European Employment Insights

> The law prohibits employers from using non-disclosure agreements (NDAs) to prevent employees from reporting discrimination, harassment or victimization, except in two cases.

02
25

ANDERSEN®

Andersen Global

Andersen Global® was established in 2013 as the international entity surrounding the development of a seamless professional services model providing best-in-class tax and legal services around the world.

Andersen Global Chairman and Andersen CEO
Mark L. Vorsatz, Andersen (U.S.)

Andersen Global is an association of legally separate, independent member firms, comprised of more than 18,000 professionals worldwide, over 2,000 global partners and a presence in more than 500 locations worldwide. Our growth is a by-product of the outstanding client service delivered by our people, the best professionals in the industry. Our objective is not to be the biggest firm, it is to provide best-in-class client service in seamless fashion across the globe. Each and every one of the professionals and member firms that are a part of Andersen Global share our core values. Our professionals share a common background and vision and are selected based on quality, like-mindedness, and commitment to client service. Outstanding client service has and will continue to be our top priority.

Core values

Best-in-class
We aim to be the benchmark for quality in our industry and the standard by wich other firms are measured.

Transparency
We value open communication, information sharing and inclusive decision making.

Independence
Our platform allows us to objectively serve as our client's advocate; the only advice and solutions we offer are those that are in the best interest of our client.

Stewardship
We hire the best and the brightest and we invest in our people to ensure that legacy.

Seamless
Our firm is constructed as a global firm. We share an interest in providing the highest level of client service regardless of location.

INDEX

European Guide to Support Employers
Remote Work in Europe 2024

Our guide sheds light on the current legal frameworks across 33 European countries, helping you develop effective remote work strategies tailored to your organization. Whether you're still weighing the pros and cons or already embracing remote work, this resource is invaluable.

Read More

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.

Read More

You may also be interested in:

European Employment Insights

The guide provides an overview from over 20 European countries of recent legal developments, tips for navigating complex legal issues, and staying up to date on notable cases.

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.

Our team comprises specialist lawyers and tax advisors who proactively guide both domestic and international companies of all sizes, spanning various industries. With a presence in more than 475 locations worldwide, Andersen offers top-notch advice through local experts. We stand by your side throughout the entire employment relationship, from its establishment to termination, making us your trusted partner in all employment-related matters.

We invite you to read in-depth employment information in our monthly Andersen Employment Insights newsletter. This newsletter provides an overview of the latest developments in employment law, guidelines, case law and collective agreements from various countries.

Stay well informed and maintain your competitive edge with Andersen.

Cord Vernunft
European Employment and Labor Law Coordinator
cord.vernunft@de.andersen.com

Magdalena Patryas
European Employment and Labor Law Sub-coordinator
magdalena.patryas@pl.andersen.com

European Partner **Spotlight**

Assisting employers in coordinating cross-border and multijurisdictional projects

Uberto Percivalle,
Partner

Andersen in Italy
Member firm of Andersen Global

We are excited to be back with Partner Spotlights in 2025! From regulatory changes to workforce transformation - how companies can successfully navigate these changes? In a conversation with Magdalena Patryas (Andersen in Poland), Uberto Percivalle (known as "Ubi" to friends) of our Milan Office (Andersen in Italy) speaks about planning and implementing employment & labor projects that affect multiple jurisdictions.

Question: : What does the current scenario for employers look like? Which challenges and trends do you see? And how can Andersen help employers?

Uberto Percivalle : I do not know whether there have ever been "normal" or "ordinary" times for employers. Challenges and uncertainties have probably always kept company to businesses. Certainly, what we see at the moment is high uncertainty and multiple challenges. Optimistically, companies can turn these conditions into opportunities, but it is not easy. Andersen, thanks to an international footprint and to the combination of legal, tax and other streams of expertise, can help employers in addressing and coordinating projects across borders. As an example, think of the automotive industry transition to electric engines. We all know it means reorganizing an industry that has millions of employees across several jurisdictions. But since the transition is not as rampant as it was thought years ago, plans have to be adjusted and even companies that were "born electric" have to reorganize. At the same time, some companies bet that the life of combustion engine components will be longer than expected, and try and consolidate, to be adequate to seize existing and foreseeable needs.

All these reorganizations trigger redundancies and also consolidations in multiple jurisdictions and employers need to carefully plan them with an international perspective, because they operate in various countries. Andersen is an ideal advisor to these employers, since it can coordinate projects in various jurisdictions and with a broader view.

Q: Do you have other situations and examples?

UP: Yes, of course. Supply chains are more and more the focus of attention in many respects, considering international sanctions, sustainability concerns and now also tariffs. From an employment perspective there are both international and more and more national laws that focus their attention on supply chains in order to ensure that they are respectful of the human rights of all those that contributed to the value chain. In order to help, one needs to be able to draw upon the expertise of colleagues who know the laws in the jurisdictions across which a supply chain spans. And there is much more.

Q: What more?

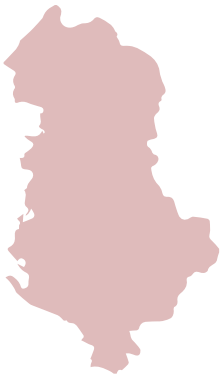
UP: All employers that have a presence in more jurisdictions constantly face the need to deal with certain aspects of the management of human resources that are similar across jurisdictions and yet regulated differently. What should they do then? Forget about local peculiarities and implement the same policies everywhere? Most likely this will not work, since the same policy will have a different impact, depending on the legal environment in which it operates. Drop all ambitions to a fair level of harmonization across jurisdictions? This would result in too much fragmentation, which in turns may even impair the management of a business. Think of the implementation of remote work and how, often, it has become controversial, in light of excesses and difficulties to manage it. Andersen can help to focus on the ultimate goals of each employer and then coordinate across jurisdictions, so as to achieve as much as possible such goals, navigating through different local laws. And now it is the turn of AI tools and policies on how they should or should not be used.

Q: What is necessary in order to advise on international employment projects? In the end, isn't it all about legal knowledge and expertise?

UP: Of course one needs the expertise and the knowledge of the law, but this is hardly sufficient in order to successfully plan and implement an international project. One also needs an organization like Andersen, which means relying on colleagues ready to help and sharing the same passion to provide an excellent assistance to clients. Moreover, one needs to have gained expertise with international projects and know how to handle them. The laws are obviously different in various jurisdictions and one cannot be qualified in all of them (the opposite is usually true: most lawyers are qualified in their home jurisdiction). Therefore, in order to coordinate international projects one needs to identify and focus on the ultimate goals pursued by an employer. It is also necessary to develop flexibility in considering the different legal constraints that, in various jurisdictions may affect the solution to a legal matter, rather than being tied to the legal solutions in force in only one specific jurisdiction. There are then tested ways of organizing a project, so as to ensure constant and progressive checks along the way.

Uberto Percivalle is a Partner and coordinates the Employment & Labor service line of Andersen in Italy. With over 35 years of experience advising in employment & labor matters, he is especially keen in assisting international employers regarding the bread and butter of employment, as well as reorganizations, collective redundancies, key executives' matters. Uberto is also a speaker, author, and lecturer in employment & labor matters.

Albania



Starting January 2025, employers must ensure employees submit a Personal Status Declaration before payroll processing to designate a tax agent for income tax deductions.

LAW
New obligations under the Income Tax Law effective 2025

Starting in January 2025, new regulations on income tax, introduced by Law No. 29/2023, require employers to ensure that employees submit a Personal Status Declaration before payroll processing by February 20th. This declaration designates the employer as the employee's tax agent, enabling tax base deductions. If an employee has multiple employers, only the designated tax agent can apply deductions, while others will withhold taxes without adjustments.

Deductions for employment or business income are structured as follows: (i) For annual income up to ALL 600,000: a deduction of ALL 600,000 applies; (ii) For annual income between ALL 600,000 and ALL 720,000: a deduction of ALL 420,000 applies; (iii) For annual income exceeding ALL 720,000: a deduction of ALL 360,000 applies.

Deductions for dependent children under 18 (ALL 48,000 per child) and education expenses (up to ALL 100,000 annually for incomes below ALL 1,200,000) are deductible only through the Annual Income Declaration (DIVA), due by March 31, 2025.

These claims require supporting documents, including family certificates and proof of educational expenses, and can only be requested by the higher-earning parent. Further instructions from authorities are awaited.

Read More

LAW
Overview of the new Law No. 124/2024 on Personal Data Protection, aligned with the GDPR

The new Albanian Law on personal data protection (No. 124/2024), aligned with the EU's GDPR, was approved by the Albanian Parliament on the 19 December 2024 and entered into force on the 1 February 2024.

The new law aims to strengthen the protection of personal data in Albania. It applies to entities processing data in Albania and those outside the country targeting Albanian residents by providing goods and services. Data subjects are granted rights such as access, rectification, erasure (right to be forgotten), data portability, and the right to object to certain data processing.

Under the new law, data controllers and processors must implement security measures, obtain consent, notify breaches, and conduct Data Protection Impact Assessments for high-risk processing. An independent Data Protection Authority (the Commissioner for the Right of Information and Data Protection) enforces the law and imposes penalties for non-compliance. Fines for violations can reach up to €20 million or 4% of global annual turnover, depending on the severity.

The law also regulates cross-border data transfers, ensuring safeguards for international transfers. Overall, it enhances personal data control in line with international standards, improving data protection and accountability in Albania.

Read More

Shirli Gorenca, Partner
sh.gorenca@kalo-attorneys.com
Eni Kalo, Partner
e.kalo@kalo-attorneys.com
KALO & ASSOCIATES
Collaborating firm of Andersen Global

Belgium

Amendments to CBA 32bis enhance employee rights in business transfers, ensuring greater transparency and protection during the transition.

COLLECTIVE AGREEMENTS

New obligations for employee consultation in transfers of undertakings effective from February 2025

The National Labor Council has amended CBA 32bis to strengthen employee rights during transfers of undertakings. Effective 1 February 2025, employee representatives—or, if none exist, the employees themselves—may request that the transferor (the 'old' employer) share information and consultation documentation with the transferee (the 'new' employer). They may also request that the transferee introduce itself to employees or their representatives during the information and consultation process.

A 'transfer of undertaking,' as defined by the Acquired Rights Directive (ARD) and CBA n° 32bis, occurs when an economic entity, such as in an asset deal, is transferred and retains its identity post-transfer. When this happens, the transferor and transferee must inform and consult their respective works council, trade union delegation, or other representative bodies. If none exist, employees must be informed directly, although consultation is not required.

The recent amendments add an obligation for the transferor to share information with the transferee and invite them to introduce themselves upon request. However, these requests can only be made if the transferee's identity is known and certain, ensuring transparency and safeguarding employee rights during the transition process.

COURT

No violation of right of freedom of assembly and association

In the case of Bodson and Others v. Belgium, the European Court of Human Rights unanimously found no violation of Article 11 (freedom of assembly and association) of the European Convention on Human Rights.

The case concerned the applicants' convictions for maliciously obstructing traffic by blocking the A3/E40 motorway at the Cheratte bridge near Liège for five hours without authorization. This resulted in a 400-kilometer traffic jam and created a tense and potentially dangerous environment.

The trade union representatives were convicted by the criminal court in 2020, and this judgment was upheld by the Court of Appeal in 2021 and by the Supreme Court in 2022.

The individuals involved brought the case before the ECHR, alleging violations of Article 10 (freedom of expression), Article 11 (freedom of assembly and association), and, for some, Article 14 (prohibition of discrimination).

The Court observed that the applicants were not punished for striking or expressing opinions, but for knowingly participating in unlawful traffic obstruction, a criminal offence. The Liège Court of Appeal found that they had willingly contributed to the blockade, with some playing a "major" role due to their union duties.

The Court emphasized that the right to strike does not include the unconditional right to obstruct public roads, particularly when such actions disrupt lawful activities and endanger public safety. It concluded that the national courts had reasonably assessed the facts and acted within their discretion ("margin of appreciation").

Leila Mstoian, Partner
leila.mstoian@be.Andersen.com
Youssra Andaloussi, Senior Associate
youssra.andaloussi@be.Andersen.com
Andersen in Belgium
Member firm of Andersen Global

Bosnia and Herzegovina

Employees have the right to file a lawsuit to assert their rights and require the employer to pay pension and social security contributions, and this right is not subject to the statute of limitations.

COURT
Right of employees to file a claim for payment of contributions

The Supreme Court of the Federation of Bosnia and Herzegovina has issued a decision according to which the right of employees to file a lawsuit to establish their rights and impose an obligation on the employer to pay pension and social security contributions is not subject to the statute of limitations.
Moreover, regardless of the possibility that the Pension and Disability Insurance Fund (Federalni zavod za penzijsko i invalidsko osiguranje) may initiate an audit and administrative proceedings to collect contributions, the employee is also actively entitled to initiate civil proceedings to collect contributions arising from the employment relationship.

Therefore, the employee is actively entitled to initiate civil proceedings to claim contributions against the employer, and the competent Fund may certainly initiate administrative proceedings to claim contributions, but the employee cannot be left to the will of the competent Fund to initiate such proceedings.

Finally, under the Pension and Disability Insurance Act, the employee's right to claim contributions is not subject to the statute of limitations.

Decision of the Supreme Court of the Federation of Bosnia and Herzegovina, no. 43 0 Rs 223276 23 Rev of March 28, 2024

COURT
Deadline for protecting the rights of employees in employment relations

The deadline for protection of the employee's rights arising from the employment relationship is calculated from the day of becoming aware of the violation of rights, i.e. from the day the violation was committed, regardless of whether the employee approached the Agency for the Peaceful Settlement of Labor Disputes.

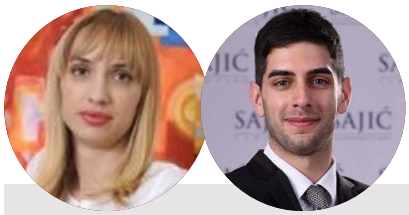
In this specific case, the plaintiff's employment rights were violated on June 7 and 8, 2017, and the lawsuit was filed on December 21, 2017.

The Supreme Court of the Republic of Srpska concluded that the lower courts' conclusion that the claim was timely was incorrect, because the claimant had

previously approached the Agency for Peaceful Settlement of Labor Disputes, and the deadline for filing the claim began to run from the end of the procedure before the Agency.

The Supreme Court clearly stated that the deadline began to run from the date of the violation of the right, and not from the date of the conclusion of the proceedings before the Agency for the Peaceful Settlement of Labor Disputes, and considering that the deadline for filing a lawsuit is preclusive in nature, the employee lost the right in question from the employment relationship upon the expiration of the deadline.

Decision of the Supreme Court of the Republic of Srpska, no. 82 0 Rs 020712 24 Rev of April 9, 2024



Sanja Djukic, Partner
sanja@afsajic.com
Igor Letica, Senior Associate
igor@afsajic.com
Law Firm Sajić
Member firm of Andersen Global

Croatia

Commercial courts now recognize professional athletes and coaches as workers in insolvency cases, giving them the same payment priority as other employees with claims before bankruptcy proceedings begin.

COURT

The recent practice of commercial courts in the Republic of Croatia finally recognizes professional athletes and coaches as workers in insolvency proceedings

The High Commercial Court of the Republic of Croatia recently issued two very important rulings, in which the claims of professional football players and coaches of a bankrupt debtor, are classified among the bankruptcy creditors of the first priority payment order. This puts them in the same payment order as the claims of workers of the debtor arising before the opening of the bankruptcy procedure.

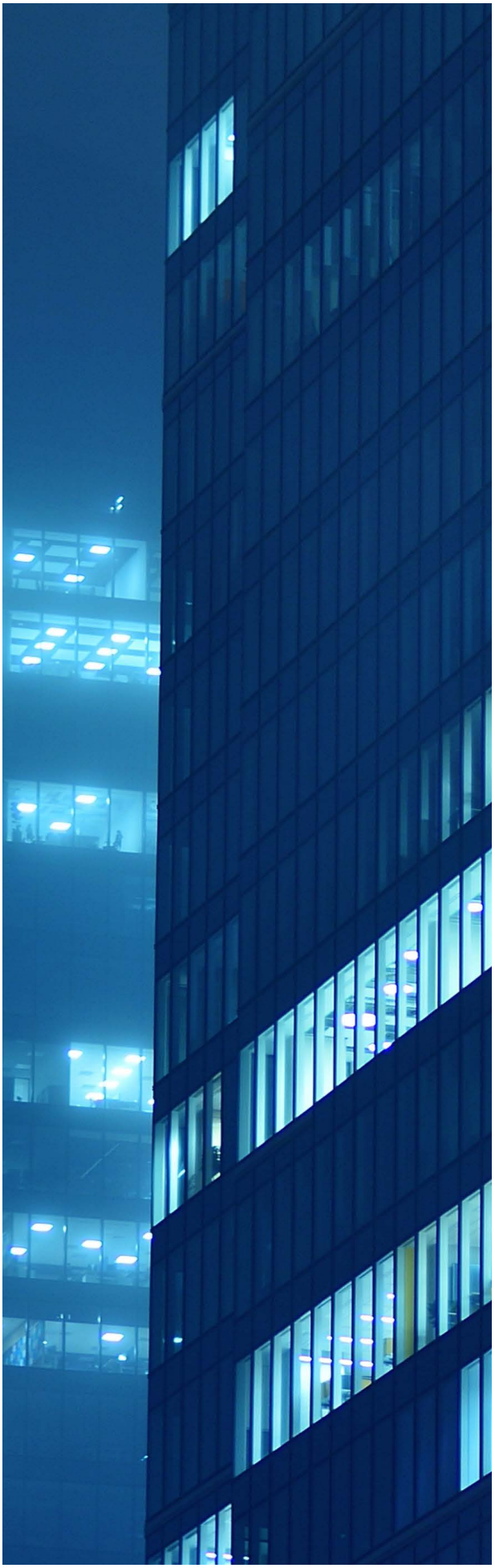
Namely, athletes and coaches have the possibility of entering into employment contracts with sports clubs, which ensures their protection under labor and social security laws. The problem arises when athletes and coaches perform their work based on professional playing or coaching contracts. In this context, the Sports Act stipulates that in the event of a club's bankruptcy an athlete who carries out the activity as an independent sports activity, it is considered that an employment contract has been concluded with the athlete. However, these provisions do not provide the same legal protection and security for coaches. Despite all this, the appellate court equated the rights of coaches in the bankruptcy proceedings with those of athletes, marking the coaches' claims as claims of bankruptcy creditors of the first priority payment order.

LAW

Amendments to the Law on Maternity and Parental Benefits have been submitted to the Croatian Parliament

The amendments to the Law on Maternity and Parental Benefits will double the one-time allowance for a newborn child from 309 to 618 euros. Additionally, the limit on parental leave benefits for six months for one or two children, if taken by one parent, or eight months if taken by both parents, will increase from 995 to 3,000 euros net until the child's first year. This means that parents will receive their full salary during the entire leave if their salary is up to 3,000 euros.

The duration of paternity leave is also extended from 10 to 20 days for one child, or from 15 to 30 days for twins or more children born at the same time. It is important to note that the increased benefits will apply to all children born six months before the amendments come into effect, i.e., before March 1, 2025. Existing beneficiaries who are using leave at the time the amendments take effect will automatically have their benefits recalculated according to the new law, meaning they will receive the increased amount.



Ivan Matić, Partner
Kallay & Partners, Ltd.
Member firm of Andersen Global
ivan.matic@kallay-partneri.hr

Cyprus

Employers are required to upload the essential terms of employment for all employees no later than February 28, 2025.

LAW
Notification of essential employment terms on Ergani platform

In an attempt to enhance transparency and compliance with labor regulations, employers are obliged to upload certain particulars pertinent to the employment of new recruits, as well as existing employees, not later than 28 February 2025.

By virtue of a decree issued pursuant to Law 23(I)/2023, which harmonizes EU Directive 2019/1152 on transparent and predictable working conditions with national law, the notification of the following terms of employment for private sector employees on the Ergani platform is now mandatory: the identities of the parties to the employment relationship; the registered office of the employer and the employee's place of work; the description of the employee's role and title; the employment start date and end date (for fixed-term contracts); the duration and conditions of any probationary period; the entitlement to paid annual leave, along with the procedures for its allocation and determination; the remuneration (including the initial basic amount and any additional components), as well as the frequency and method of payment; the length of the standard working day or week; and a stipulation on whether the work pattern is entirely or predominantly predictable.

LAW
Maximum insurable earnings increased for 2025

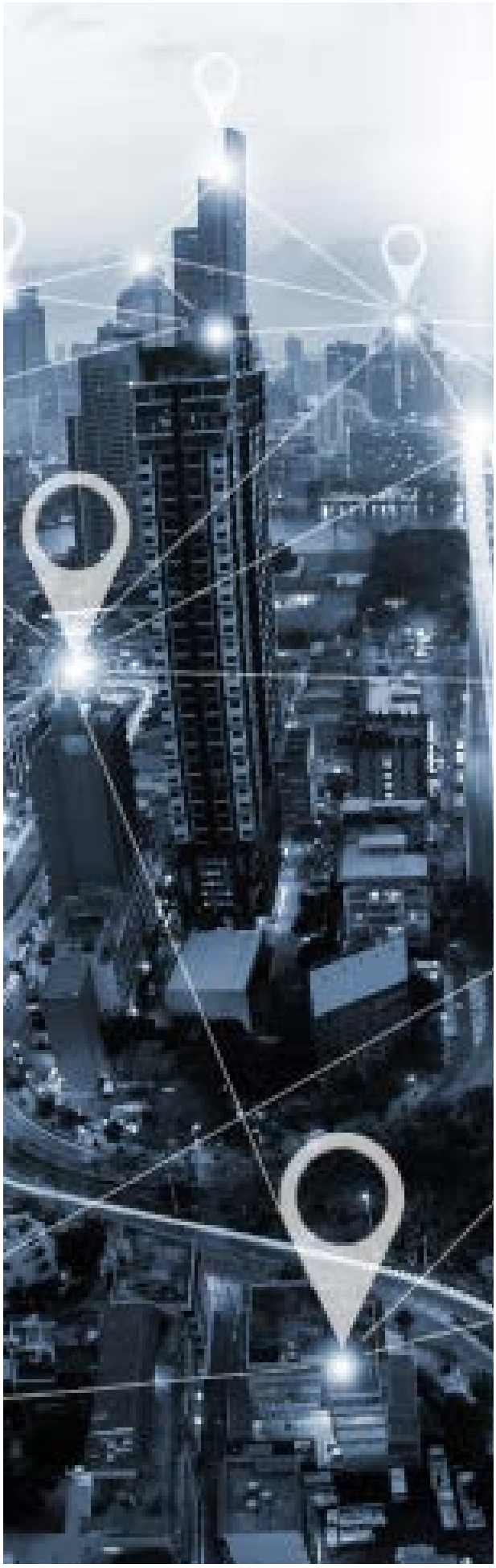
The Department of Social Insurance Services has amended the maximum amount of earnings to which social insurance contributions are levied. As from 1 January 2025, insurable earnings of employees paid monthly will be capped to EUR 5,551 (2024: EUR 5,239), whereas for workers paid weekly to EUR 1.281 (2024: EUR1.209). This means that part of the monthly salary or weekly wage that exceeds the aforesaid cap is exempt from social insurance deductions/contributions.

The rates of contributions and deductions (other than income tax) payable by employers and employees alike in relation to salaries in 2025 are as follows:

Contribution and Deduction Rates for 2025

Type of contribution/deduction	Employer (%)	Employee (%)
Social insurance fund	8.8	8.8
Social cohesion fund	2.0	-
Redundancy fund	1.2	-
Industrial training fund	0.5	-
National health system	2.9	2.65

Part of the monthly salary or weekly wage that exceeds the statutory cap is exempt from social insurance deductions/ contributions.



Nick Tsilimidos, Counsel
Andersen in Cyprus
Member firm of Andersen Global
legal@cy.Andersen.com

Germany

A contractual neutrality obligation can be discriminatory if unrelated to job duties.

COURT
Discrimination due to duty of neutrality

The Regional Labor Court of Berlin-Brandenburg has ruled that a neutrality obligation in an employment contract can be discriminatory if it has no relevance to the work performed.

A Muslim woman wearing a headscarf had applied for a position as a working student for research purposes in a social institution. The employment contract offered to her contained a clause prohibiting the wearing of visible religious, ideological or political symbols. She therefore sued for compensation for discrimination.

The court affirmed discrimination based on religion and rewarded the employee with a compensation of two months' salary. The court referred to the case law of the European Court of Justice (ECJ): although a neutrality requirement may be permissible, it must be objectively justified and proportionate. Particularly in countries like Germany, where freedom of religion is constitutionally highly valued, national regulations are often considered to take precedence over EU-law.

Based on these principles, the court did not consider the duty of neutrality to be justified, as it was not an essential and decisive professional requirement for the employee.

This ruling emphasizes the legal restrictions for employers when introducing neutrality obligations in the company and strengthens the religious freedom of employees.

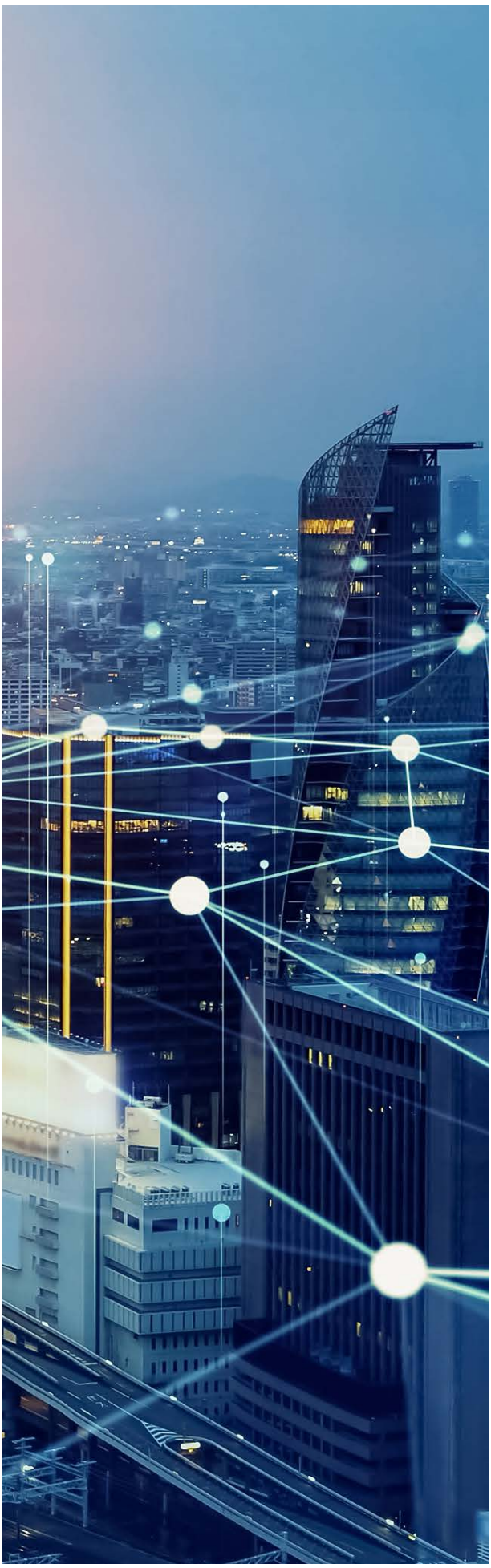
COURT
Sick leave certificate from abroad is possible and just as shakable

The Federal Labor Court ruled that a certificate of incapacity for work issued in a non-EU country has the same evidential value as a certificate issued in Germany. However, the evidential value can be shaken by the overall view of the circumstances.

The decision is based on a case where an employee on vacation submitted a sick leave of a foreign doctor for a part of the vacation. In previous years, the employee also submitted certificates of incapacity for work from vacation. The employer therefore doubted the medical certificate submitted and did not pay continued remuneration, so that the employee filed a lawsuit.

The court clarified that a medical certificate from a non-EU country has the same evidential value as a local certificate. However, in the present case, there are reasonable doubts as to the accuracy of the medical certificate. In this context, the court referred to the fact that the employee had already bought his ferry ticket the day after the doctor's consultation. He had also started the arduous journey home by car during the prescribed rest period. Moreover, this inability to work directly in connection with the vacation was not the first of its kind, but the fourth.

Medical certificates from non-EU countries have the same evidential value as those from Germany but can be challenged based on circumstances.



Thorsten Sörup, Partner
Andersen in Germany
Member firm of Andersen Global
thorsten.soerup@de.andersen.com

Hungary

The new provisions of the Hungarian Labor Code cover a number of areas, including, but not limited to paternity leave, work on public holidays and participation in elections as of January 1, 2025.

LAW
The Labor Code in Hungary has undergone significant changes as of January 1, 2025

The new provisions of the Hungarian Labor Code cover a number of areas, including, but not limited to paternity leave, work on public holidays and participation in elections.The Labor Code clarifies that an employee is entitled to a 100% premium for overtime worked on a public holiday. This provision eliminates the previous practices (e.g. replacing the 100% wage supplement with a 50% wage supplement and providing an additional rest day).

An important change in paternity leave is that the time available for taking it has been doubled. Under the new rules, paternity leave can be taken no later than the end of the 4th month after the birth of the child at the latest, compared to the previous period of 2 months.

A new provision is that employees are exempted from the obligation to work for up to 2 hours if they wish to participate in an election or referendum. This rule applies if their scheduled working time on the day of the election or referendum exceeds 8 hours.

Last but not least, among other new rules, a ban on dismissal during paternity leave has also been introduced for executive employees. This change is a significant step forward in protecting the rights of fathers working as executive employees.

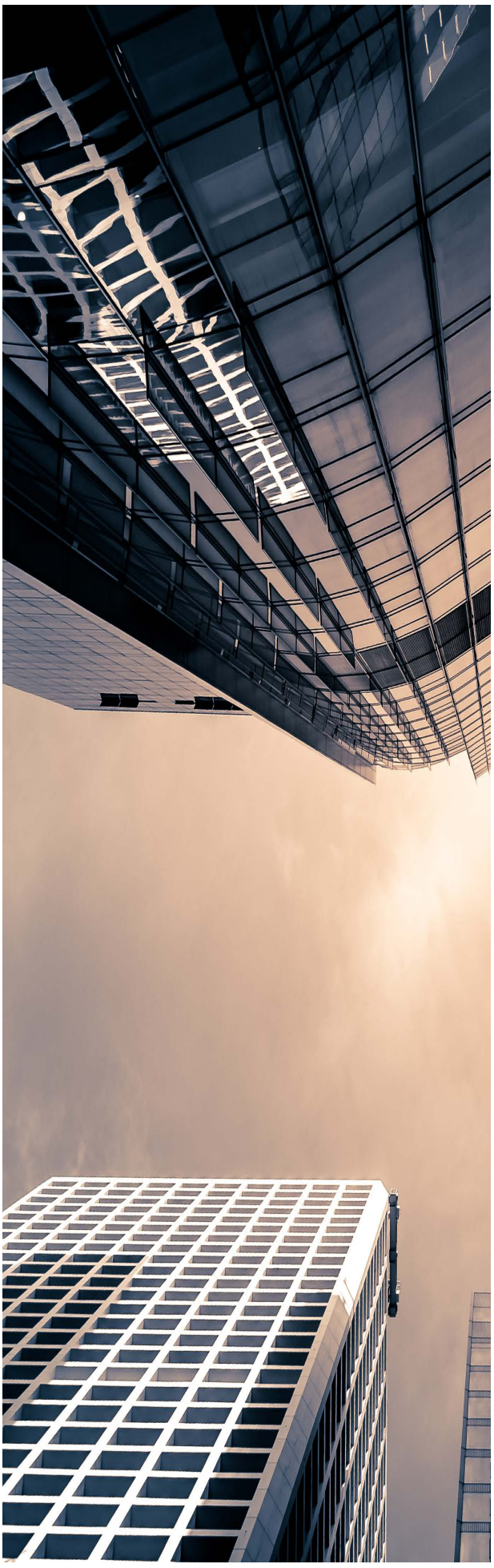
LAW
Occupation-based residence permit and guest worker residence permit

As of January 1, 2025, the scope of citizens who may be entitled to an occupation-based residence permit and a guest worker residence permit, regulated by Law XC of 2023 on the General Rules for the Admission and Right of Residence of Third-Country Nationals, has been restricted.

According to the new Government decree on the Employment of Guest Workers in Hungary, from the beginning of 2025, nationals of third countries listed in the Annex to the Government Decree with which Hungary or the European Union has concluded a readmission agreement or which have a state-recognized organization or agency in Hungary that undertakes to ensure that their nationals leave the territory of Hungary in the event of non-compliance with the relevant Hungarian and EU legislation may be employed in Hungary with this type of permit.

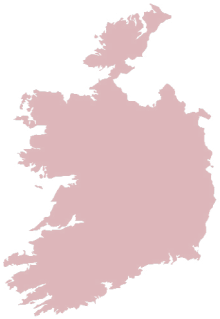
At the time of writing this article, the first condition has been met for Georgia, Armenia and the Philippines, so new applications for the above types of permits can only be submitted from these three countries.

It should be noted, however, that other popular types of permits are not affected, in particular the EU Blue Card, the Hungarian Card, the intra-corporate transfer residence permit. However, it is worth mentioning that significant changes have been made to the guest investor visa/residence permit as well based on legislation that has already been adopted, e.g. the possibility of purchasing real estate has been removed, so this option is not available to guest investors from January 2025, and other detailed rules have been changed.



Ilona Boros, Partner
Andersen in Hungary
Member firm of Andersen Global
ilona.boros@hu.AndersenLegal.com

Ireland



The law prohibits employers from using non-disclosure agreements (NDAs) to prevent employees from reporting discrimination, harassment or victimization, except in two cases.

LAW
Non-Disclosure agreements and the Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024

Section 5 of the Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024 came into force on the 20th of November 2024. The section precludes employers from entering into non-disclosure agreements ("NDA") which prevent employees from making allegations of discrimination, victimization, harassment or sexual harassment in relation to their employment. Any non-excepted NDAs entered after the 20th of November will be null and void.

There are two key exceptions to this. First, NDAs entered as part of a WRC Mediation.

Second, excepted NDAs, this is where the NDA is requested by the employee. For this exception, the employer must pay for the employee to receive independent legal advice, on the legal implications of the NDA. There is also a 14-day "cooling off" period after the agreement is signed during which the employee can withdraw from the NDA without penalty.

Excepted NDAs shall be in writing, of an unlimited duration (unless the employee elects otherwise) and, insofar as possible, be in clear, easily understood, accessible language. Any excepted NDA's must also include a provision stating that the agreement does not prohibit the Employee from making a disclosure of discrimination, harassment, sexual harassment or victimization to a listed person.

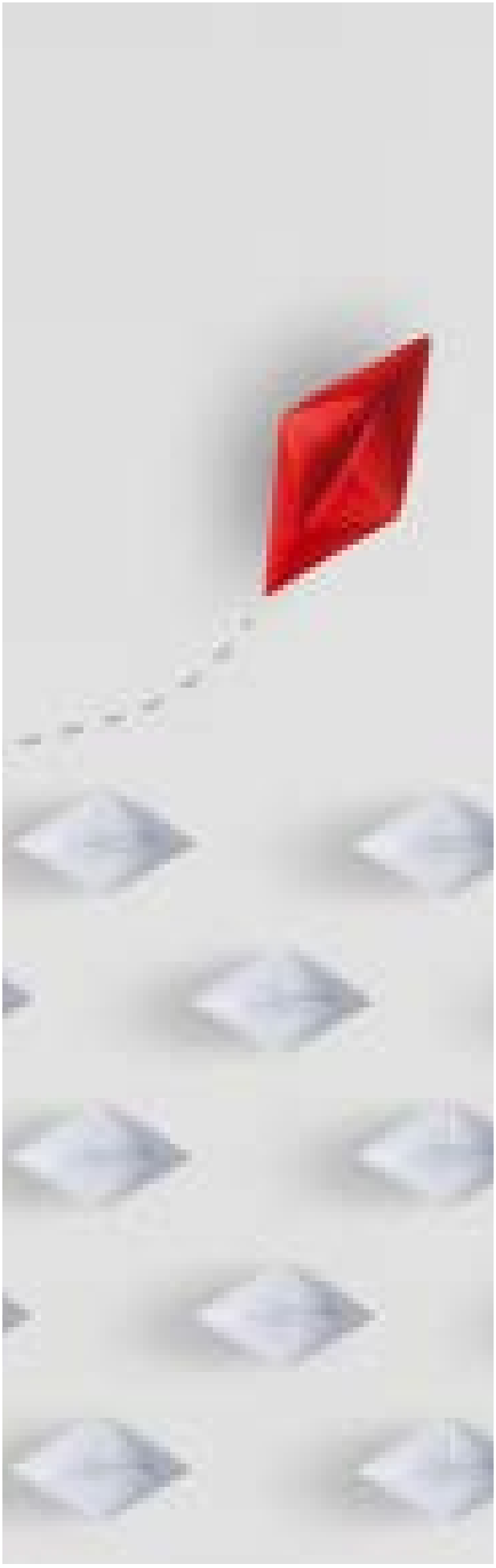
LAW
Employee entitlements under the Sick Leave Act 2022

The Sick Leave Act 2022 (the Act) was signed into Irish law back in November 2022 and provided for employee's entitlement to Statutory Sick Pay (SSP). SSP affords protection for employees whose employer did not previously offer sick pay or offered a less favorable sick pay scheme.

The scheme is being implemented over a 4-year period. The Act initially provided employees with an entitlement to 3 days SSP per year. SSP was increased to 5 days in January 2024 and was scheduled to increase by 2 days in January 2025 which would have entitled employees to 7 days

SSP per year. A final 3 days are scheduled to be added in 2026, reaching 10 days per year. However, the scheduled increase for 2025 has been stalled, pending a review of research published by the ESRI (Economic and Social Research Institute), on the impact of the scheme for businesses.

Currently SSP entitles both full and part-time employees who have at least 13 weeks' continuous service with their employer to 5 days paid sick leave per year. The SSP is paid by the employer and calculated at 70% of the employee's normal pay, up to a maximum EUR 110 a day.



Patrick Walshe, Partner
Philip Lee LLP
Collaborating firm of Andersen Global
pwalshe@philiplee.ie

Italy

Unjustified absences exceeding 15 days (or as specified in collective agreements) can lead to employment termination for cause, without requiring web-based validation or unemployment benefits.

LAW
Termination in case of unjustified absence

In case of unjustified absence exceeding fifteen days (or the different term provided by collective agreements), the employer may notify the local Labor Inspectorate, thus causing the employment to be terminated for employees' fault (without the need for a web-based validation usually applicable to resignations and without payment of any unemployment benefits). The labor inspectors can verify whether the employer's communication is true and the employee can prove the inability to justify the absence. The new provision (of Law 203/2024) was enacted to curb a frequent practice by employees who want to resign and instead cause an employer to dismiss them, in order to be eligible to unemployment benefits.

LAW
Probationary clause in fixed-term contracts

In fixed-term contracts the duration of the probationary agreement must be proportional to the duration of the contract. Now Law 303/2024 has set express parameters: the probation may be one day of actual performance for every fifteen calendar days of contract duration. A probationary period may neither be shorter than two days, nor longer than fifteen days, for contracts up to six months, and thirty days, for contracts between six and twelve months.

LAW
Fixed-term contracts

The law regulating fixed-term contracts provides for the possibility of fixed-term clauses longer than twelve months (but not exceeding twenty-four months) under the specific circumstances provided for by collective agreements. In the past the law provided that, in any event, only until December 31, 2024, it was possible to conclude said fixed-term contracts also "for needs of a technical, organizational or productive nature identified by the parties," and now the so-called Thousand Extensions Decree (Decreto Milleproroghe – Law Decree 2024/202) has extended this possibility until December 21, 2025.

LAW
Company cars

Company cars also granted for private use, to employees, as of January 1, 2025, will be taxed on employees in different measures, depending on the type of engine (combustion/electric). The basis of calculation remains that of a conventional mileage of 15,000 km, multiplied by the mileage cost according to the Italian Automobile Club rates, net of the amounts, if any, withheld from the employees. The taxable amount will be equal to (i) 50% of the calculation base, for combustion vehicles; (ii) 20% for plug-in hybrid electric vehicles; and (iii) 10% for battery electric-only vehicles.

LAW
Travel, hotel and transportation expenses

Reimbursement of meals, lodging, travel and transportation expenses, for travel or missions, will not contribute to employees' income only if payments for such expenses have been made by traceable methods, such as credit, debit, prepaid cards, checks, bank or postal deposits. Traceability will also be a requirement for entertainment expenses. These provisions will come into effect from the tax period following the one in progress as of December 31, 2024.

Uberto Percivalle, Partner
Andersen in Italy
Member firm of Andersen Global
uberto.percivalle@it.Andersen.com

Liechtenstein

Data protection officers cannot be dismissed for correctly performing their duties under GDPR, but termination for other reasons follows standard employment law unless it is a pretext for their role, in which case compensation is required for abusive termination.

COURT

Under what circumstances can a data protection officer be dismissed at all?

The University of Liechtenstein, a public-law foundation, dismissed its data protection officer in 2021. This triggered a legal dispute about the extent to which such a dismissal is permissible under Liechtenstein data protection legislation at all, especially since the General Data Protection Regulation stipulates that a data protection officer may not be dismissed or disadvantaged for fulfilling his or her duties. This is to ensure that the data protection officer retains a certain degree of independence without having to fear disadvantages or reprisals.

Ultimately, the Liechtenstein Constitutional Court ruled that the case should be interpreted in accordance with the General Data Protection Regulation, such that the data protection officer is absolutely protected from dismissal if they are performing their role correctly and are dismissed for doing so. However, he cannot be dismissed for every instance of what the employer considers to be the incorrect performance of his duties as data protection officer. Rather, such a dismissal is only permissible in accordance with the modalities of termination of the employment relationship without notice and therefore only for good cause.

On the other hand, a termination of the employment relationship that is not related to the performance of the data protection officer's duties may be effected in accordance with the usual provisions of employment contract law even without good cause – unless the ordinary termination is only a pretext and the dismissal of the data protection officer is specifically intended because he or she is performing his or her duties correctly. In this case, it is deemed to be abusive termination ('revenge termination'). The termination remains in place, but compensation must be paid.

Liechtenstein Constitutional Court StGH 2024/056 of 2 September 2024

Read More

LAW

Paid parental leave will come to Liechtenstein in 2026

In Liechtenstein, paid parental leave and paternity leave will be introduced

on 1 January 2026. In its session on 8 November 2024, the Landtag (Liechtenstein Parliament) waved through corresponding legislative proposals in a second reading.

From 1 January 2026, mothers and fathers will be able to take two months of paid parental leave each. 100 per cent of their salary will be paid, up to a maximum of CHF 4,760 per month. An additional two months of unpaid parental leave can be added on.

In addition, fathers will be able to take a ten-day paternity leave around the time of the child's birth. This will be remunerated at 80 per cent of their salary. To qualify for parental leave, you must have been employed by the company for at least six months. To qualify for paternity leave, you must have been insured under the AHV for at least 260 days.

Parents of children born in 2023 can take parental leave until the end of 2026. Paternity leave can also be claimed retroactively: if the conditions for claiming paternity leave are met when the law comes into force on 1 January 2026, the working father (or the second equivalent parent) is entitled to paternity leave. He must assert this claim within eight months of the law coming into force.

Rainer Lampert, Manager
NSF
Collaborating firm of Andersen Global
rainer.lampert@nsf.li

Lithuania

New rules came into force on when infringements of occupational safety and health and labor law requirements can be considered minor.

COURT
On reimbursing employee litigation expenses

The Supreme Court of Lithuania referred to the Constitutional Court a case concerning an employee's ability to recover legal costs incurred during the pre-litigation phase of a labor dispute. In this case, the employee incurred attorney's costs while the dispute was being handled by the Labor Dispute Commission. The courts recognized that these expenses were necessary to effectively protect the employee's violated rights. The employee considered these expenses to be damages and claimed compensation from the employer based on tort law provisions.

The Supreme Court noted that the reimbursement of legal expenses is regulated by the Labor Code, so there was no reason to apply civil law provisions or to recognize a legal gap. However, the Court questioned whether the provisions of the Labor Code, to the extent that they prohibit the reimbursement of expenses incurred before the Labor Disputes Commission, are consistent with the Constitution and the constitutional principles of justice and the rule of law. This issue is particularly important as it may influence future practice in the interpretation and application of the law.

Read More

LAW
New rules on minor infringements

On 11 October 2024, new rules came into force on when infringements of occupational safety and health and labor law requirements can be considered minor. These changes are important for greater transparency and efficiency in the work of labor inspectors. A minor infringement is one which: has not caused financial damage to the State; did not endanger the health or life of workers; has been rectified before or during an inspection in the presence of the inspector. Minor infringements include situations where the employer has voluntarily corrected errors, for example, late submission of social security reports, but did so before the inspection. In addition, the breach must not be systematic or intentional.

Employers are encouraged to actively monitor and correct possible infringements. The new procedure encourages independence and cooperation with the inspectorate, as minor infringements are not subject to administrative proceedings. These changes help to create a clearer, fairer and faster system for ensuring occupational safety and health in Lithuania.

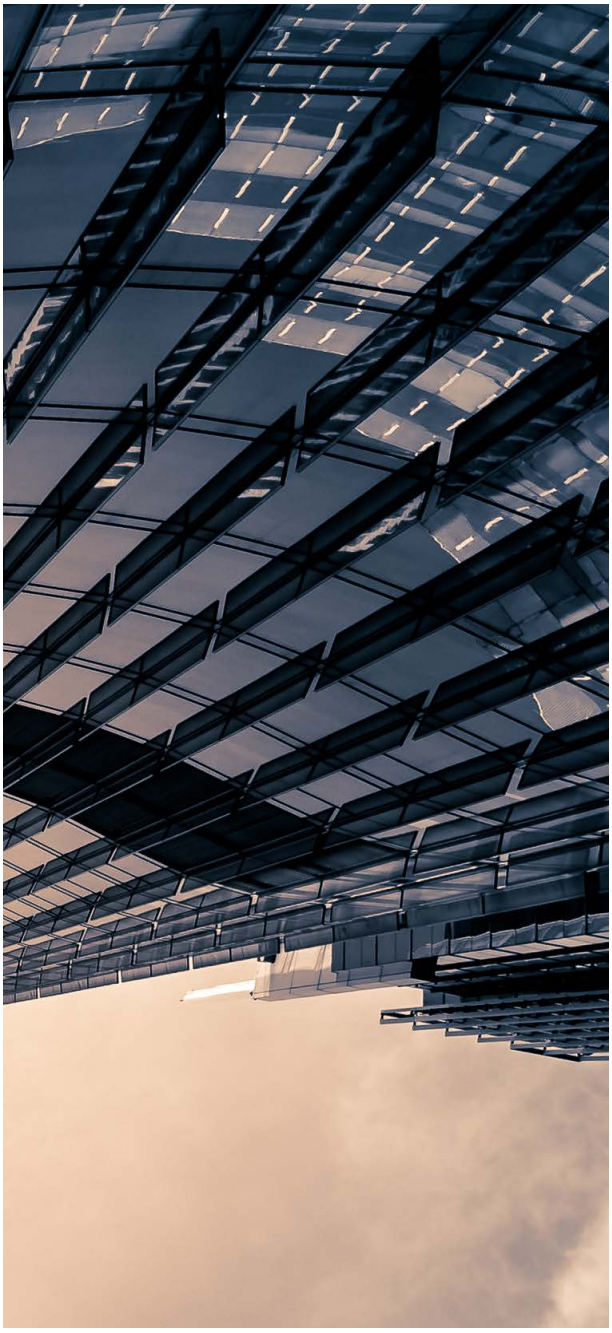
GUIDELINES
Overtime requires the employee's consent

Employees may only work overtime with written consent, except in special cases such as unforeseen work in public interest, the need to complete tasks or resolve problems that would otherwise disrupt the work of a significant number of employees, or where overtime is provided for in a collective agreement. Consent is also not required for employees working on aggregated working time accounts, where overtime is the result of exceeding the scheduled hours on a particular day.

In other cases, written consent is required. It can be given in various forms, such as an e-mail or a text message, if the content, sender, time and date can be clearly identified, stored and printed.

Employers should also note that according to the Lithuanian Labor Code, the working day preceding a public holiday is shortened by one hour. If an employee cannot work less hours due to work organization requirements, the additional hour must be considered as overtime. This requires the employees' consent and must be compensated at an increased rate.

Read More



Aistė Leščinskaitė, Partner
aiste.lescinskaite@widen.legal
Monika Sipavičiūtė, Senior Associate
monika.sipaviciute@widen.legal
WIDEN
Collaborating firm of Andersen Global

Malta

While any public employee shall be entitled to a maximum of five days of carers' leave annually, only three of such are to be payable.

LAW
Carers' leave

As part of the recent legal amendments implemented to improve work-life balance measures, public employees have been given the opportunity to benefit from three-day-paid carers' leave. This leave may be utilized to provide personal care or support to a relative, or any other individual living in the same household, who needs care or support for a medical reason. While any public employee shall be entitled to a maximum of five (5) days of carers' leave annually, only three (3) of such are to be payable. Requests for such leave must be substantiated with medical proof that the relative, or other individual as described above, is suffering from an illness and is in need of care and support. This initiative has been introduced together with other measures, including the opportunity for public employees to take unpaid career breaks, responsibility leave for dependent elderly parents, and other forms of leave for special reasons, to make the public sector a more attractive workplace.

Read More

LAW
Collective Bargaining Regulations

The Minimum Wage and Collective Bargaining Regulations have been ratified into Maltese law. The scope of these regulations is to transpose Directive (EU) 2022/2041 of the European Parliament, into Maltese employment law, by encouraging the engagement of social partners in negotiations relating to collective bargaining on wage setting.

These regulations have introduced a minimum collective bargaining coverage rate, whereby a collective agreement must apply to at least 80% of any particular workforce, for it to be automatically applicable. If this criterion is not satisfied, the Minister will provide for a framework of enabling conditions for collective bargaining, either by law after consulting the social partners or by agreement with them. After such consultation, an action plan shall be established and regularly reviewed at intervals of no longer than five years.

These regulations further protect employees' rights to engage in discussions relating to collective bargaining, by implementing protection measures from employers' adverse treatment, dismissal and other unjust consequences.

Read More

Dr Luana Cuschieri, Senior Associate
Chetcuti Cauchi Advocates
Member firm of Andersen Global
luana.cuschieri@ccmalta.com

Poland

LAW
No full taxation of civil law contracts

The government has decided to abandon the proposal for full taxation of civil law contracts, including contributions to the Social Insurance Institution (ZUS). This marks a departure from one of the milestones outlined in the National Recovery Plan.

Efforts are now underway to amend the National Recovery Plan. Proposed changes are being prepared for submission to the European Commission for approval. These reforms aim to strengthen the role of the State Labor Inspectorate (PIP), with a focus on digitalizing its operations and granting it new powers, such as the ability to reclassify civil law contracts into employment relationships when appropriate.

Negotiations between the government and the European Commission are ongoing to finalize these amendments. A draft resolution addressing these proposed changes is expected to be introduced in the first quarter of 2025. This shift reflects a strategic adjustment in balancing the needs of the labor market while complying with European funding requirements.

LAW
Strengthening anti-mobbing protections

On 20 January, the Government Legislation Centre published a draft bill proposing amendments to the Labor Code, following efforts by the Ministry of Family, Labor, and Social Policy in late 2024. The key focus of the draft is redefining and strengthening regulations around mobbing, a term broadly understood in Europe as workplace harassment or bullying.

The revised definition frames mobbing as persistent harassment characterized by repetition or constancy. Manifestations of mobbing may include humiliation, insults, unwarranted criticism, or obstructing an employee's ability to function within the workplace. The proposed changes also recognize that mobbing can involve physical, verbal, or non-verbal behaviors and, in some cases, may occur unintentionally.

Employers will be required to actively and continuously implement measures to prevent mobbing. Importantly, employers who demonstrate compliance with these obligations may avoid liability for incidents. For employees who experience mobbing, the draft introduces a minimum compensation of six months' salary, ensuring tangible redress for affected individuals.

The draft bill marks a significant step toward enhancing workplace protections and fostering accountability. It will now proceed to public consultation, where stakeholders can provide input before its potential adoption.

LAW

New employment platform for micro-entrepreneurs and small entities

The Ministry of Family, Labor and Social Policy, together with the Ministry of Development and Technology, is developing a digital platform aimed at simplifying employment processes for micro-entrepreneurs, entities with fewer than nine employees, farmers, and individuals.

The platform will enable users to electronically create, amend, and terminate employment, mandate, and service contracts. It will offer ready-to-use templates for employment contracts, annexes, and other employment-related documents. Additionally, users will be able to perform tasks such as registering employees with institutions like the Social Insurance Institution (ZUS). Access to the platform will be available via a trusted profile, a qualified electronic signature, or through an account created on the www.praca.gov.pl domain.

To conclude a contract on the platform, the parties must agree to the terms, input the necessary data, and complete a contract template available on the platform. A contract is deemed concluded once the template is signed electronically using a qualified, personal, or trusted signature.

The platform aims to streamline employment-related processes and reduce administrative burdens. It is expected to be operational by mid-2025, according to official announcements.

In 2025, the Polish State Labor Inspectorate (PIP) will launch its three-year Operational Program, conducting 55,000 inspections and promoting workplace safety, legal employment, and compliance with labor laws.

GUIDELINES

Key focus areas for Polish State Labor Inspectorate in 2025

The year 2025 marks the start of the three-year Operational Program of the Polish State Labor Inspectorate (PIP) for 2025–2027. During 2025, PIP plans to conduct 55,000 inspections and provide preventive and promotional activities to at least 40,000 entities, including employers, employees, students, and other stakeholders.

The program focuses on three key strategies: preventing workplace accidents in the industrial sector (Vision Zero), protecting workers from exposure to carcinogens and hazardous substances, and ensuring compliance with labor laws, particularly regarding the employment of foreign workers and the legality of their contracts.

PIP's inspection activities in 2025 will prioritize sectors with the highest occupational risks, guided by recent accident data and collaborative feedback.

Inspectors will emphasize eliminating direct workplace hazards, ensuring proper risk assessments, and verifying the adequacy of technical and organizational safety measures. Training and medical examinations for employees will also be closely monitored.

Special attention will be given to post-accident investigations, compliance with EU chemical safety regulations, and safeguarding vulnerable groups, including young workers and pregnant women. Furthermore, campaigns will promote legal employment, workplace safety, and parental rights, addressing both employers and employees.

As a member of European labor networks, PIP will coordinate with EU bodies to implement shared goals, including the promotion of Vision Zero and new regulatory frameworks. These efforts underscore PIP's commitment to fostering a safer and legally compliant work environment across all sectors.

Magdalena Patryas, Partner
magdalena.patryas@pl.Andersen.com
Maciej Pietrzycki, Manager
maciej.pietrzycki@pl.Andersen.com
Andersen in Poland
Member firm of Andersen Global

Portugal

The January 1, 2025 updates include a 2.60% increase in pensions for occupational accidents, permanent disability, and death, as well as an adjustment of the Social Support Index (SSI), reflecting GDP growth and inflation.

LAW
Updating reference values: pensions and social benefits

In the October 2024 issue, we presented the update of the national minimum wage for 2025, as well as the forecasts for the following years, up until 2028.

This month, we present the annual update of the values of pensions for occupational accidents, for permanent disability and for death, which are updated to the value resulting from the application of the percentage increase of 2.60%. Furthermore, the Social Support Index (SSI), the benchmark used for setting, calculating and updating social support, as well as central government expenditure and revenue, has also been updated annually.

The value of the SSI has therefore been updated to €522.60, based on the real growth of the Gross Domestic Product and the Consumer Price Index.

Both updates take effect on January 1, 2025 and apply to the entire national territory.

COURT
Presumption of employment contract and temporal application of the law

The Supreme Court of Justice ruled on the possible recognition of the existence of an employment contract, ruling on the presumption of the existence of an employment contract, established by article 12 of the Labor Code, more specifically on the temporal application of the law and the verification of the indicia provided for therein. The higher court concluded that, notwithstanding the fact that the relationship began in 2003, considering that the first written contract (which altered the conditions of the relationship) was signed in 2010, the presumption of an employment contract, regulated by the 2009 Labor Code, applies from that moment onwards.

Although it concluded that the presumption was applicable - in light of the rules on temporal application of the law and by considering that two of the indications in article 12 of the Labor Code were verified - the Court concluded that the presumption of employment had been rebutted due to the overall weight of the elements characteristic of an autonomous relationship.

With relevance to the rebuttal of the presumption, the Court held that the professional relationship between the parties had been subject to several interruptions and periods of discontinuity, incompatible with the permanence supposed in an employment relationship.

Moreover, it held that the service provider had autonomy in the preparation of the programs presented without direct control by the beneficiary of the activity over the manner, time and place of that preparation, which, allied to other characteristics of the specific method of performing the activity, led the Court to reject the existence of an employment contract.

Jose Mota Soares, Partner
Andersen in Portugal
Member firm of Andersen Global
jose.soares@pt.Andersen.com

Slovakia

The Supreme Court confirmed that unequal treatment of employees if the reason for dismissal applies to only one of the employees is a reason for the invalidity of the dismissal, while it is irrelevant how the act could have been legally classified.

COURT

Invalidity of the dismissal on the grounds of unequal treatment by the employer of similarly situated employees

The dispute concerned the invalidity of a notice of termination based on multiple breaches of work discipline. The plaintiff (the employee) argued that there was no breach of work discipline in the present case.

With regard to the alleged violation (failure to report to work after training), the Court finds that the employer's conduct was discriminatory because other employees were subjected to a more lenient procedure (only verbal warnings and reduction of bonuses) than the plaintiff (written warning for violation of work discipline, reduction of bonuses, and ultimately dismissal). The employer, through its conduct towards other employees, has chosen a course of action in which such shortcomings in the performance of work tasks are not considered as action, which leads to dismissal with notice. This is a case of harassment of the plaintiff, and therefore the question of the (in)validity of the dismissal due to the incorrect legal qualification of the employee's actions (i.e. whether it is a violation of work discipline or unsatisfactory performance of work tasks) has no legal significance, because the question of whether the action could be assessed as a violation of work discipline or unsatisfactory performance is irrelevant, because in the given case it is unequal treatment - discrimination.

Decision of the Supreme Court of the Slovak Republic, no. 9Cdo/290/2020, of November 30, 2022.

LAW

Changes in the Labor Law from January 1, 2025

The amendment to the Act of collective bargaining, reintroduces the institution of a representative collective agreement of a higher-level. A representative collective agreement of a higher-level is a collective agreement concluded between an employers' organization/union and a higher trade union body of a trade union organization (hereinafter referred to as a “Representative agreement”). Representative agreements apply to employers who do not have their own Representative agreement or who are no longer covered by another Representative agreement.

The aim is to have at least 80% of employees covered by collective agreements. The Representative agreement is binding on the employers in the industry or part of the industry in which is concluded. For the Representative agreement to be binding, a notice must be published in the Collection of Laws stating that the collective agreement has been declared representative. A certain period must elapse between the publication of the notice and the entry into force of relevant notice, so that employers have time to prepare themselves to be bound by the Representative agreement.

The amendment to the Social Insurance Act came into force, which increased the maximum assessment base for social insurance from 7 times to 11 times the average monthly wage from two years ago.

JUDr. Vladimír Grác, Partner
CLS Čavojský & Partners
Collaborating firm of Andersen Global
grac@clscp.sk

Slovenia

Reopened in January 2025, the Infopoint for Foreigners in Ljubljana provides migrant workers and employers with guidance on residence and work documentation.

GUIDELINES
The Infopoint for Foreigners is once again open in Ljubljana

The Infopoint for Foreigners in Ljubljana reopened its doors in January 2025. This service is designed to provide information and assistance to migrant workers, their employers, and anyone dealing with documentation for residence and work in Slovenia. The new Infopoint for Foreigners will be an important step towards the equal treatment of foreign workers.

The Employment Service of Slovenia (ZRSZ), with the support of the Ministry, has established this service as part of efforts to effectively implement employment and integration policies for foreigners. The goal of the Infopoint is to offer comprehensive support in overcoming administrative barriers and to facilitate the integration of foreign workers into the Slovenian labor and social environment.

LAW
Minimum wage for 2025

The Ministry of Labor, Family, Social Affairs and Equal Opportunities made a decision on January 24, 2025, regarding the minimum wage for 2025.

The minimum wage will be adjusted to last year's inflation rate, which, according to the Statistical Office of the Republic of Slovenia (SURS), was 1.9%. As a result, the gross minimum wage will now amount to EUR 1,277.72.

In addition, the ministry announced that a new calculation of minimum living costs will be completed by September 30, 2025.

Based on this calculation, a thorough discussion on the appropriate level of the minimum wage will take place by the end of 2025.

Maja Skorupan , Senior Associate
Law Firm Senica & Partners, Ltd.
Member firm of Andersen Global
maja.skorupan@senica.si

Spain

Spain introduces legal reforms to enhance market adaptability and foreign worker protections, regulating their temporary work permits, expanding rights for vulnerable groups, and streamlining hiring processes in line with European directives.

LAW

New regulations on foreign workers' rights and labor market integration in Spain

New regulation (Royal Decree 1155/2024) introduces important reforms in the labor field within the Regulation of Organic Law 4/2000, adapting it to the needs of the Spanish market and strengthening the protection of the rights of foreigners. It highlights the regulation of temporary and seasonal work authorizations, designed to promote the flexibility and adaptation to the labor market.

In addition, it reinforces the protection of vulnerable groups, such as victims of gender violence and human trafficking, by expanding the possibilities of obtaining residence and work permits.

In line with European directives, clear criteria and streamlined processes are established to ensure regularity in hiring, facilitating transitions between different legal statuses. In this way, the new regulation promotes a migration policy that addresses both the economic dynamics and the fundamental rights of foreign workers.

COURT

Compatibility between Spanish legislation and ILO Convention 158 regarding the compensation for Unfair Dismissal

The Spanish Supreme Court has ruled that the compensation for unfair dismissal established in Article 56 of the Workers' Statute cannot be increased at court with additional amounts, considering the specific circumstances of each case.

The question raised in the appeal focuses on determining whether, if the dismissal has been judicially declared as unfair, the court can recognize an additional and different severance payment to the one established in Art. 56 of the Workers' Statute, in accordance with the provisions of ILO Convention No. 158, which allows for additional compensation when the standard amount is too low to deter unfair dismissals or to properly compensate the worker.

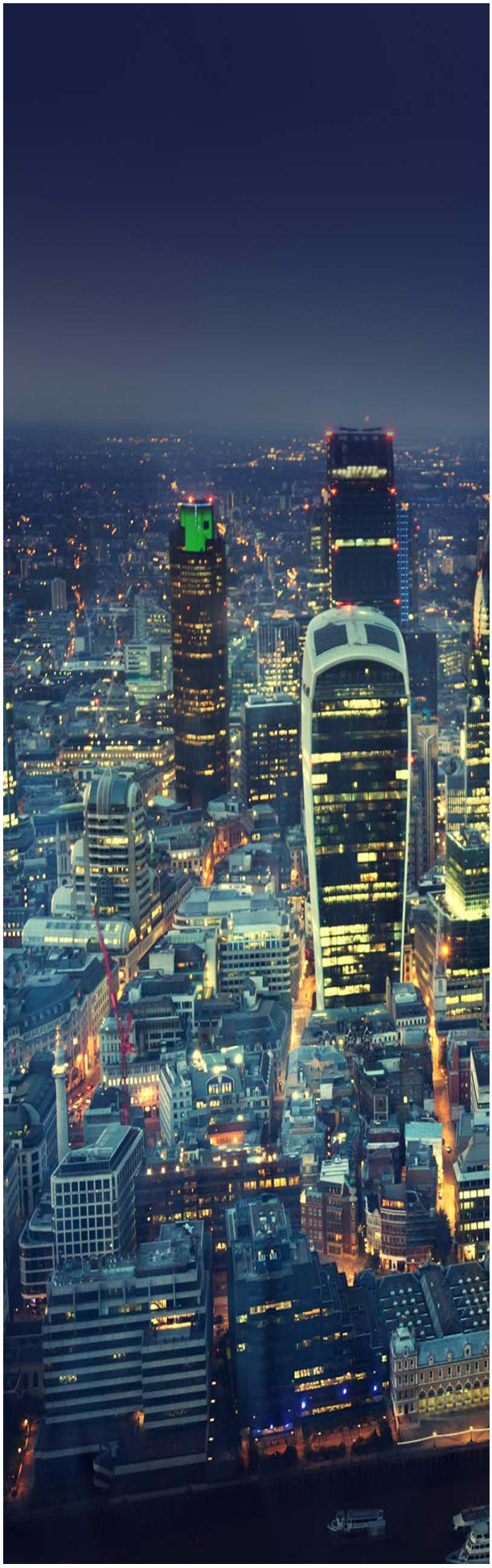
Taking into consideration that, due to the date on which the dismissal took place, art. 24 of the European Social Charter (revised) was not in force and was therefore not considered relevant.

The Supreme Court ruling confirms that the compensation set out in the Workers' Statute has previously been considered adequate by the Constitutional Court´s doctrine and does not require proof of specific damages in each case, as the law already establishes a standardized amount.

The court emphasized that this system provides legal certainty for both employers and employees.

Judgment of the Supreme Court (Social Division) no. 1350/2024, of December 19, 2024, Rec. no. 2961/2023.

Clara Marín, Director
Andersen in Spain
Member firm of Andersen Global
clara.marinhernandez@es.Andersen.com



Switzerland

In 2025, the Federal Council will leave the quotas for workers from third countries and EU/EFTA service providers unchanged and maintain a special quota for workers from the UK.

GUIDELINES
Available quotas for third country nationals workers for 2025

The Swiss government has decided to maintain its quotas for skilled workers from third countries and service providers from the EU/EFTA in 2025 to support the economy's need for skilled labor. The Federal Council approved a revision of the Ordinance on Admission, Residence, and Employment (OASA), which will go into effect on January 1, 2025.

As part of this, quotas for third-country workers will remain unchanged, allowing Switzerland to recruit 8,500 skilled workers from non-EU/EFTA countries. This includes 4,500 with a B residence permit and 4,000 with a short-term L residence permit. Additionally, the quota for EU/EFTA service providers will also remain the same, offering 3,000 L permits and 500 B permits.

The government will continue to prioritize the employment of Swiss and EU/EFTA workers, while also considering the general economic interests of the country. Over time, the special quota for workers from the United Kingdom will be integrated into the regular quota. Quotas for both third-country workers and EU/EFTA service providers will be distributed quarterly to the cantons to ensure a balanced allocation across the country. This policy aims to address the skilled labor shortage while safeguarding Switzerland's labor market interests.

LAW
Switzerland to raise women's retirement age and increase OASI pensions

The retirement age for women in Switzerland is set to rise from 64 to 65 as part of the OASI reform, which will be fully implemented by 2028. The transition will be gradual, affecting women born between 1961 and 1969, who will receive compensation for the change. In 2025, women born in 1961 will work three additional months, while those born in 1962 will work six more months. These women can choose to retire at the old retirement age, with their OASI pension reduced under more favorable conditions than usual, or they can continue working until the new retirement age and receive the supplement.

Additionally, the Federal Council has increased OASI pensions by 2.9%. The new minimum individual pension will be 1,260 francs per month, while the maximum pension will be 2,520 francs. For couples, the maximum pension will be 3,780 francs

per month. A significant change is planned for 2026, when a 13th monthly pension will be introduced, further boosting annual OASI income. These changes aim to address the growing need for financial support among retirees, particularly for women, as they transition to a higher retirement age.

Donatella Cicognani, Partner
donatella.cicognani@ch.Andersen.com
Laila Fontana, Senior Associate
laila.fontana@ch.Andersen.com
Andersen in Switzerland
Member firm of Andersen Global

Ukraine

It is necessary to comply with terms of a collective bargaining agreement (if any) when agreeing on remuneration terms of the employment contract with a CEO.

COURT

The Civil Court of Cassation of the Supreme Court of Ukraine formulated a legal opinion on remuneration terms of a company's director under the employment contract

The plaintiff worked as a director of a municipal enterprise and was dismissed due to the expiry of his employment contract. When applying to the court, the plaintiff stated that he had not been paid his salary in full as provided for by the terms of the collective bargaining agreement.

The lower courts did not consider that a collective bargaining agreement is an agreement on the terms and conditions of employment in the relevant company, including working conditions, binding on its parties. It is prohibited to include in employment agreements (contracts) terms and conditions that worsen the position of employees compared to the current legislation and collective bargaining agreements.

The working conditions (including remuneration) included in the terms of an employment agreement (contract) must be at least as favorable from the employee's point of view as the terms of employment under a collective bargaining agreement. At the same time, the employment agreement (contract) may provide for more favorable working conditions than those provided for in the collective bargaining agreement, but not less favorable for the employee.

This legal opinion is important because it concerns remuneration of a company's director who was hired on the basis of an employment contract - a special form of employment agreement in which conditions of material support of the employee may be established by agreement of the parties. Therefore, it is necessary to comply with terms of a collective bargaining agreement (if any) when agreeing on remuneration terms of the employment contract with a CEO.

Iryna Bakina, Counsel
Sayenko Kharenko
Collaborating firm of Andersen Global
ib@sk.ua