing, to pay minimum compensation according to the most widely implemented collective agreements;
- to grant to the Ministry of Labor the power to take action in case of failure to timely renew the collective agreements



## LAW

### Leave entitlements for employees with cancer or severe chronic diseases

Law 106/2025 granted to employees suffering from cancer, or from disabling or chronic diseases with a disability of at least 74 percent, the right to an unpaid leave of absence of up to 24 months. The leave may be divided into shorter periods of time and may be taken once all the other leaves of

absence have been used. It may come with any other benefits but does not increase an employee's seniority of service. Moreover, the law guarantees employees suffering from cancer in the active phase or in early follow-up or from disabling or chronic diseases with a disability of at least 74 percent, up to ten hours' annual leaves (for medical visits, tests, treatment) in addition to any existing benefits. Said employees shall be entitled to a social security allowance in lieu of their remuneration.



## GUIDELINES

### Evidence gathered from employees' individual emails is void

On August 29, 2025, with decision 24204/2025, the Court of Cassation clarified that the evidence of unfair competition and breach of loyalty by employees, obtained by an employer from employees' personal email accounts and in breach of the necessary legal grounds, proportionality, prior information and without a proper agreement with the works council (or labor inspectors' authorization) is void, even if the employees' personal emails were accessed through the company email system.

The first instance merit court had ruled in favor of the employer, arguing that the employees who had breached their loyalty had voluntarily directed their personal emails on the company email system, but the second instance merit court found there was no evidence that the employees had directed their own personal emails on the company email system and the employer had not proven issuing instructions on monitoring or duplicating employees' emails.



## GUIDELINES

### Guidelines on social security and pensions for sports workers

On September 22, the Italian social security agency adopted an extensive guidelines document (No. 127) on the implementation of the reform of employment law in the sports sector. The reform was passed with laws in 2021 and in 2022. Now INPS provided clarifications and guidance on the pension funds for sports workers, the transition to the new law, the applicable caps to contributions, the cumulation of pension contributions paid to various funds, the coordination with contributions paid to social security agencies outside Italy and the various types of retirement. The law and the guidelines address both professional as well as amateur athletes.



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# Lithuania



## LAW

### New employer reporting duties on wages and gender pay gap

As of June 7, 2026, significant amendments to the Labor Code of the Republic of Lithuania will come into effect. One of the key changes involves new reporting requirements for employers.

Employers will be required to submit monthly reports to the State Social Insurance Fund Board (Sodra) regarding their employees' wages (excluding temporary workers) and working hours. The reports will be submitted in accordance with the procedure established by the Director of the State Social Insurance Fund Board and the Chief State Labor Inspector of the Republic of Lithuania. The State Social Insurance Fund Board will calculate the average wages of employees, categorized by job groups and gender, along with additional information about employers with 100 or more employees, including but not limited to the gender pay gap, the proportion of male and female employees receiving additional compensation, etc. This information will be calculated monthly and provided to employers.

This means that employers will have new obligations to provide this information and substantiate the gender pay gap with objective, gender-neutral criteria.

[Read More](#)



## LAW

### Lithuania to tighten rules on wage systems from June 2026

Under the current provisions of the Labor Code of the Republic of Lithuania, the wage system is set out in a collective agreement, or - where no such agreement exists - in workplaces with an average of 20 or more employees, the employer must approve the wage system.

As of June 7, 2026, stricter requirements will apply. The wage system will need to cover all employees of the workplace and the employer's company, institution, or organization, regardless of the number of staff. Moreover, job positions will have to be grouped into categories based on objective, gender-neutral criteria, including (but not limited to) skills, soft skills, qualifications, effort, responsibilities, and other relevant factors.

Employers with fewer than 50 employees will be exempt from one obligation: including a system for wage increases and the related criteria. In light of these changes, it is evident that employers will need to review their wage systems and prepare for these changes in advance.

[Read More](#)



## COURT

### Payment for work on rest days

On September 25, 2025, the Supreme Court of Lithuania issued an important ruling on pay for work performed during employees' rest

days. The Court confirmed that the Labor Code provisions requiring double wages for such work are mandatory.

The Court emphasized that the rule protects employees' ability to plan their work and rest time. Therefore, double pay applies when an employee works on a rest day at the employer's request. However, if the change is made solely at the employee's initiative, the employee cannot claim a right to double wages.

In this case, the decisive question was whether the employee worked on rest days voluntarily or at the employer's direction. Since the lower courts had not clearly established this, the Supreme Court found no grounds to reduce the employee's entitlement under Article 144(1) of the Labor Code.

**Case No. e3K-3-128-1120/2025**



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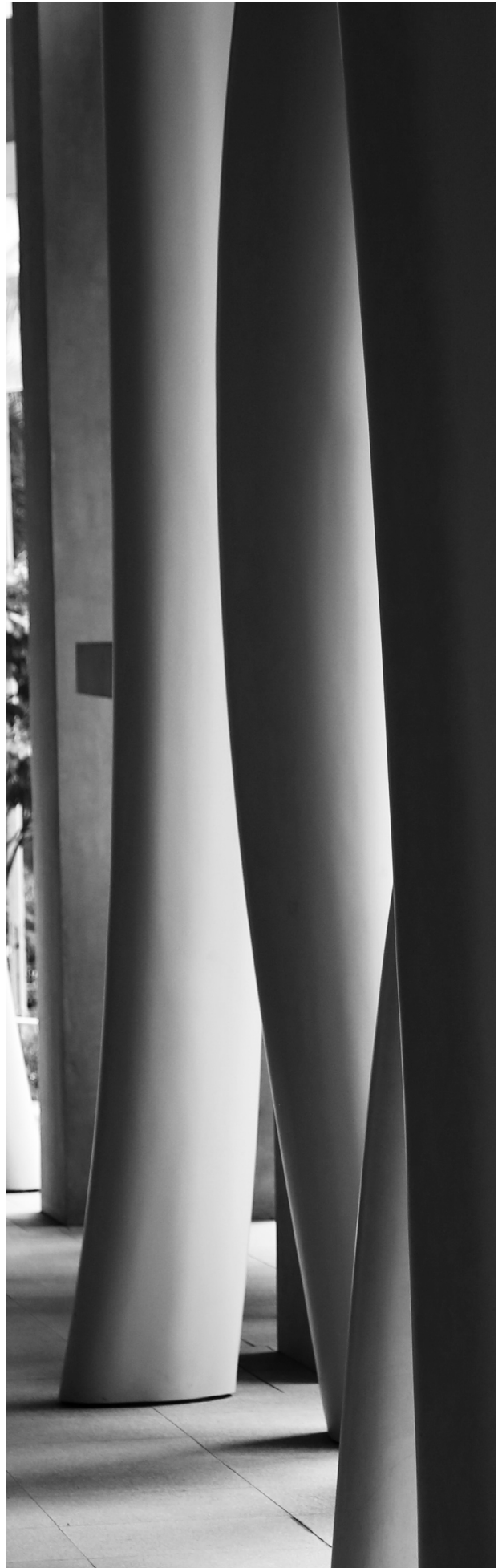
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# Malta



**New rules entitle job applicants and employees to request clear information on salaries and comparable pay levels.**



## LAW

### Pay transparency obligations now in force

In compliance with Malta's obligations to implement EU's Directive 2019/1152 on Transparent and Predictable Working Conditions, Legal Notice 112 of 2025 has enacted significant amendments to pay transparency regulations, applicable both prior to and during employment. These changes modify the Transparent and Predictable Working Conditions Regulations ("Regulations") and have taken effect as of 27 August 2025.

Individuals seeking employment and being considered by a prospective employer are entitled to request information regarding the initial pay or salary range for the position in question, as well as any relevant pay provisions arising from a collective agreement, if applicable. This information must be provided to applicants prior to the commencement of employment.

Employees are entitled, at any point during their employment, to request from the employer information regarding their individual pay level, as well as the pay levels of employee categories performing comparable work. Upon receiving a written request, the employer must provide the requested information within a reasonable period, not exceeding two months from the date the request is made.

For the purposes of the Regulations, 'pay level' is defined as the gross annual pay and the corresponding gross hourly pay.

This advancement is especially noteworthy as it will now be more challenging for employers to conceal pay-related information. Additionally, employees are empowered to address any pay discrepancies that may arise due to factors such as structural inequalities or discrimination within the organization. Employers must ensure compliance with these requirements and manage related processes effectively, while also upholding their professional integrity.

**Read More**



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# Poland



## LAW

### The end of unpaid internships?

Poland has published a draft bill that could bring major changes to the way internships are organized on the open labor market and potentially mark the end of unpaid placements.

The proposal introduces mandatory remuneration for interns, set at no less than 35% of the national average salary, and limits the duration of an internship to six months. Employers and interns would also be required to sign a written agreement that specifies the objectives, program, and scope of duties adapted to the intern's needs.

The draft law is expected to be adopted in the fourth quarter of 2025.



## LAW

### Childcare benefit only for working foreigners

In Poland, a child benefit for parents of children under 18 has been successfully in place for several years. It currently amounts to PLN 800 (approx. EUR 190) per month. It is available to Polish

citizens and foreigners in certain cases. The latest amendment to the act signed by the President introduces additional conditions for foreigners from third countries. From June 1, 2026, the right to the 800+ benefit will be linked to the applicant's professional activity and the child's attendance at a Polish school. The act broadly defines the concept of professional activity. Not only working persons will be considered professionally active, but also those who are subject to pension and disability insurance on other grounds, e.g., those receiving a pension or maternity allowance.

In addition, applications for 800+ will have to include the PESEL number of the applicant and the child. In the case of foreigners, it will also be necessary to provide data on border crossing and legality of stay. These changes were introduced along with other solutions concerning the situation of Ukrainian citizens. In addition, based on this change, the period of legal stay in Poland for persons from Ukraine covered by protection was extended until March 4, 2026.



## COURT

### Limitation period for employee claims

The Regional Court in Łódź issued a judgment regarding the limitation period for employee claims arising from an accident at work which occurred in 2011 (X P 446/20). The Court pointed to the need to consider the employer's liability under Criminal Code (exposing an employee to direct danger). In such a case, claims may become time-barred only after 20 years from the event, and not within a shorter period of 3 years (indicated in the Labor Code for

employee claims against the employer). During a court proceeding the opinion of a health and safety expert confirmed that the working conditions posed a real threat to life and health, which could constitute a crime. In view of the need to fully establish the basis for liability and assess the limitation period, the case was referred back to the court of first instance for reconsideration, which is to determine whether the damage in the form of deterioration of the victim's health occurred and whether, in the circumstances of the case, the employer are liable on the criminal basis



## COURT

### Accommodation costs for seconded employees are not taxable as income

On 11 September 2025, the Provincial Administrative Court in Poznań ruled that accommodation provided to employees on assignment does not constitute taxable income, as the benefit primarily serves the employer's business interests. Consequently, the employer has no PIT withholding obligations in this respect. This ruling is consistent with the established line of case law from both the Supreme Administrative Court and prior interpretations by the Ministry of Finance, which have repeatedly emphasized that employer-provided lodging enabling staff to perform work duties should not be treated as an employee benefit. The judgment therefore reinforces, rather than departs from, existing jurisprudence - but it also serves as a timely reminder for HR and payroll teams to document in mobility and assignment policies that such accommodation is provided for the employer's operational needs.

**Case no. I SA/Po 331/25**



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# Portugal



**Portugal updates its ordinance on administrative employees' working conditions, raising minimum monthly wages retroactively to March 2025.**



## LAW

### Administrative employees' working conditions ordinance

In late September, the seventh amendment to the ordinance regulating the working conditions of administrative employees not covered by specific collective agreements was published.

The ordinance aims to guarantee minimum working conditions for administrative employees working in sectors or branches of activity without an employers' association with which the trade unions can negotiate collective agreements.

According to 2023 data, 107,466 full-time employees were covered by the working conditions ordinance.

The most recent amendment updates the table of minimum monthly wages that must be guaranteed to administrative employees,

with minimum amounts ranging from EUR 870 to EUR 1,376 according to profession and professional category—from cleaning personnel to service managers.

These adjustments increase administrative employees' minimum wages in line with the guaranteed minimum monthly wage for 2025 and reflect this increase in subsequent wage levels to ensure balanced differentiation.

Decree No. 321/2025/1 of September 29 comes into force on the fifth day after its publication, with the minimum wages provided for therein taking effect retroactively, backdating to March 1, 2025.



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# Slovakia

**Slovakia's 2026 consolidation package raises taxes and social security contributions, increasing the burden on higher-earning employees from January 2026.**



## LAW

### Consolidation Package No. 3 (2026) – new tax and social security burden for employees

The 2026 consolidation package contains 22 proposed measures aimed at reducing the public finance deficit. Legislative proposal was approved by Parliament on 24 September 2025.

The most significant measures affecting employees include the following:

- in addition to the existing rates of 19% and 25% for earnings above EUR 44 000, two new, higher rates are being introduced. Income exceeding EUR 60 000 per year will be taxed at 30%, and income above EUR 75 000 will be taxed at 35%. This expansion of progressive taxation will primarily affect higher-earning employees.
- health insurance contributions, currently set at 14% of gross wages (shared between employer and employee), will permanently increase to 15%. Additionally, a temporary increase

to 16% will apply, with the extra 1% being paid directly by the employee.

- the income threshold at which the full non-taxable portion of the tax base can be applied per taxpayer per year is being lowered.

The proposed effective date for these measures is 1 January 2026.



## LAW

### Consolidation Package No. 3 (2026) - impacts on employers

The most significant measures affecting employers include the following:

- definition of dependent work is being amended (one of its characteristics, namely the performance of work during working hours determined by the employer, is being deleted in an effort to eliminate the performance of work through fictitious trades in cases where it is in fact dependent work);
- penalties for illegal employment are increasing;
- additional bands are introduced for the so-called tax license, i.e. the minimum amount of corporate income tax payable regardless of taxable income;
- employers will be required to cover wage compensation during an employee's incapacity for work for 14 days instead of the current 10 days; from the 15th day, benefits will be paid by the Social Insurance Agency;
- from 2025, Freedom and Democracy Day (November 17) will remain a public holiday but will not be a day off work; for 2026 only, the same measure is proposed for January 6 and May 8; the ban on retail sales on these days is

abolished;

- deduction of VAT for motor vehicles not used exclusively for business purposes is reduced, including acquisition and operating costs;
- one-off “tax pardon” will allow the waiver of penalty interest and fines on tax arrears if paid by 30 June 2026.

Unless otherwise stated above, the proposed effective date for most measures is 1 January 2026.



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# Slovenia



## LAW

### Government proposes mandatory Christmas bonus

The Government of the Republic of Slovenia has recently introduced a proposal that would require all employers to pay a mandatory Christmas bonus to their employees at the end of the year. This one-time payment, regulated by law, is intended to reward workers for their efforts throughout the year and help cover the increased expenses during the holiday season. The initiative aims to promote greater social fairness and stimulate domestic spending.

According to the government, the bonus would serve as both a symbolic and practical recognition of employees' contributions. It is also expected to boost consumer purchasing power and have a positive economic impact, especially during the winter months when spending typically increases.

Despite its good intentions, the proposal has faced criticism. Employers' organizations warn that such a requirement could place an additional financial burden on small and medium-sized enterprises, many of which are already struggling to remain financially stable.

The debate surrounding the Christmas bonus raises broader questions about how

work is valued and the role of the state in shaping labor legislation. Whether or not the proposal will ultimately be adopted remains to be seen—but it has certainly sparked significant public discussion.

**Slovenian court confirms that an employment relationship arises only with a signed contract or by starting work.**



## COURT

### Job offer via email not sufficient to establish employment relationship

The Higher Labor and Social Court of Slovenia has clarified the legal requirements for establishing an employment relationship. The claimant argued that her employment with the defendant commenced on 4 September 2024, based on a job offer sent by email, which she had accepted. She further maintained that the job advertisement and the offer together constituted a valid employment contract under the Obligations Code.

The court, however, upheld the lower court's ruling, finding that no employment contract had been concluded in accordance with the Employment Relationships Act (ZDR-1). There was no signed written agreement, and the job offer lacked the essential elements required under Article 31 of ZDR-1.

Additionally, since the claimant never actually started work, no de facto employment relationship was established under Article 18 of ZDR-1.

The court stressed that civil law provisions may apply only on a subsidiary basis in employment matters. Under ZDR-1, an employment relationship can arise only through a signed contract or by commencing work—neither of which occurred in this case. As a result, the claimant's claims were dismissed as unfounded.

**Case no. Pdp 234/2025**

**Read More**

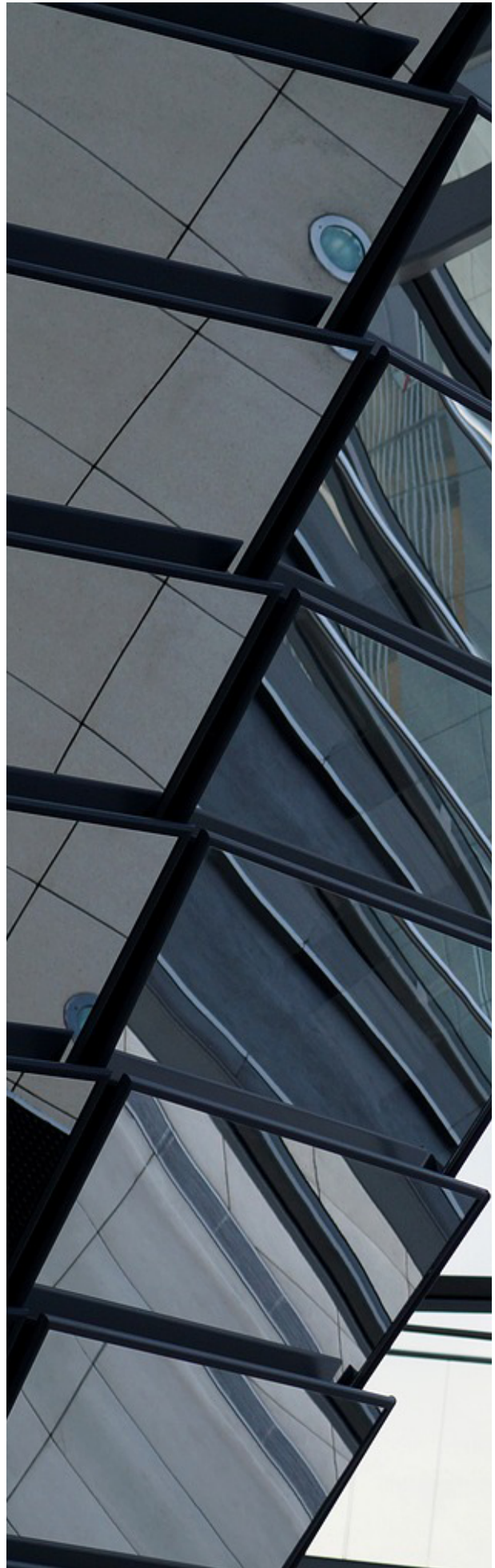


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# Spain



## **COURT** Spanish Constitutional Court strengthens protection against retaliatory dismissal

The Spanish Constitutional Court has ruled in favor of an employee who was dismissed after raising concerns with the works council about breaches of his working conditions.

The plaintiff argued that the termination of his employment relationship in these circumstances violated his right to effective judicial protection (Art. 24. 1 of the Spanish Constitution), from the perspective of the guarantee of indemnity, which prohibits an employer from taking retaliatory measures against an employee for exercising their rights, including the right to bring legal action in defence of what they consider to be their legitimate interests.

After providing a detailed explanation of the evolution of constitutional case law, which has gradually expanded this guarantee of indemnity in the field of labor relations, the Plenary Session of the Court concludes that cases such as the one under review, in which the employee submits his complaint to the workers' representatives so that they may exercise their legally recognized role of mediation in compliance with labor regulations, are also eligible for the constitutional protection afforded by

Article 24.1 of the Spanish Constitution to the guarantee of indemnity, when it can be concluded that these are cases that are connected with the purpose of the constitutional protection afforded to the right to effective judicial protection.

As a result, the Court declares the finality of the judgment of the Labor Court No. 6 of Las Palmas de Gran Canaria 64/2022, which recognized the company's violation of the guarantee of indemnity and the nullity of the dismissal.

## **Informative Note of the Constitutional Court No. 69/2025, dated September 10, 2025**



## **COURT** Spanish Supreme Court rules no general right to ergonomic chairs for remote workers

According to a statement issued by the General Council of the Judiciary on September 24, 2025, the Labor Chamber of the Supreme Court has upheld the rejection of a collective dispute lawsuit filed by the UGT union, which demanded that ergonomic chairs be provided to all employees in a company who telework, and not only to those who require them for health reasons. The court argues that this does not violate equality with respect to on-site employees, as the chair is not a working condition such as working hours or remuneration, and its provision is not covered by individual remote working agreements or the applicable collective agreement. For the Chamber, "ergonomic risk considered generically, without taking into account the

specific job, the distribution of the working day, availability times, and breaks and disconnections during the working day,” does not generate an obligation on the part of the company to adopt a specific preventive measure, such as providing ergonomic chairs to all the employees.

The ruling explains that the individual working on remote agreements signed by the company state that it must provide each employee who is working on a remote basis with a laptop, charger, headphones, and mouse for the proper performance of their duties. The company also provides for a gross monthly payment of €30 as compensation for expenses, including supplies, equipment, and resources, incurred in the provision of services on remote, but there is no reference to an ergonomic chair.

It also points out that, for the delivery of ergonomic equipment, the company's risk prevention service had a procedure in place whereby, regardless of the expense allowance, working on remote employees could request a separate keyboard, footrest, and suitable screen. Additionally, if different ergonomic equipment, such as a chair, was requested, it would only be provided on medical prescription and with the approval of the medical service.

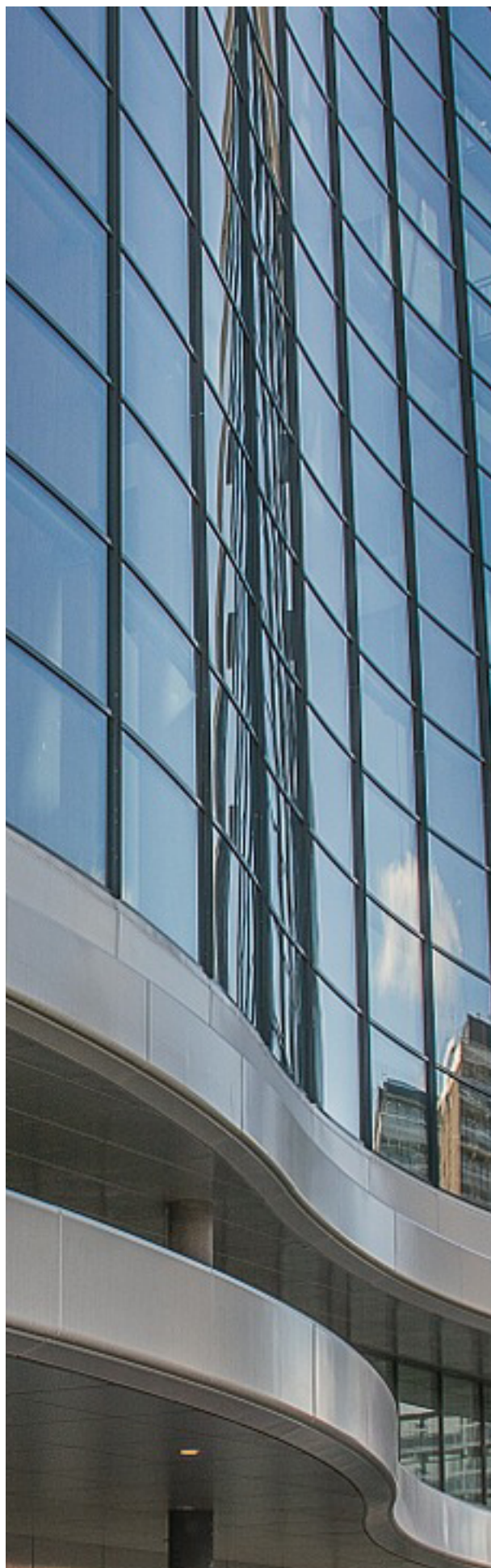


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# Switzerland



**Unused night-shift leave must be compensated in cash, reinforcing employee protections and setting a precedent for future disputes.**



## **COURT**

### **Right to compensation for unused night-shift leave**

The Swiss Federal Supreme Court has confirmed that employees who are unable to take their accrued night-shift leave are entitled to financial compensation instead.

The case concerned a long-serving worker who, after years of night shifts, had earned the right to special paid leave under a collective agreement. When his employment ended, the employer argued that the entitlement had lapsed because the leave had not been taken in time.

The Court rejected this argument. It was found that the agreement was silent on the consequences of unused leave and applied the established principle regarding untaken vacation: if rest cannot be taken in kind, it must be paid in cash.

This decision strengthens the protection of employees and clarifies that compensatory

leave, like vacation, cannot simply expire at the end of an employment relationship. It also establishes a clear precedent for future labor disputes concerning benefits linked to working conditions.

### **Decision of the Federal Supreme Court of Switzerland, 5 May 2025, 4A\_569/2024.**



## **COURT**

### **Paid leave rights clarified**

In a recent ruling, the Federal Supreme Court reaffirmed a key principle on the right to paid leave.

The case concerned an employee who, due to health-related incapacity, was unable to make use of her accumulated vacation days before the end of her employment. The employer argued that the leave could be considered as taken during her absence and therefore refused to pay the remaining balance.

The cantonal appellate court disagreed, holding that the purpose of vacation is to allow genuine rest and recovery. When an employee's condition prevents them from enjoying this benefit, the leave cannot be deemed fulfilled. Instead, the employer must compensate the outstanding entitlement in cash at the end of the employment relationship.

The Federal Supreme Court confirmed this view, emphasizing that serious incapacity which hinders rest and recovery blocks the realization of vacation's purpose. In such circumstances, employees maintain the right to compensation.

This decision underscores the protective nature of vacation law in Switzerland: paid leave is not merely a formality but a fundamental right to rest, which cannot be bypassed when circumstances prevent its effective use.

**Decision of the Federal Supreme Court of Switzerland, 21 March 2025, 4A\_163/2024.**



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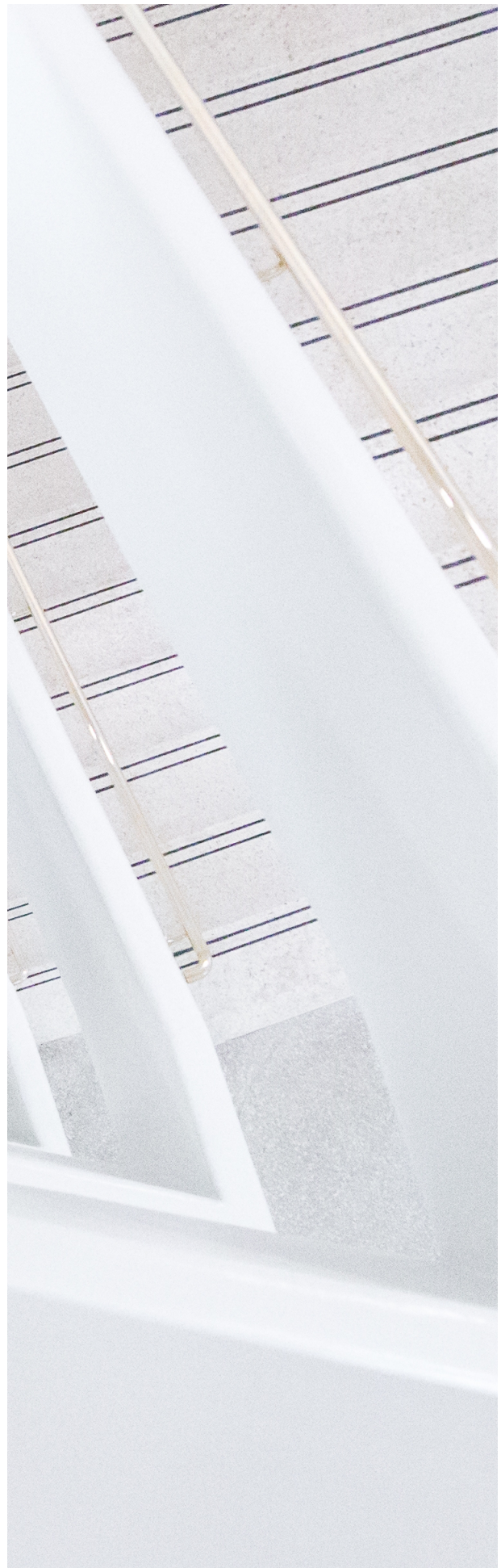
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# Ukraine



**From 13 September 2025, suspending collective bargaining agreements requires consent of all parties, not a unilateral employer decision.**



## LAW

### New rules for suspending collective bargaining agreements during martial law

According to the Law of Ukraine on Organization of Labor Relationships During Martial Law, establishing some temporary rules for regulating employment relationships during the martial law period in Ukraine, employers were permitted to suspend certain provisions of a collective bargaining agreement at their own discretion. Although the state regulator emphasized in its recommendations that, to ensure the protection of employees' labor rights, it would be advisable to consult with employees before suspending some clauses of a collective bargaining agreement, the law and established practice authorized employers to make such decisions unilaterally.

Starting from 13 September 2025, this statutory rule was amended making such suspension subject to an agreement between all parties to a collective bargaining agreement.



## LAW

### Workplace mobbing inspections resume on 1 October 2025

As of 1 October 2025, the State Labor Service is resuming conducting extraordinary inspections of employers at the request of an employee or trade union on the matters of committing mobbing at work.

As a reminder, the moratorium on inspections by the state authorities was imposed in early 2022 due to the introduction of martial law in Ukraine and the law permitting this type of inspections was adopted back in March 2025.

Consequently, the State Labor Service shall be authorized to carry out extraordinary inspections, at the request of an employee or trade union, to verify compliance with requirements of the Law of Ukraine on Organization of Labor Relationships During Martial Law, as well as to identify undocumented employment relationships, mobbing and to determine the legality of termination of employment agreements.



## LAW

### Vacation for preparation and participation in sports competitions

Amendments to the Law of Ukraine on Vacation, coming into force as of 12 October 2025, will reinstate the rule that the duration, procedure, and conditions for granting and paying for vacation for preparation and

participation in sports competitions shall be determined by the Cabinet of Ministers of Ukraine. This rule shall apply to those athletes, who are included in the national teams, and sports judges. Other employees participating in national and international sports competitions may be granted such type of vacation under the terms and conditions of their employment agreements and/or collective bargaining agreements.



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