

2021

Global Employment Law Fact Sheet



The Law Firm **Network**
FAR - REACHING LEGAL SOLUTIONS

LEGAL NOTE

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— EDITOR'S NOTE —

by Andrea Corr

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I am pleased to welcome you all to the third edition of the Employment Law Guide.

At the time of the last publication in 2019 it was envisaged that this would be an evolving publication and that the Guide would be regularly updated and republished over time in order to allow colleagues the opportunity to keep up-to-date with more recent developments.

The world is a very different place now to the one envisaged in 2019 and we have all had to adapt to new ways of working. Although the Guide itself was not republished in 2020, we were able to circulate information directly to colleagues in 2020 on employment policies and practices related to the coronavirus pandemic and this proved very timely.

There has never been a better time for close co-operation with colleagues across all jurisdictions and

we are very pleased that, despite the many demands of the last 12 – 18 months, we have again been able to gather so many high quality submissions from colleagues.

We are delighted to be able to deliver an up-to-date Guide for 2021 to you and extend our sincere thanks to all the contributors who made this possible.





The Law Firm **Network**
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**FAR-REACHING
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SOLUTIONS**



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Information valid as of October 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

Written or oral.

B

PROBATION PERIOD

- » Up to 3 months.
- » During probation period both parties may terminate the employment with a 15- day period notice. Reason for termination is not needed.

C

FIXED-TERM EMPLOYMENT

Contracts are considered to be for an indeterminate period of time. Pursuant to Argentine law fixed-term contracts are possible if some requirements are met.

D

WORKING TIME / SCHEDULING

- » Standard: 48 hours per week
- » Rest between working days should be 12 hours as a minimum.
- » 1-hour lunch break mandatory.
- » Overtime: daily limit 3 hours, weekly limit 30 hours, annual limit 200 hours.
- » Employer must keep records of each employee's working hours.
- » Flexible scheduling with the employee's consent. Otherwise employee consider himself constructively dismissed.

E

REDUCED-HOURS EMPLOYMENT

Simplified employment schemes for work available.



F

MINIMUM SALARY

ARS \$ 33,000 (approx. € 214)

G

REMUNERATION

- » Payable daily/weekly/fortnightly/monthly
- » In cash, check or deposit in the employee's saving account.
- » Remuneration increase allowed. Remuneration decrease may result in the employee considering himself constructively dismissed.

H

SALARY SURCHARGES

- » Overtime work: 50% on working days.
- » Work on public holidays: Extra pay 100% of salary earnings.
- » Night shift – 52 minute hour. Excess of 52 minute hour is charged 50% for working days, 100% on holidays.
- » Weekend work: 100% of average earnings.

I

STATUTORY LEVIES

	Employer's cost	Employee's cost
Retirement	16%	11%
Law 19,032	2%	3%
Social Services	5%	3%
Family Payments	7,50%	
National Labor Funds	1,50%	
Life Insurances	0,03%	
Labor Risk Insurances	1,93%	

J

PAYMENTS DURING ILLNESS

- » **Up to 5 year's seniority:** 3 months or 6 months if the worker has family charges.
- » **6 year's seniority up:** 6 months or 12 months if the worker has family charges
- » The worker is also entitled to sick leave without pay for a further period of 12 months, during which the employer is obliged to maintain the employment relationship.

K

ANNUAL LEAVE

- Up to 5 year's seniority: 14 days.
- 6 year's up to 10 year seniority: 21 days.
- 11 year's up to 20 year seniority: 28 days.
- Up to 21 year's seniority: 35 days.
- Leave should be taken between October 1st and April 30th.
- Holiday cannot be postponed. However, 1/3 of unused holiday of previous year, can be transferred to future years, upon mutual agreement.
- Employer should pay the employee holiday in advance thereof

L

MATERNITY/PARENTAL PROTECTION

- Maternity leave 3 months.
- Mothers may request shorter working hours.

M

NON-COMPETE COVENANT

- Allowed by law albeit infrequent.
- Agreed by both parties.

N

EMPLOYMENT TERMINATION

- Written notice of termination.
- Employee may terminate anytime for any or no reason.
- Employer may terminate anytime for any or no reason.
As a response to the COVID-19 crisis, the government has forbidden to dismiss employees without any cause until December 31 th.. Employees dismissed without fair cause are entitled to a double severance payment
- Employer and employee may terminate by mutual consent.
- Employer may terminate with cause only on the grounds specified by law (organizational changes, health issues, failure to meet requirements, unsatisfactory work performance, and breach of duties); often special termination procedure must be followed.
- Specially protected employees: employees temporarily unfit for work, pregnant employees, employees on maternity/parental leave, trade union officials.
- Possibility to dispute the validity of termination in court within 2 years from the last day of employment.
- Termination
 - With cause: no severance payments.
 - Without cause: 1 salary per each year.
 - Organizational reasons: half a salary per year.
 - Health reasons: half a salary per year.



O

EMPLOYMENT OF FOREIGNERS

Non-Argentine citizens – residence certificate required and employment permit generally needed.

P

OTHER EMPLOYER'S DUTIES

- » Health and safety at the workplace.
- » Optional medical examinations (pre- and post-employment and periodic) with a provider of employment medical services.
- » Work risk insurance.

Q

EMPLOYEES' REPRESENTATION

- » Trade unions, work councils, representatives concerned with occupational safety and health protection.
- » 1 union representative every 50 employees

R

EMPLOYMENT PRIVATE AGENCIES

Agency employees have the same salary and working conditions as company staff.

S

COUNTRY SPECIFICS

Judges usually adopt a pro-employee attitude.



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

Need not be in writing. If made in writing, does not need to follow any specific form. Nevertheless, the facts shall prevail over any written clause.

B

PROBATION PERIOD

- » Up to 90 days (this term may be reduced by the specific applicable CBA); if not terminated up to the 90th day it becomes a standard employment contract and severance payment will apply in case of termination as of the 91 day.
- » During probation period both parties may terminate the employment without payment of 30 days previous notice period and the 40% penalty on FGTS balance. Nevertheless, the employer shall have to pay an amount equal to 50% of the day salary times the number of days to accomplish the probation period (PB = 90 days; termination on the 50th day; employer payment = 40/2 * day salary).

C

FIXED-TERM EMPLOYMENT

- » Up to 2 years.
- » After the 2 years, it can only be renewed after a 6 months window.
- » It can only be used in some specific situations.

D

WORKING TIME / SCHEDULING

- » Standard: 44 hours per week and 8 hours per day
- » Also allowed shifts of 12 hours followed by 36 hours of rest
- » Mandatory 60 minutes food and rest break after 6 hours of work
- » Mandatory 11 hours break between shifts
- » Overtime: daily limit 2 hours
- » Employer must keep records of each individual employee's working hours (valid only for companies with more than 20 employees)
- » Various forms of flexible scheduling for working hours available



E MINIMUM SALARY

R\$ 1.100 (roughly US\$ 220)

F SALARY SURCHARGES

- » Overtime work – surcharge of at least 50% per hour of overtime; compensatory paid time-off may be agreed instead
- » Work on public holidays and Sundays – surcharge of 100% per working hour
- » Night shift – surcharge of 20% on each night shift working hour
- » Saturday – no surcharge if not surpassed the 44 working hours per week

G STATUTORY LEVIES

	Social security contribution
Employee	7,5 %, 9%, 12% or 14%, depending on the base salary
Employer	20 %

H PAYMENTS DURING ILLNESS

Employer is responsible for the employee's salary during the first fifteen days of sick leave. After the fifteenth day, the Social Security Agency (INSS) becomes responsible for the payment of the sick leave benefit to the employee.

I ANNUAL LEAVE

- » 30 days of annual paid leave
- » Employees may sell 10 days to the employers
- » The paid leave must be increased of 1/3 of the monthly salary
- » The leave schedule is set forth by the employer
- » Annual leave must be taken within one year as of termination of the accrued period; compensation for unused leave possible only upon employment termination

J MATERNITY/PARENTAL PROTECTION

Maternity/parental leave limited to 120 days; after delivery the mothers may not be dismissed within 150 days.

K

NON-COMPETE COVENANT

- No statutory rules available; rules set forth according to court precedents.
- Courts usually accept up to 24 months after termination, but limited for a restricted territory and limited to the previous industry.
- Minimal compensation of 100% of average earnings for every month.

L

EMPLOYMENT TERMINATION

- Immediate written termination during probation period
- Written notice advisable
- Written notice of termination
 - Employee may terminate anytime for any or no reason
 - Employer may terminate anytime for any or no reason
 - Special termination without reason may be agreed between employer and employee; in this case, only 50% of severance is due
 - 30 days minimum notice period, may be extended by agreement
- Written immediate termination
 - Employer may terminate anytime with or without cause
- Severance payment depends on termination grounds
 - No severance payment due on termination for cause
 - 40% penalty over FGTS balance in case of termination with no cause plus at least 30 days termination notice
 - In case of Special termination, the severance payment may be reduced in 50%
- Collective dismissals – no mandatory special termination procedure for multiple redundancies
- Specially protected employees: employees temporarily unfit for work, pregnant employees, employees on maternity/parental leave, trade union officials
- Possibility to dispute the validity of termination in court within 2 years from the last day of employment

M

EMPLOYMENT OF FOREIGNERS

Non-Brazilian citizens – visa and employment permit needed

N

OTHER EMPLOYER'S DUTIES

- Health and safety at the workplace
- Mandatory medical examinations (pre- and post-employment and periodic)
- Agreement with provider of employment medical services mandatory depending on the applicable CBA



EMPLOYEES' REPRESENTATION

- » Trade unions, work councils, representatives concerned with occupational safety and health protection.
- » Trade unions may be a pain in case of some specific categories.



EMPLOYMENT PRIVATE AGENCIES

- » Enable the employer to be more flexible with number of employees.
- » Same salary and working conditions for agency employees must be guaranteed.



COUNTRY SPECIFICS

- » Notice of termination without cause is possible.
- » Reaching of certain age does not constitute a reason for termination.



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Information valid as of 1 September 2021

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EMPLOYMENT CONTRACT / ALTERNATIVES

- Must be in writing.
- Must have clauses: contracting parties, employment term, type of work and place of work, working time, leaves and holidays, remunerations, social insurance, labor protection, labor conditions and protection against occupational hazard.
- Three types: fixed-term employment contract, non-fixed-term employment contract; project-based employment contract.

B

PROBATION PERIOD

Types of Employment Contract/ Terms of Employment Contract	Statutory Probationary Term
Project-based employment contract	N/A
Part-time employment contract	N/A
Employment contract with a term less than 3 months	N/A
Employment contract with a term of 3 months to less than 1 year	No more than 1 month
Employment contract with a term of 1 year to less than 3 years	No more than 2 months
Employment contract with a term of 3 years or more	No more than 6 months
Non-fixed-term employment contract	No more than 6 months

- The same employer shall only be allowed to have one probation period with the same employee.
- The wages shall not be less than the minimum wage level for the same position or not be less than 80% of the wage agreed in the employment contract, and shall not be less than the minimum wage of the place where the employer is located.

C

FIXED-TERM EMPLOYMENT

May be renewed twice; after that it shall be a non-fixed-term employment contract when renewed.

D

REMUNERATION

- Full-time: remuneration shall be payable on a monthly basis.
- Part-time: remuneration shall be payable no more than every 15 days



E

WORKING TIME / SCHEDULING

- » Standard working hours: 8 hours a day and 40 hours a week.
- » Overtime: shall not exceed 36 hours per month.
- » There are flexible working hour systems which are subject to approval of local labour authorities.

F

SALARY SURCHARGES

- » Overtime work on working days: 150% of the regular salary.
- » Overtime work on public holidays: 300% of the regular salary.
- » Overtime work on weekend: 200% of the regular salary. provided however that the employer is unable to arrange exchange leave for such weekend work.

G

MINIMUM SALARY

- » Vary from city to city.
- » For example, 2,590 RMB per month and 23 RMB per hour in Shanghai starting from July 1, 2021.

H

STATUTORY LEVIES

- » Five insurances and one fund: pension insurance; medical insurance; unemployment insurance; employment injury insurance; maternity insurance and housing fund.

The premium rate of employee and employer varies from city to city and it is updated every year.

For example, in Shanghai (2021):

	pension insurance	medical insurance (including maternity insurance)	unemployment insurance	employment injury insurance	housing fund
Employee	8%	2%	0,5%	N/A	5%~7%
Employer	16%	10,5%	0,5%	0.16%~1.52%	5%~7%

I

PAYMENTS DURING ILLNESS

- » Vary from city to city.
- » For example, in Shanghai (2021):

Period of Sick Leave	Employment with the Current Employer	Wage for Sick Leave	Sickness Relief
		(The calculation base is 70% of the employee's normal wage, not lower than the local minimum wage)	(The calculation base is 70% of the employee's normal wage, not lower than the local minimum wage)
Less than 6 months	Less than 2 years	60%	-
	2–4 years	70%	-
	4–6 years	80%	-
	6–8 years	90%	-
	More than 8 years	100%	-
More than 6 months	Less than 1 year	-	40%
	1–3 years	-	50%
	More than 3 years	-	60%

» If the wage for sick leave or sickness relief is lower than 40% of the employer's average monthly wage, the employer needs to make up the difference. In any event, the final amount should not be greater than the employee's normal wage for full attendance or the local average monthly wage, and not lower than 80% of local minimum wage after the deduction of the employee's contribution to social insurance.

J

ANNUAL LEAVE

Cumulative Service Years	Statutory Annual Leave Entitlement
At least 1 year but less than 10 years	5 days
At least 10 years but less than 20 years	10 days
At least 20 years	15 days

K

NON-COMPETE COVENANT

- » Applicable to the senior executives, senior technicians and other employees with confidentiality obligations.
- » The scope, geographical region and period of non-competition may be agreed by employer and employee.
- » The period of non-competition shall not exceed two years after the expiration or termination of the employment contract.
- » Employer shall grant the employee compensation on a monthly basis.

L

MATERNITY/PARENTAL PROTECTION

- » Maternity leave (minimum 98 days including 15 days which can be taken before the birth), additional childbirth leave, maternity leave for abortion, paternity leave, prenatal leave upon approval.
- » Employer shall not extend the working hours of female employees who have been pregnant for seven months and or arrange for them to do night work.
- » Employer shall not extend the working hours of female employees who are breastfeeding a child less than one-year-old or arrange for them to do night work.
- » Each province may provide additional protections pursuant to local regulation.



M

EMPLOYMENT TERMINATION

- » An Employer and an employee may terminate their employment contract through consultation. The employer shall grant severance pay to the employee.
- » An employee may terminate the employment contract by a 30-day's prior written notice.
- » Under any of the following circumstances, an employment contract shall be terminated:
 - a. the employment contract has expired;
 - b. the employee has started exercising his/her pension insurance entitlements (or the employee has reached the statutory retirement age);
 - c. the employee is dead or declared dead or missing by a court;
 - d. the employer is declared bankrupt pursuant to the law;
 - e. the employer's business license is revoked, the employer is ordered to close down, the employer is revoked or the employer has decided to dissolve prematurely; or
 - f. any other circumstances stipulated by the laws and regulations.

Under the sub-paragraphs d and e above, the employer shall grant severance pay to the employee

- » Under any of the following circumstances, the employer may terminate the employment contract by giving the employee a written notice 30 days in advance or by making additional payment of one month's salary to the employee in lieu:
 - a. Where the employee suffers from an illness or a non-work-related injury and is unable to undertake the original job duties or other job duties arranged by the employer following completion of the stipulated medical treatment period;
 - b. Where the employee cannot perform his/her duties and remains to be incapable of performing the job duties after training or job transfer; or
 - c. Where the objective circumstances for which the conclusion of the employment contract is based upon have changed significantly and as a result thereof, the employment contract can no longer be performed, and upon negotiation between the employer and the employee, both parties are unable to reach an agreement on variation of the contents of the employment contract.

Under the above circumstances, the employer shall grant severance pay to the employee.

- » The employer cannot terminate the employment contract under any of the following circumstances through the above-mentioned way of 30-day written notice:
 - a. Where an employee who has engaged in work exposed to occupational hazards has not undergone pre-termination of employment occupational health check or during the period where any employee is suspected to have contracted an occupational illness or under medical observation;
 - b. Where an employee has contracted an occupational illness or suffered a work injury while working for the employer and is confirmed to have lost his/her employment capacity wholly or partially;
 - c. During the stipulated medical treatment period of an employee suffering from illness or non-work-related injury;
 - d. During the pregnancy, maternity leave or breast-feeding period of a female employee;
 - e. Where an employee has worked for 15 consecutive years with the employer and will attain his/her statutory retirement age in less than 5 years' time; or
 - f. Any other circumstances stipulated by the laws and regulations.
- » Under any of the following circumstances in relation to an employee, an employer may terminate the employment contract unilaterally:
 - a. Where it is proved during the probationary period that the employee does not satisfy the recruitment criteria;
 - b. Where the employee has committed a serious breach of the employer's rules and regulations (please note that it is common for an employer to consolidate all the rules and regulations into an employee handbook and have it signed by its employees for enforcement);

- ❖ c. Where the employee is guilty of serious dereliction of duties and corruption and causes the employer to suffer significant damages;
- ❖ d. Where the employee holds an employment relationship with another employer concurrently which has a severe impact on his/her performance of work tasks assigned by the employer, or refuses to make correction upon the request of the employer;
- ❖ e. Where the employee uses such means as deception or coercion, or takes advantages of the employer's difficulties, to causes the employer to conclude the employment contract, or make an amendment thereto, that is contrary to the employer's true intention, and thus causes the employment contract to be invalid (As for the circumstances under which an employment contract becomes invalid wholly or partially, please refer to the following "Invalid Employment Contract"); or
- ❖ f. Where the employee violates any Chinese laws or regulations which are subject to criminal prosecution.

Under above circumstances, the employer is not liable for the severance pay.

N

REDUCED-HOURS EMPLOYMENT

- Part time employment relationship can be established through verbal agreement.
- Part-time employee may establish the part time employment with one or more employers.
- No probation period is applicable.
- Employer may unilaterally terminate the part time employment relationship without severance pay.
- The hourly rate of part time employee shall not be lower than the minimum hourly salary standard.
- Employer is not required to make contribution to part-time employee's social insurance (except for work-related injury insurance) generally unless the local practice requires otherwise.

O

EMPLOYMENT OF FOREIGNERS

- Visa and employment permit are generally needed.
- Foreigners should take a compulsory health examination after entering China.
- It is compulsory for the foreign employees to participate in the social insurance when working in China.

P

OTHER EMPLOYER'S DUTIES

Health and safety at the workplace

Q

EMPLOYEES' REPRESENTATION

- Labor Unions, Workers Congress and representatives concerned with the lawful rights and interests of employees
- The number of representatives of Workers Congress depends on the size of the company and the minimum is 30.
- The Labor Union operates the daily work of the Workers Congress.

**R****EMPLOYMENT PRIVATE AGENCIES**

- » An employer may engage dispatched employees
- » Dispatched employees are only for the temporary, auxiliary or alternative positions.
- » The number of dispatched employees in an employer shall not exceed 10% of its total number of employees.
- » The term of employment contract between the dispatched employee and the dispatch service provider shall be no less than two (2) years.
- » The dispatch service provider shall make contribution to the social insurance for the dispatched employees in accordance with the local regulations.

S**COUNTRY SPECIFICS**

- » No “at will employment” concept and termination of employment requires solid legal and factual grounds
- » Severance pay is calculated based on “average monthly salary” and “number of service years”, which is relatively complex, and therefore, it is advisable to seek legal advice
- » Labour laws, regulations and policies are changing and therefore, regular update is recommended



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Information valid as of 1 September 2021

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EMPLOYMENT CONTRACT / ALTERNATIVES

- Must be in writing and include information about type of work, place of work and date of commencement
- Alternative flexible contracts: zero-hour contract, casual contract (both with limited time range)

B

PROBATION PERIOD

- Up to **3 months**; up to 6 months for managers
- During probation period both parties may terminate the employment with immediate effect without stating a reason

C

FIXED-TERM EMPLOYMENT

- Up to **3 years**
- May be extended twice, each time for up to an additional 3 years

D

WORKING TIME / SCHEDULING

- Standard: **40 hours per week** for one-shift operations, one shift up to 12 hours
- Mandatory 30 minute food and rest break after 6 hours of work
- Overtime: annual limit 150 hours or up to 416 hours with employee's consent
- Various forms of flexible scheduling for working hours available

E

MINIMUM SALARY

- **CZK 15 200** (approx. 600 EUR)/month
- CZK 90.50 (approx. 3.60 EUR) / hour



F

SALARY SURCHARGES

- » **Overtime work** – additional payment of at least 25% of average earnings, which may be partially included in salary; compensatory paid time-off may be agreed instead
- » **Work on public holidays** – compensatory paid time-off; additional payment of at least 100% of average earnings may be agreed instead
- » **Night work** – additional payment of 10% of average earnings; may be decreased by agreement between employer and employee
- » **Weekend work** – additional payment of 10% of average earnings; may be decreased by agreement between employer and employee

G

STATUTORY LEVIES

	Health Insurance	Social Security Insurance
Employee	4,5%	6,5%
Employer	9%	24,8%

H

PAYMENTS DURING ILLNESS

- » 1st - 14th day: 60% of the reduced salary to be paid out by the employer
- » From 15th day on: social security benefits paid by the state

I

ANNUAL LEAVE

- » Minimum of **4 weeks** of annual paid leave
- » The leave must be ordered by the employer at least 2 weeks in advance
- » Transfer of unused leave into following years, compensation for unused leave possible only upon termination of employment

J

MATERNITY/PARENTAL PROTECTION

- » Paid maternity leave: 28 weeks (37 weeks if more children are born)
- » Paid paternity leave: up to 7 days
- » Supported parental leave: until the child reaches **3 years** of age

K

NON-COMPETE COVENANT

- » For **up to 12 months** after termination
- » Minimum compensation of **50% of average earnings** for every month
- » Limited practical usability, difficult withdrawal by the employer

L

EMPLOYMENT TERMINATION

- » Written agreement
- » Written notice of termination
 - » Employee may terminate any time for any or no reason
 - » Employer may terminate only on grounds specified by law (organizational changes, health issues, failure to meet requirements, unsatisfactory work performance, and breach of duties); often special termination procedure must be followed
 - » Special termination without reason may be agreed with top managers
 - » **2 months'** notice period, may be extended by agreement (same length for both parties)
- » Minimum severance payment depends on termination grounds
 - » 1 to 3 average monthly earnings for organizational reasons
 - » 12 average monthly earnings if consequence occupational accident/illness
- » Written immediate termination
 - » Employer may terminate only in the case of an exceptional gross breach of employee's duties or serious criminal offence
- » Collective dismissals – mandatory special termination procedure for multiple redundancies
- » Specially protected employees: employees temporarily unfit for work, pregnant employees, employees on maternity/parental leave, trade union officials
- » Possibility to dispute the validity of termination in court **within 2 months** from the last day of employment

M

EMPLOYMENT OF FOREIGNERS

- » EU citizens – no restrictions, minimum conditions under EU Posting Directive to be provided, obligatory notification of employment towards Labour Office & other administrative obligations
- » Non-EU citizens – visa and employment permit generally needed

N

OTHER EMPLOYER'S DUTIES

- » Health and safety at the workplace
- » Mandatory medical examinations (pre- and post-employment and periodic) and agreement with provider of employment medical services

O

EMPLOYEES' REPRESENTATION

- » Trade unions, work councils, representatives concerned with occupational safety and health protection
- » Minimum number of employees required for establishment of a trade union: 3
- » Do not have much tradition, usually not in a strong position

**P****EMPLOYMENT PRIVATE AGENCIES**

- » Enable the employer to be more flexible with number of employees.
- » Same salary and working conditions for agency employees must be guaranteed.

Q**COUNTRY SPECIFICS**

- » Notice of termination by an employer possible only with statutory termination reason (even when making severance payments).
- » Achieving a certain age does not automatically constitute a reason for termination .
- » Salary compensation (e.g. during paid leave) calculated by use of “average earning” and not stipulated salary.



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- No requirement for a written agreement, however, the employer must within 1 month give the employee a written confirmation (“Ansættelsesbevis”) of the essential rights and obligations including i) location of the workplace, ii) description of the work or indication of the employee's title, rank, position or job category, iii) the duration of the employment, iv) the duration of the employees and employers notice of termination, v) the agreed remuneration/salary and any allowances and other payment elements not included therein, eg. pension contributions, vi) rights with regard to paid holiday, including whether salary is paid during vacation, vii) the normal daily or weekly working hours, viii) indication of collective agreements regulating the employment.
- If the employer has not complied with its duty to provide the above stated information, the employee may be granted a compensation, which cannot exceed 13 weeks of salary and in aggravating circumstances, the compensation can be increased up to 20 weeks of salary.

B

PROBATION PERIOD

- If a probation period is agreed for a white-collar employee, i.e. an employee with status as salaried employee covered by the Danish Salaried Employees Act, the probation period may not exceed 3 months.
- During probation period the employee may terminate the employment with immediate effect and the employer may terminate the employment with 14 days notice.

C

FIXED-TERM EMPLOYMENT

There are no limits on the duration of temporary contracts, but the employer will have to substantiate objective reasons for the choice of employment period. However, if temporary employment contracts repeatedly follow each other, such chain contract may be invalid and qualified as a permanent contract depending on the particular circumstances of the case.

D

WORKING TIME / SCHEDULING

- The normal daily or weekly working hours must be stated in the employment contract.
- Full time is usually 37 hours per week (exclusive of lunch break), but it is allowed to agree a higher or a lower number of hours.



- The Working Time Directive provides for an upper limit of 48 working hours per week including overtime work, calculated as an average over a period of 4 months.
- When the working day is more than 6 hours, the employee is entitled to a break. There are no rules to the length of the break, but the employee must have the time to eat and drink.

E MINIMUM SALARY

There is no legislation on a minimum wage. If the employment is covered by a collective agreement, the agreement may contain provisions on the minimum wage. In many collective agreements the minimum wages are fixed at DKK 125 per hour exclusive of pension (approx. 17 EUR per hour). Otherwise, the salary is agreed between the employer and the employee.

F SALARY SURCHARGES

- **White-collar employees** are normally not entitled to overtime pay, but this can be agreed.
- **Blue-collar employees** are typically employed for a fixed number of hours, overtime may normally result in the right to time off in lieu on a 1 to 1 basis.
- Overtime allowances can only be obtained if this is agreed. However, many collective agreements give the right to a 50% overtime supplement for the first three overtime hours, then 100% overtime allowance for additional overtime hours, and on Sundays and public holidays the rate in the collective agreements is usually 100% from the first overtime hour.

G STATUTORY LEVIES

	Employee: (per month for each employee)	Employer:
Labor market contribution:	8%	N/A
Labour market supplementary pension (ATP):	DKK 95	DKK 189
Financial contribution (FIB)	N/A	DKK 69
Labor market insurance (AES) – depending on risk	N/A	DKK 21-458
Employers' education contributions (AUB):	N/A	DKK 233
Labor market fund for expatriates (AFU)	N/A	DKK 1
Maternity fund:	N/A	DKK 240

H PAYMENTS DURING ILLNESS

- White-collar employees are entitled to full pay during illness. The employer only has to pay the first 30 days, then the cost will be covered by the government.
- Blue-collar employees are only entitled to full pay during illness if this is agreed in the contract or follows a collective agreement.

I

ANNUAL LEAVE

- » Minimum of 5 weeks of annual paid leave if the employee has been employed for a minimum of 1 year.
- » The employer determines, after negotiation with the employee, when the holiday must be utilized.
- » The employer must notify the employee as early as possible when the holiday is to be utilized. The employer must notify the employee no later than 3 months before the main holiday of 3 consecutive weeks commences, and no later than one month before the the remaining 2 weeks has to be utilized. The 5 weeks may be divided into shorter holiday periods if the parties agree, however the main holiday must never be less than 2 consecutive weeks. The employee is entitled to request that the main holiday is placed in the period from 1 May to 30 September.

J

MATERNITY/PARENTAL PROTECTION

- » There is a right to 52 weeks of maternity leave, which is distributed as follows:
 - » 4 weeks before expected birth (mother)
 - » 2 weeks of paternity leave, in connection with the birth (father)
 - » 14 weeks leave starts the day after actual birth (mother)
 - » 32 weeks parental leave (both mother and / or father). The parental leave can be shared between the parents, and can be extended and postponed.
- » An employee may be terminated even during pregnancy or in fertility treatment. There is no ban on termination, but the termination must not be wholly or partly justified in these circumstances. It rests upon the employer to prove that the termination is not justified in these circumstances.

K

NON-COMPETE COVENANT

- » An employee can only be covered by a non-compete clause if the employee holds a very special position of trust, e.g. knowledge of pricing policy, customer lists or other business secrets.
- » A non-compete clause applies only if the employee terminates the employment contract or is expelled due to the employee's circumstances. A non-compete clause does not apply if the employer terminates the employee without cause.
- » If the clause applies for up to 6 months, a compensation of at least 40% of the monthly salary package during this period must be paid. If the clause applies for up to 12 months, a compensation of at least 60% of the monthly salary package must be paid. However, the first 2 months of compensation must be paid as a lump sum.
- » If the employee finds other suitable work, the employer can set off the new salary in the compensation from the 3rd month onwards. However, at least 16% of the monthly salary must be paid when the clause applies for up to 6 months and at least 24% of the monthly salary when the clause applies for up to 12 months.

L

EMPLOYMENT TERMINATION

- » For white-collar employees notice must be given in writing.
- » For blue-collar employees the termination must only be in writing if it has been agreed in the employment contract or a collective agreement. However, most terminations are in writing to avoid doubt.
- » For white-collar employees the termination notice is between 1-6 months depending on the duration of the employment. After 8 years and 7 months of employment the notice will 6 months. The termination notice from the employee is always 1 month at any time.



- » For blue-collar employees the termination notice will be specified in the employment contract or the written confirmation from the employer (ansættelsesbeviset) or by a collective agreement.
- » Employer may terminate without notice only in case of a material breach of employee's duties or serious criminal offense.
- » White-collar employees are entitled to severance payment depending on the duration of the employment i.e. 1 month of salary after 12 years of employment and 3 months of salary after 17 years of employment. White-collar employees with more than 12 months of seniority may, in case of unfair termination claim for compensation at up to half of the salary in termination period. If the employee is more than 30 years of age, the compensation can be up to 3 months of salary. If the employment has lasted for 10 or 15 years, the compensation may, respectively, amount up to 4 or 6 months of salary.
- » Blue-collar employees covered by a collective agreement will often be entitled to claim for compensation for unfair termination.
- » Collective dismissals – mandatory special termination procedure for multiple redundancies.
- » Specially protected employees: employees temporarily unfit for work, pregnant employees, employees on maternity/parental leave, labour union officials.

M

EMPLOYMENT OF FOREIGNERS

- » EU citizens – no restrictions, notification of employment towards competent authority.
- » Non-EU citizens – visa and residence and work permit is generally needed.

N

OTHER EMPLOYER'S DUTIES

Principle of equal treatment of employees (as long as there is no objective reason for a distinction between employees) based on the various Danish non-discrimination laws and general Danish employment principles.

O

EMPLOYEES' REPRESENTATION

- » Labour unions. The strength of the labour unions and their position varies (e.g. traditionally strong position within the production industry and traditionally rather weak position within the service industry).
- » The employees are entitled to have representatives in the company's board of directors when the company has employed at least 35 employees on an average over the last 3 years. The employees are entitled to 1/3 of the seats in the board of directors and at least 2 members.

P

EMPLOYMENT PRIVATE AGENCIES

- » Enables the employer to be more flexible with number of employees.
- » The working conditions must at least correspond to the same conditions as the other employees at the employer.
- » If the private agency or the employer is covered by a collective agreement, the employee will be covered by the collective agreement.



COUNTRY SPECIFICS

- » Relatively high levies and taxation on salaries
- » In the event of bankruptcy, the Employees' Guarantee Fund (LG) covers the employees' claims for unpaid salaries until the end of their notice period and holiday allowance up to DKK 160,000 after taxes (approx. 21,500 EUR).

LAW FIRM

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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- » An employment contract (which can be in writing or the result of verbal agreement) typically sets out an employee's:
 - Terms and conditions;
 - Rights and obligations ; and
 - Responsibilities and duties
- » Some terms are implied automatically, even if not recorded in writing or the subject of specific agreement. These include:
 - The employer's duty to provide a safe and secure working environment;
 - The employee's duty of honesty and loyal service;
 - The mutual duty of trust and confidence; and
 - Terms that are necessary to make the contract workable, e.g. an employee employed as a driver is required to have a valid driving licence.
- » Under s.1 of the Employment Rights Act 1996 an employer, must, by no later than the first day of employment, give the employee a written statement of terms and conditions relating to the following particulars:
 - Identity of the parties;
 - Date employment began;
 - Date continuous employment began;
 - Details of any probationary period;
 - Scale or rate of remuneration and intervals of pay;
 - Hours and days of work, and whether these vary;
 - Details of any benefits provided;
 - Details of any training provided;
 - Terms relating to holidays and holiday pay, sickness and sickness pay, pensions and pension schemes;
 - Length of notice required to determine the contract;
 - Whether collective agreements apply; and
 - Where employees are required to work outside of the UK for a period of more than one month, the period of that work, the currency in which payment is to be made and benefits provided.

B

PROBATION PERIOD

- » Typically anywhere between one to six months.
- » Probationary periods have no legal status but tend to be periods during which a shorter period of notice will apply than is otherwise the case under the contract.

However, that does have to be specifically stated in the contract.

C

FIXED-TERM EMPLOYMENT

- » Any employee on fixed-term contracts for 4 or more years will automatically become a permanent employee, unless the employer can show there is a good business reason not to do so.
- » After 1 years' service, employees under a fixed-term contract have the right to a written statement of reasons for not renewing their contract.
- » After 2 years' service, employees under a fixed-term contract have the right not to be unfairly dismissed.
- » Employers must not treat workers on a fixed-term contract less favourably than permanent employees doing the same, or largely the same, job.

D

WORKING TIME / SCHEDULING

- » Working week – employees cannot be required to work more than 48 hours a week (averaged over 17 weeks), unless they have freely chosen to 'opt out'. An employer cannot force an employee to opt out, and employees cannot be dismissed, or treated unfairly, for refusing to do so.
- » Rest breaks – workers have the right to one uninterrupted 20 minute rest break during their working day, if they work for 6 hours a day.
- » Daily rest – workers have the right to 11 hours rest between working days.
- » Weekly rest – workers have right to either an uninterrupted 24 hours without any work each week, or, an uninterrupted 48 hours without any work each fortnight.
- » Overtime – employees only have to work overtime if their contract says so. Even if it does, an employee cannot be forced to work more than an average of 48 hours per week, unless the employee 'opts out'.
- » Night Workers – staff who regularly work at least 3 hours during the night period (11pm to 6am) are designated as night workers. Night workers must not work more than an average of 8 hours in a 24-hour period (with limited exceptions). Employers must keep records of night workers' working hours to ensure they aren't exceeding the limits.
- » Sunday working – an employee cannot be made to work on a Sunday unless they have agreed it with their employer in writing.
- » Flexible working – all employees who have worked for the same employer for at least 26 weeks have the legal right to request flexible working. A flexible working request must be dealt with by an employer in a 'reasonable manner'. The employer must have one of a number of defined business reasons if it refuses the employee's application.

E

MINIMUM SALARY

- » To be agreed between employer and employee subject to National Minimum Wage provisions (see below)
- » The contract of employment should detail when, and how, salary will be paid to employee.



National Minimum Wage

- Hourly minimum wage depends on employee's age.
- To be eligible for the National Living Wage (NLW) workers need to be aged 23 or over.
- The National Minimum Wage (NMW) applies to those workers aged up to 23.
- Under these rules for the year April 2021 – April 2022 the rates are:-

- ⋮ NLW (23 and over) - £8.91 p/h
- ⋮ NMW Standard Rate (21 – 22) - £8.36 p/h
- ⋮ NMW Development Rate (18 – 20) - £6.56 p/h
- ⋮ NMW Young Workers Rate (16 – 18) - £4.62 p/h
- ⋮ NMW Apprentice - £4.30 p/h

F

REMUNERATION

- To be agreed between employer and employee subject to National Minimum Wage provisions as above).
- The contract of employment should detail when, and how, salary will be paid to employee.

G

SALARY SURCHARGES

- Sunday working - No higher pay rate is required to be paid by an employer, unless otherwise agreed.
- Night workers - No higher night working pay rate applies to night workers.
- Overtime - Employers do not have to pay workers for overtime unless they have agreed to do so. However, an employee's average pay for the total hours worked must not fall below the National Minimum Wage (see 'Minimum Salary'). The Contract of Employment will usually include details of any overtime pay rates.

H

STATUTORY LEVIES

- Income Tax – Every employee has a standard Personal Allowance of £12,570, which is the amount of income that is not subject to tax.
- The table below shows the tax rates bands:
 - ⋮ Personal Allowance Up to £12,570 - 0%
 - ⋮ Basic rate £12,571 to £50,270 - 20%
 - ⋮ Higher rate £50,271 to £150,000 - 40%
 - ⋮ Additional rate over £150,000 - 45%
- National Insurance Contributions – workers aged 16 or over and who earn above £184 a week pay National Insurance contributions which qualify them for certain benefits and the State Pension.
- The system is complex but in the context of Employment, both employees and employers are required to make contributions with employees' contributions being deducted from their wages at the same time as tax and employers' contributions being payable by the employer in addition.

I

PAYMENTS DURING ILLNESS

- Employers are required to pay Statutory Sick Pay (SSP), the details of which are set out below. Employers are not required to offer anything more than SSP where an employee is absent through ill health but many employers do offer additional sums either under the employment contract or on a discretionary basis.
- To be eligible for Statutory Sick Pay (SSP) an individual must:
 - Be classed as an employee and have worked for the employer;
 - Have been ill for at least 4 days in a row (including non-working days)
 - Earn at least £120 (before tax) per week
- Employees will receive £96.35 a week SSP for up to 28 weeks from their employer.
- Employees will only require a medical certificate from a doctor after 7 days off work sick (including non-working days).

J

ANNUAL LEAVE

- All employees and almost all workers are legally entitled to 5.6 weeks' paid holiday per year (inclusive of Bank or public holidays if allowed).
- Most workers who work a 5-day week must therefore receive at least 28 days' paid annual leave inclusive of Bank or public holidays if allowed.
- An employer is not forced to allow an employee to take Bank or public holidays provided the overall minimum entitlement is allowed.
- Annual leave accrues during maternity, paternity and adoption leave, and while off work sick.

K

MATERNITY/PARENTAL PROTECTION

- When an employee takes time off to have a baby, they may be eligible for:
 - Statutory Maternity Leave (up to 52 weeks and a minimum of 2 weeks after birth);
 - Statutory Maternity Pay (up to 39 weeks – 90% of average weekly earnings for the first 6 weeks, followed by £151.97 or 90% of average weekly earnings (whichever is lower) for the next 33 weeks); and
 - Paid time off for antenatal care
- Employment rights are protected whilst on Statutory Maternity Leave, including rights to:
 - Return to the same job;
 - Accrued holiday; and
 - To benefit from arrangements which apply to the workforce as a whole.

L

NON-COMPETE COVENANT

- Any contractual term which seeks to restrict an individual's freedom to work for others, or carry out his trade or business will be void and unenforceable, unless the employer can show it has a legitimate business interest (usually related to confidential information) which requires protection and the protection sought is no more than is reasonably necessary.
- The geographical area of any restriction and the length of time of the post termination restriction must be justified.
- Typically, a restriction for more than 12 months will be difficult to justify but even restrictions for less than 12 months may be found to be unenforceable.

- » **Notice period** – a contract of employment may be terminated by either party giving the other notice.

Employees must be given at least the notice stated in their contract of employment or the statutory minimum notice period whichever is the greater.

Statutory minimum notice:

 - » at least one week's notice if employed between one month and 2 years
 - » one week's notice for each year if employed between 2 and 12 years
 - » 12 weeks' notice if employed for 12 years or more

- » **Right to written reasons** – employees have the right to ask for a written statement detailing reasons why they have been dismissed if the employee has completed 2 years' service. This must be supplied by the employer within 14 days.

- » **Unfair Dismissal** (Qualifying period to claim Unfair Dismissal is two years with employees who reach one year 51 weeks being able to count the statutory minimum one week's notice to qualify):

 - » If employer does not have a potentially fair reason for the dismissal
 - » If employer has not followed a fair process.

» Claim must be brought to an Employment Tribunal within 3 months (minus one day) of dismissal (subject to reference to the State Conciliation Organisation – ACAS first).

- » **Possible Awards**

 - » Basic award - depends on age and length of service - up to £16,320
 - » Compensatory award - depends on loss - the limit is of 1 years gross salary or £89,493, whichever is the lower.

- » **Potentially fair reasons for dismissal:**

 - » Misconduct
 - » Incapability
 - » Redundancy
 - » Illegality
 - » Some other 'Substantial Reason'

- » **Constructive Dismissal** – This is a term used to describe a situation where an employer is in fundamental breach of the employment contract and the employee resigns in response.

- » **Redundancy pay** – If the reason for termination is that the employee's role is no longer required, if they have been working for their current employer for 2 years or more, they will be entitled to a payment of:

 - » Half a week's pay for each full year of service where the worker was under 22;
 - » One week's pay for each full year of service where the worker was 22 or older, but under 41; and
 - » One and half week's pay for each full year of service where the worker was over 41

Length of service capped at 20 years (maximum 30 weeks' pay).

Weekly pay is capped at £544 per week.

Overall maximum £16,320.

- » **Large scale redundancies** – if an employer proposes to make 20 or more employees redundant at the same time, a consultation should take place between the employer and employee representative (trade unions or elected representatives).

- » Collective consultations must cover:
 - » ways to avoid redundancies;
 - » the reasons for redundancies;
 - » how to keep the number of dismissals to a minimum;
 - » how to limit the effects for employees involved, for example by offering retraining
- » Minimum length of consultation:
 - » 20 to 99 redundancies - the consultation must start at least 30 days before any dismissals take effect; and
 - » 100 or more redundancies - the consultation must start at least 45 days before any dismissals take effect.
- » Penalties for breach are severe – up to 90 days' pay per employee.

N

EMPLOYMENT OF FOREIGNERS

- » EU / EEA and Swiss nationals who already hold settled or pre-settled status are entitled to continue to live and work in the UK. This scheme ended on 30 June 2021.
- » The UK now operates a points based immigration system for EU / EEA, and Swiss nationals as well as for non- EU / EEA nationals. These comprise:
 - » Tier 1 – Start up or Investor
 - » Tier 2 – General Work
 - » Tier 3 – not used
 - » Tier 4 – Student
 - » Tier 5 – Temporary work (up to 1 year) and cultural exchange

In order to sponsor employees in categories 2 and 5 the employer must also be licensed as a sponsor.

O

OTHER EMPLOYER'S DUTIES

- » To protect the health, safety and welfare of their employees and other people who might be affected by their business. Employers must do whatever is reasonably practicable to achieve this.
- » To maintain employer's liability insurance.
- » Not to discriminate in the workplace on grounds of sex, pregnancy, marital status, sexual orientation, gender identification, race, religion or belief, disability or age.
- » To make reasonable adjustments if the employee is disabled.
- » To register with HM Revenue & Customs for payroll, tax and National Insurance Contributions purposes.

P

EMPLOYEES' REPRESENTATION

- » Employee representation can take many forms ranging from full trade union recognition to ad hoc groups.
- » Employees have the statutory right to be accompanied by a fellow worker or trade union official at disciplinary or grievance hearings.
- » Employers are required to consult employee representatives on many issues including: collective redundancies, health and safety, the sale or transfer of a business or a part of a business in which they work or on the outsourcing, insourcing or re-tendering of the services which their employer provides to another organisation (Transfer of Undertakings (Protection of Employment) Regulations 2006 – “TUPE”).
- » Recognised Trade Unions may have the right to bargain about pay, hours and holidays.



EMPLOYMENT PRIVATE AGENCIES

- » Agency Workers are immediately entitled to:
 - National Minimum Wage
 - Protection from unlawful deduction from wages
 - Statutory minimum level of paid holiday
 - Statutory minimum length of rest breaks
 - Not to work more than an average of 48 hours per week
 - Protection from unlawful discrimination
 - Protection from whistleblowing
 - Not to be treated less favourably if part-time worker

- » After 12 weeks in the job an Agency Worker qualifies for the same rights as someone who is employed directly, known as 'equal treatment'.
 - Rights include:
 - Equal pay – same pay as permanent colleague doing same job
 - Automatic pension enrolment
 - Paid annual leave
 - Agency workers are not usually entitled to:
 - Protection against unfair dismissal
 - Right to request flexible working
 - Statutory Redundancy Pay

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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- Oral employment contract is valid in case of indefinite-term employment contract but not recommended. Written employment contract is compulsory in case of fixed-term employment contract.
- A writing employment contract shall include:
 - type of contract (indefinite-term employment contract or fixed term employment contract);
 - place of work;
 - starting date;
 - probation period;
 - position, job description and status;
 - contractual duties;
 - collective bargaining agreement;
 - working time;
 - remuneration;
 - health care and retirement schemes;
 - and specific clause such as : non-competitive clause, confidentiality clause, exclusivity clause, mobility clause, intellectual property clause, data protection clause.

B

PROBATION PERIOD

- Its duration varies according to the type of employment contract: indefinite-term, fixed-term or temporary. Its duration also varies according to the employee's professional category and the provisions of the applicable collective bargaining agreement.
- It can be renewed or terminated early, subject to conditions.
- Legal provision :
 - Worker and Employee : 2 months;
 - Supervisory : 3 months;
 - Manager/Executive : 4 months.
- Notice to be given or paid if it cannot be given during the trial period.

C

FIXED-TERM EMPLOYMENT

- » Different types of fixed-term employment contract exist depending on their purpose and subject to strict conditions.
- » Up to 18 months including 2 renewals.

Possible termination of the contract before the expiration date only in case of:

- » Serious misconduct or force majeure;
- » Agreement of the parties;
- » The employee is engaged in a company with a indefinite-term contract;
- » Physical incapacity of the employee.

D

WORKING TIME / SCHEDULING

- » Legal working time : 35 hours per week.
- » Compulsory monitoring of working time.
- » Subject to the provisions of the applicable collective agreement, French law provides as follows:
- » Break time: As soon as the daily working time reaches 6 hours, the employee must be given a break of at least 20 consecutive minutes ;
 - » Maximum daily working time: 10 hours per day;
 - » Maximum weekly working time: 48 hours in a single week or 44 hours per week on average over a period of 12 consecutive weeks;
 - » Daily rest: at least 11 consecutive hours;
 - » Weekly rest: at least 24 consecutive hours, in addition to the daily rest requirement of 11 consecutive hours, that is to say a minimum of 35 consecutive hours;
 - » Overtime:
 - ▶ Weekly calculation;
 - ▶ Annual limit of 220 hours per year and per salary;
- » Various forms of flexible scheduling for working time available.

E

MINIMUM SALARY

- » Minimum gross monthly salary : 1554,58 € / Minimum gross hourly salary : 10,03 €.
- » Higher minimum salary may be provided by the applicable collective bargaining agreement.

F

SALARY SURCHARGES

- » Overtime:
 - » From the 36th to 43rd overtime hours: increased rate of 125%;
 - » As from 43rd overtime hours: increased rate of 150%;
 - » May be compensated in full or in part by rest, subject to conditions.

- » Night work: work performed between 9:00 pm and 6:00 am, subject to provisions of the applicable collective bargaining agreement. The conditions for the application of night worker status are assessed within the framework of the employee's usual working hours. An employee is considered a night worker if he/she performs at least twice a week, according to his usual working hours, at least 3 hours of night work or 270 hours of night work over a reference period of 12 continuous months.
- » Compensation in the form of compensatory rest is mandatory. An increase in salary may be added to the compensatory rest.
- » Sunday work: depends on applicable collective bargaining agreement.

G

STATUTORY LEVIES

- » CSG/CRDS: 9.7%
- » Social contributions:
 - » Employer's share of social contributions: about 45%
 - » Employee's share of social contributions: about 25%

H

PAYMENTS DURING ILLNESS

- » Subject to the provisions of the applicable collective agreement, French law provides as follows:
 - » Employer shall maintain wage if the employee:
 - » has at least 1 year of length of service in the Company;
 - » has sent the medical certificate to the employer within 48 hours;
 - » is entitled to the daily allowance paid by the Social Security;
 - » is treated in France or in one of the Member States of the European Economic Area;
 - » is not a homemaker, a seasonal or temporary worker;
 - » Waiting period of 7 days (no waiting period in case of occupational disease or accident at work), unless otherwise provided for by collective bargaining agreement, branch, company or establishment agreement applicable under labour law.
 - » Duration of payment varies according to the employee's length of service within the Company and previous sick leave.

I

ANNUAL LEAVE

- » Annual minimum of 25 weekdays (jours ouvrés) of paid holidays (= 30 business days [jours ouvrables]), bank holidays excluded.
- » Paid holidays are accrued between June 1st of the previous year and May 31st of the current year, unless planned otherwise.
- » Dates of paid holidays must be communicated to each employee, by any means, at least 1 month in advance, unless planned otherwise.



J

MATERNITY/PARENTAL PROTECTION

- » Maternity leave is compulsory – at least 8 weeks including 6 weeks after birth.
- » Unless planned otherwise, minimum duration of maternity leave is:
 - » 6 weeks before birth;
 - » 10 weeks after birth.

Duration of the maternity leave increases depending on the number of children the employee already has to support before the birth of the child.

- » Paternity leave must be taken within 6 months of the child's birth. The duration of the leave is 25 calendar days (including 4 calendar days that must be taken directly after the birth).
- » Protection against dismissal (dismissal is void) :
 - » Absolute protection: during the entire maternity leave ;
 - » Partial protection (for the female employee): As soon as the employer is aware of an employee's pregnancy and during the 10 weeks following the end of the maternity leave or the period of paid holidays taken directly after the end of the maternity leave, unless gross misconduct or impossibility of continuing the contract for a reason unrelated to the pregnancy or childbirth;
 - » Partial protection (for the male employee): during the 10 weeks following the childbirth, unless gross misconduct or impossibility of continuing the contract for a reason unrelated to the pregnancy or childbirth.

K

NON-COMPETE COVENANT

- » The non-competition clause mentioned in the employment contract applies :
 - » in time (its duration must not be excessive – usually 12 months);
 - » in space (a geographical area must be provided for);
 - » to an activity specifically targeted (in relation with the Company's business);
 - » if a financial compensation is provided for (amount to be adjust on a case by case basis depending on the employee's training, skills and experiences).
- » Possibility for the employer to waive the non-compete covenant may be added in the employment contract.
- » The employee's failure to comply with the non-compete covenant leads to a cancellation of the payment of the financial compensation and the judge may order payment of damages, even in the absence of penalty provision.
- » If the employer does not pay the financial compensation to the employee, the latter is no longer bound by the non-compete covenant and may also claim payment of damages before the judge. However, the employer is still bound to pay the financial compensation for the period during which the employee complied with the non-compete covenant.
- » Specific provisions may be added in the collective bargaining agreement regarding this matter.

L

EMPLOYMENT TERMINATION

- » **Amicable termination (individual or collective)** allows the employer and the employee to agree by mutual consent on the terms of the termination of the indefinite-term employment contract between them. A legal procedure sets out the steps to be taken. An amicable termination agreement must be entered into and validated by the Labour Authority. Payment of an amicable termination indemnity and compensation in lieu of paid holidays accrued but not taken to be paid are due. Absence of notice period but payment of salary during the time of the procedure (about 1.5-month process).

» Dismissal:

- » For economic grounds;
- » For personal grounds:
 - ▶ Dismissal for misconduct (gross or not);
 - ▶ Dismissal for genuine cause such as poor performance, physical incapacity of the employee, repeated or prolonged absence leading to the need for replacement.
- » Notice period according to the Labour Code or to the collective bargaining agreement (usually for 1 – 2 months for employees, 1 – 3 months for supervisors and 3 months for executives);
- » Compensation in lieu of paid holidays accrued but not taken to be paid;
- » Severance indemnity according to collective bargaining agreement or Labour Code (except in case of gross misconduct);
- » Mandatory compliance with the procedure related to the type of contemplated dismissal;
- » Mandatory dismissal letter including detailed grounds of dismissal.

» **Resignation:** termination at the employee's initiative subject to the notice period provided for in the applicable collective bargaining agreement.

M

EMPLOYMENT OF FOREIGNERS

- » EU citizens: entitled to work in France.
- » Non-UE citizens: work visa required.

N

OTHER EMPLOYER'S DUTIES

- » Not to discriminate in the workplace on grounds of gender, pregnancy, physical appearance, health status, disability, spoken language, place of residence, name, philosophical and political views, sexual orientation, origin, religion, age or trade unionism.
- » To protect the health, safety, and welfare of their employees.

O

EMPLOYEES' REPRESENTATION

Work council (Comité social et économique) must be implemented if there are at least 11 employees for 12 consecutive months.



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- » Not mandatory to be in writing; oral employment contracts are possible and valid as well;
- » However the employer is obliged to hand out at least a written confirmation to the employee within one month after the beginning of the contract containing some key facts of the contract such as the type of work, the place of work, the remuneration or the annual leave.

B

PROBATION PERIOD

- » No longer than 6 months;
- » During probation period both parties may terminate the employment contract within 2 weeks without stating a reason (collective labour agreements can even stipulate short periods of notice within the probation period).

C

FIXED-TERM EMPLOYMENT

- » Up to 2 years without having an “objective ground” for the limitation; within those 2 years the contract can be extended up to three times;
- » After 2 years a fixed-term employment is only valid due to “objective grounds” such as the employee is hired to fill in for another employee or the operational need for the work is only temporary.

D

REMUNERATION

- » Payable monthly after the performance of services;
- » May also be granted (partly) as benefit in kind such as a company car.

E

SCHEDULING

- » No standard amount of hours per week, depends on the sector and the respective collective labour agreements, 40 hours per week can be considered as usual.

- » Scheduling by employer, standard shift no longer than 10 hours.
- » Mandatory 30 minutes break after 6 hours of work and 45 minutes break after 9 hours of work.
- » Overtime: in principle there is no limitation of overtime due to contractual reasons; however the German Working Hours Act states that within a period of six months there should be no more than 8 working hours per day in average.
- » Various forms of flexible scheduling for working hours available.

F

SALARY SURCHARGES

- » Overtime work: no mandatory surcharge apart from several collective labour agreements or collective bargaining agreements; compensatory paid time-off may be agreed as well as the financial compensation of the overtime work
- » Work on public holidays: compensatory paid time-off within the next 8 weeks; no mandatory surcharge apart from several collective labour agreements or collective bargaining agreements
- » Night work: mandatory “reasonable” surcharge or “reasonable” amount of compensatory paid time-off
- » Sunday work: compensatory paid time-off within 2 weeks from the respective Sunday on is mandatory

G

MINIMUM SALARY

9.60 EUR/hr (as of 01 January 2022: 9.82/hr; as of 01 July 2022: 10.45 EUR/hr; higher minimum salaries can be found within collective labour agreements or collective bargaining agreements)

H

STATUTORY LEVIES

	Health insurance	Social security insurance	Unemployment insurance	Care insurance
Employee	7.3% (can be higher due to additional contributions)	9,3%	1.20% (depending on income)	1.525% (1.775 % for employees without children)
Employer	7.3% (can be higher due to additional contributions)	9,3%	1.20%	1.525%

I

ANNUAL LEAVE

- » Minimum of 4 weeks of annual paid leave.
- » The leave must be approved by the employer in advance.
- » Transfer of unused leave into further years is limited to the end of March of the following year (exceptions: (1) if the employee wasn't able to take his unused leave due to the inability to work, the unused leave can be transferred within 15 months after the end of the holiday year, (2) if the employer has not informed the employee of the imminent expiry of the leave, the leave shall not expire).

J**NON-COMPETITION COVENANT**

- » Strict legal requirements.
- » Up to 24 months after termination.
- » Withdrawal by the employer is only possible if the contract hasn't yet been terminated by one of the parties.
- » Minimal compensation of 50% of average earnings for every month

K**MATERNITY/PARENTAL PROTECTION**

- » Maternity/parental leave of up to 3 years in total; 12 months of parental leave can be taken with the employer's consent until the child reaches 8 years of age
- » Parents within the parental leave may request shorter working hours

L**EMPLOYMENT TERMINATION**

- » Written termination within 2 weeks during probation period.
- » Written termination agreement.
- » Written notice of termination:
 - » Employee may terminate anytime for any or no reason;
 - » Employer with more than 10 employees may terminate only on the grounds specified by law (personal capability, conduct, operating conditions);
 - » Special termination without reason but with the obligation to pay a settlement may be agreed with top managers;
 - » Legal notice period varies from 1 to 7 months (apart from other regulations within collective labour agreements or within the employment contract (in the latter case the legal notice periods may only be extended but not reduced)); may be extended by agreement also for an employee's termination (same length for both).
- » Written immediate termination:
 - » Employer and employee may terminate only in the case of "important reasons" such as gross breaches of the other party's duties and only within two weeks after becoming aware of the reason.
- » No legal regulations for severance payments (with limited exceptions); severance payments are only made on a voluntarily basis if the parties agree on such payments (especially if the employer has to seriously worry about not having a termination ground specified by law which basically means that the employer will not be able to terminate the contract without the employee's consent):
 - » usual severance payment: 0.5 monthly salary per year of employment (but this is only a "rule of thumb").
- » Collective dismissals: mandatory special termination procedure for mass dismissals (mandatory "declaration of mass dismissal" to the Federal Labour Office).
- » Specially protected employees: especially apprentices, pregnant employees, employees on maternity/parental leave, members of the works council, disabled employees, data protection officer, representative for disabled employees.
- » Possibility to dispute the validity of termination in court only within 3 weeks from the receipt of notification; after the expiration of this deadline each termination is considered to be valid (except terminations which are not in writing).

M

REDUCED-HOURS EMPLOYMENT

- » Employee can claim for reduced-hours (part-time) if there are no operational reasons standing in the way.
- » Full employee rights (legal prohibition of the discrimination of part-time employees).
- » Employment up to EUR 450 per month or up to 2 months per year has preferential tax and social security treatment.

N

EMPLOYMENT OF FOREIGNERS

- » EU citizens: no restrictions.
- » Non-EU citizens: visa and employment permit generally needed.

O

OTHER EMPLOYER'S DUTIES

- » Obligation of protection or consideration.
- » Principle of equal treatment among the employees (as long as there is no objective reason for a distinction between employees).

P

EMPLOYEES' REPRESENTATION

- » Trade unions (collective labour agreements), work councils (collective bargaining agreements), representatives for disabled employees.
- » Minimum number of employees for establishing of works council: 5.
- » The strength of the trade unions' and works council's position varies (e.g. traditionally strong position within the production industry and traditionally rather weak position within the service industry).

Q

EMPLOYMENT PRIVATE AGENCIES

- » Enable the employer to be more flexible with number of employees.
- » Same salary and working conditions for agency employees must be guaranteed (exception: a collective labour agreement can allow to differ from the salary and working conditions of the employer).
- » Employment agencies have to possess a license to supply temporary workers.
- » No longer than 18 months with the same employee; after the expiration of this date the employee will be able to claim that he has an employment contract with the employer (the same legal consequence will apply on other breaches of the strict legal statutes regarding personnel leasing).

R

COUNTRY SPECIFICS

- » Notice of termination possible only with statutory termination reason; without such reason an employer is not able to terminate an employment contract without the employee's consent (even when paying out severance payment).
- » Reaching of certain age does not constitute a reason for termination (although employment contracts may (but not have to) be limited to the reach of the retirement age).
- » The terms and conditions of an employment contract are subject to the (very strict) control of general terms and conditions ("AGB-Kontrolle") which leads to lots of terms and conditions being invalid and - as a consequence - useless.

Make sure
YOU KNOW ABOUT
legal **TRENDS**



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

The employment contract does not have to be in writing. The written notification though of the basic conditions contained in the employment contract to the employee is necessary. Such notification can be effected either by the employment contract itself, if the latter is in written form, or by a special standard form issued by the competent authority.

B

PROBATION PERIOD

During the first 12 months the employment contract may be terminated by the employer without paying any severance payment.

C

FIXED-TERM EMPLOYMENT

A fixed-term employment shall be less than 36 months and shall not be renewed more than two times. Otherwise it becomes open ended employment.

D

WORKING TIME / SCHEDULING

- » 40 hours per week
- » Mandatory 30 minute food and rest break after 4 hours of work
- » Ordinary overtime three hours per day
- » Overtime: annual limit 150 hours per year

E

MINIMUM SALARY

The National General Collective Agreement applies to all employees and ensures that the minimum wage rates per month are as follows: 650,00 € (for unmarried individuals) and 715,00 € (for married individuals) who are employed as non-manual employees. After 01.01.2022 the minimum wage rates per month will increase as follows: 663,00 € (for unmarried individuals) and 729,30 € (for married individuals)

F

SALARY SURCHARGES

- » Ordinary Overtime: 40% surcharge
- » Legal Overtime : 60% surcharge
- » Illegal Overtime (over 150 hours per year): 120% surcharge
- » Night Work: 25% surcharge (22:00 to 05:59)
- » Sunday work: 75% surcharge (06:00 to 21:59)

I

ANNUAL LEAVE

In the course of the first calendar year of the employment, the employee is entitled to two days per month as paid leave. In the course of the second year of the employment, the same as above applies until the completion of a 12-month period from the commencement of the employment and thereafter the paid leave shall be increased by one working day. In the course of the third calendar year of the employment, the employee is entitled to a paid leave of 22 or maximum 25 days.

J

MATERNITY/PARENTAL PROTECTION

- » Mothers are entitled to 17 weeks of paid maternity leave
- » Mothers can request shorter working hours
- » Mothers' employment contracts are protected (termination possible only under strict rules) for 18 months after birth

L

EMPLOYMENT TERMINATION

The employer may terminate an open ended employment agreement anytime and without a reason. However, termination is invalid if the notice is not given in writing and the lawful compensation is not paid at the same time in full. Furthermore, same applies if the dismissal is for reasons of gender, race or for revenge. The amount of the redundancy compensation depends on the duration of the employment relationship. Employees on annual leave, pregnant women, employees executing military service and employees exercising trade union action are protected (termination possible only under strict rules).

M

EMPLOYMENT OF FOREIGNERS

- » EU citizens - no restrictions
- » Non-EU citizens – visa and employment permit needed
- » Digital nomads - visa and employment permit needed under recent legislation

O

EMPLOYEES' REPRESENTATION

- » Minimum number for establishing a trade union is 20 employees.
- » Employees may be informed and consulted by the employer in important issues concerning the company's social and financial regime. This is usually effected by trade union representatives and covers issues ranging from safety and health matters to collective dismissals, business transfers and major transactions.

P

EMPLOYMENT PRIVATE AGENCIES

- » Same salary and working conditions for agency employees.
- » Not more than 36 months otherwise deemed to be employee of the company

R

COUNTRY SPECIFICS

The employee is entitled to an additional full monthly salary during the Christmas period, an additional half of their monthly salary during the summer vacation, and another additional half of their monthly salary during Easter break.



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Information valid as of 16 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

Must be in writing and include: personal base wage and job function as the minimum

B

PROBATION PERIOD

- » Up to 3 months; up to 6 months on the basis of a collective bargaining agreement
- » During probation period both parties may terminate the employment with immediate effect without stating a reason

C

FIXED-TERM EMPLOYMENT

- » Up to 5 years, including extension when extension is within 6 months
- » Limitation does not apply to executives and when employment relationship is subject to official authorization and the authorization is extended (e.g., work permits)

D

WORKING TIME / SCHEDULING

- » Standard full time: 8 hours per day
- » Scheduling by employer, except when agreed otherwise (flexible work arrangement)
- » Mandatory 20-minute food and rest break after 6 hours of work
- » Overtime: annual limit 250 hours, 300 in the case of a collective bargaining agreement (for full timers) and in additional 150 hours so-called voluntary overtime may be ordered on the basis of an agreement
- » Employer must keep records of each individual employee's working time and overtime
- » Various forms of flexible scheduling for working hours and weekly/monthly time frame available

E

MINIMUM SALARY

In 2021 the monthly gross is HUF 167 400 (approx. 460 EUR) for unskilled and HUF 219 000 (approx. 600 EUR) for skilled workers

F

SALARY SURCHARGES

- » Overtime work – surcharge of 50 % of the base, compensatory paid time off may be agreed instead
- » Work on weekly rest days or public holidays – surcharge is 100% of the base (or 50% when another rest day is allocated)
- » Work on Sundays – surcharge of 50% of the base
- » Work on public holidays – surcharge of 100 % of the base
- » Night shift – surcharge of 15% of the base
- » Changing shift – surcharge of 30% of the base
- » Base salary may include some of the surcharges upon the parties' agreement

G

STATUTORY LEVIES

	Health Insurance	Social Security Insurance
Employee*	8,5%	10%
Employer		17%

*(in addition to 15% personal income tax)

H

PAYMENTS DURING ILLNESS

- » Employees are entitled to 15 days sick leave when employers shall pay the sick allowance in the amount of 70% of the absentee pay.
- » Where an employee is sick for more than 15 days, the sick leave allowance is paid, as a general rule, by the state, but in certain cases the employer has to reimburse 1/3 (or even the 100%) of the allowance. The sick leave allowance is paid by day and the daily amount is maximized in one-thirtieth of twice the minimum wage valid on the starting date of entitlement (in 2021, based on the minimum wage of HUF 167,400, the daily amount of sickness benefit may not exceed HUF 11,160). The allowance is paid for the duration of the incapacity for work, however, for a maximum of one year provided that the person is employed during the period of incapacity for work, has at least one year of continuous insurance and has no sick pay history (has not received sickness leave allowance for one year).

I

ANNUAL LEAVE

- » Minimum of 20 days basic annual paid leave, additional leave provided depending on age and other requirements
- » The leave must be ordered by the employer at least 15 days in advance
- » Annual leave must be allocated in the year in which it is due, transfer of unused leave into further years is limited, compensation for unused leave possible only upon employment termination

J

MATERNITY/PARENTAL PROTECTION

- » Maternity/parental leave until child reaches 3 years of age.
- » Parents may request part-time work covering half of the regular daily working time until the child reaches the age of 4, or the age of 6 in the case of three or more children.

K

NON-COMPETE COVENANT

- » Up to 2 years after termination, withdrawal by the employer when agreed upon
- » Minimal compensation of 33% of the applicable base for each month

L

EMPLOYMENT TERMINATION

- » Immediate written termination during probation period
- » Written agreement
- » Written notice of termination
- » Employee may terminate indefinite employment anytime for any or no reason
- » Employer may terminate only on the grounds specified by law (organizational changes, or reasons in connection with the employee's ability / performance or behaviour)
- » Special termination without reason may be agreed with executives and key personnel
- » Notice period is 30 days applicable to both, in the case of termination by the employer, notice period is increasing in accordance with the length of the employment relationship (maximum notice period that may be agreed upon is 6 months)
- » Specific rules for delivery of the document
- » Written immediate termination
- » Both employers and employees may terminate only in the case of a serious breach or conduct which renders the employment relationship impossible
- » Minimum severance payment requires an employment relationship which has existed for at least 3 years
- » Severance is between a 1 month and 6 months' absentee fee depending on the length of employment (additional severance payable to senior employees)
- » No severance is payable to pensioners and when the employment is terminated for reasons connected to the employee's abilities or behaviour
- » Collective dismissals – mandatory special termination procedure for multiple redundancies
- » Specially protected employees: employees temporarily unfit for work, pregnant employees, employees on maternity/parental leave, military service, human reproduction treatment, trade union officials and other employee representatives
- » Possibility to challenge termination in court within 30 days from delivery

M

EMPLOYMENT OF FOREIGNERS

- » EU citizens – no restrictions, notification of employment towards employment authority
- » Non-EU citizens – visa and employment permit generally needed

N

OTHER EMPLOYER'S DUTIES

- » Health and safety at the workplace
- » Mandatory medical examinations (pre- and post-employment and periodic) and agreement with provider of employment medical services

O

EMPLOYEES' REPRESENTATION

- » Trade unions, work councils or shop steward and representatives concerned with occupational health and safety protection
- » Above 50 employees = work council, above 15 employees a shop steward must be elected
- » Eligibility for trade unions to conclude a collective agreement: membership of employees at the employer must reach at least 10%

P

EMPLOYMENT PRIVATE AGENCIES

- » Enable the employer to be more flexible with the number of employees
- » Same salary and working conditions for agency employees must be guaranteed as of the 184th day

R

COUNTRY SPECIFICS

- » Notice of termination possible only for statutory termination reason (even when paying severance payment)
- » Protection and limitation rules must be observed when serving a notice
- » Amendment of base requires employee's consent



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- » A written statement of terms of employment to be furnished to an employee within the first 2 months of the commencement of employment pursuant to the Terms of Employment (Information) Acts 1994–2014.
- » The Employment (Miscellaneous Provisions) Act 2018 amends the Terms of Employment (Information) Acts 1994-2014 requiring employers, within five days of the commencement of the employee's employment, to provide the employee with a statement in writing containing the following specific terms;
 - » The full names of both the employer and the employee;
 - » The address or principal place of business of the employer in the State;
 - » The date of expiration of the contract if it is temporary in duration;
 - » The rate or method of calculation of pay;
 - » The pay reference period for the purpose of the National Minimum Wage Act 2000;
 - » The number of hours which the employer expects the employee to work per hour and per day;
- » The above amendment is separate to the provision of section 3(1) of the Terms of Employment (Information) Act 1994 requiring the employer to deliver a statement of terms to an employee within 2 months following the commencement of employment.

B

PROBATION PERIOD

- » Discretionary.
- » Usually 6 months and extended by a further 5 months at the discretion of the employer

C

FIXED-TERM EMPLOYMENT

- » Employees may not be employed on a series of fixed-term contracts indefinitely.
- » If an employee whose employment started before 14 July 2003 has completed 3 years' continuous service as a fixed-term employee, the employer may renew their fixed-term contract only once for a period of no more than 1 year.
- » If an employee who commenced employment on a fixed-term basis on or after 14 July 2003 has had two or more fixed term contracts, the combined duration of the contracts shall not exceed four years.
- » After this, if the employer wishes to renew the contract, it must be an open-ended contract unless there are objective grounds justifying the renewal of the contract for a fixed term only.

- » The Irish Labour Court has recently held that the scope of the Fixed-Term Work Act is confined to those employees whose relationship with their employer will end when their fixed-term contract ends.

D WORKING TIME / SCHEDULING

- » The Organisation of Working Time Act 1997 provides the maximum average working week for many employees cannot exceed 48 hours. This is calculated in one of the following ways:
 - » Over 4 months for most employees.
 - » Over 6 months for employees working in the security industry, hospitals, prisons, gas/electricity, airport/docks, agriculture and employees in businesses which have peak periods at certain times of the year such as tourism.
 - » Over 12 months where there has been an agreement between the employer and the employees to this effect. The agreement between employer and employees must be approved by the Labour Court.
- » Rest periods - Employees are entitled to a break of 15 minutes after a 4.5 hour work period. An employee working for more than 6 hours is entitled to a break of 30 minutes, which can include the first 15-minute break. There is no entitlement to be paid during these breaks and they are not considered part of working time.
- » The Employment (Miscellaneous Provisions) Act 2018 also makes notable amendments to the Organisation of Working Time Act 1997, to include abolishing zero contract hours, save for particular circumstances, such as emergency circumstances or short-term relief.
- » An additional amendment provides that employees will have a statutory entitlement to a minimum payment, at a rate of three times the national minimum wage, in the event that they do not receive 25% of the contractual hours. The Employment (Miscellaneous Provisions) Act 2018 provides that the minimum payment will be the lesser of 25% of the employee's hours or fifteen hours.
- » Banded contract hours are also introduced by the Act where an employee, whose contract does not reflect the number of hours worked per week over a reference period, can request in writing to be placed on such banded hours as set out in the Employment (Miscellaneous Provisions) Act 2018, with an employer having four weeks to comply.
- » An employer can refuse to place an employee on banded hours in certain circumstances, however an employee can bring a complaint before the Workplace Relations Commission which, if the employee's claim is upheld, has the power to require an employer to place the employee on banded hours but it does not have the power to award an employee compensation in respect of the breach.

E MINIMUM SALARY

The following minimum rates are applicable from 1 January 2021

Age	€	%
20 and over	10,20	100
19	9,18	90
18	8,16	80
Under 18	7,14	70

Trainee rates are abolished since March 2019.

F SALARY SURCHARGES

- » Employers are not statutorily obliged to pay overtime.
- » Work on Public Holidays – qualifying employees are entitled to one of the following:
 - » A paid day off on the public holiday;
 - » An additional day of annual leave ;
 - » An additional day's pay ;
 - » A paid day off within a month of the public holiday.

- » Sunday Work - entitlement to extra pay may be agreed with the employer. Under the Organisation of Working Time Act, if there is no agreement pay, the employer must give an employee one or more of the following for Sunday work;
 - » A reasonable allowance.
 - » A reasonable pay increase .
 - » Reasonable paid time off work.

G

STATUTORY LEVIES

Various - further information to be provided on request.

H

PAYMENTS DURING ILLNESS

- » Not obligatory at present.
- » Certain employers will pay sick leave pursuant to contract.
- » Employees may be entitled to Illness Benefit from the Department of Social Protection.
- » However, a general right to statutory sick pay is expected to be introduced imminently following the anticipated enactment of the Sick Leave Bill 2021. This right to sick pay will be legally enforceable by employees through the Workplace Relations Commission and the Courts. The regime will be phased in, with employees receiving an entitlement of 3 sick days per year in 2022, rising to 5 sick days in 2023, 7 sick days in 2024 and 10 sick days in 2025. Once enacted, sick pay will be paid by employers at a rate of 70% of an employee's wage, subject to a maximum limit of €110 per day.

I

ANNUAL LEAVE

Annual leave entitlement is calculated as follows:

- » An employee who has worked at least 1,365 hours in a leave year is entitled to the maximum of 4 working weeks' paid annual leave unless it is a leave year in which they change employment.
- » 1/3 of a working week for each calendar month in which the employee has worked at least 117 hours.
- » 8% of the hours worked in the leave year, subject to a maximum of 4 working weeks.

J

MATERNITY/PARENTAL PROTECTION

- » Employees are entitled to 26 weeks' maternity leave together with 16 weeks' additional unpaid maternity leave, which begins immediately after the end of 26 week maternity leave period.
- » Employers not obliged to pay employees on maternity leave.
- » Employees may be entitled to Maternity Benefit from the Department of Social Protection.
- » Employees who have a stillbirth or miscarriage any time after the 24th week of pregnancy are entitled to full maternity leave.
- » Fathers can take maternity leave if the mother dies within 40 weeks of the birth. If she dies within 24 weeks of the birth, he can choose to take the 16 weeks' additional maternity leave. If the mother dies more than 24 weeks after the birth, the father can take maternity leave up until 40 weeks after the birth.
- » 'Parental leave' entitles parents to take unpaid leave from work to spend time caring for their children. Qualifying employees can take up to 26 weeks' parental leave for each eligible child before the child's 12th birthday. In general, employees must have worked with their employer for at least a year to get the full amount of parental leave.

- Paternity leave' gives new parents 2 weeks off work. Qualifying employees can take time off from employment any time in the first 6 months after the birth or placement in the case of an adoption. Usually fathers take paternity leave, however it is also available to same-sex couples. Paternity Benefit is available during this period from the Department of Social Protection.
- 'Parent's leave' entitles qualifying employees to take 5 weeks' leave during the first 2 years of their child's life, or in the case of adoption, within 2 years of the placement of the child with the family, provided that the child is born or adopted on or after 1 November 2019. Parent's Benefit is available during this period from the Department of Social Protection.'
- Adoptive leave' entitles qualifying employees to take 24 weeks' leave off work from the date their child is placed into their care. Adoptive leave is available to one parent of the adopting couple or a parent who is adopting alone. Adoptive Benefit is available during this period from the Department of Social Protection.
- 'Carer's leave' allows qualifying employees to leave work temporarily to provide full-time care and attention for certain dependants. Employees are entitled take carer's leave for a minimum of 13 weeks and up to a maximum of 104 weeks. Employees may be entitled to Carer's Benefit or Carer's Allowance during this period from the Department of Social Protection

K

NON-COMPETE COVENANT

- 6-12 months.
- Typically an employer must demonstrate that the restrictive covenant is intended to protect a legitimate interest – trade secrets/client base etc.
- The restrictive covenant should go no further than is reasonably necessary to protect the employer's business interests.

L

EMPLOYMENT TERMINATION

- Written Agreement
- Employees - Employees who have been in continuous employment for at least 13 weeks must provide their employer with one week's notice of termination of employment. In the event that a greater amount of notice is specified in a contract of employment, then this notice must be given.

Employers - Employers must give employees, who have been in continuous service, notice dependent on the length of the employee's service, as follows -

Duration of employment	Minimum notice
13 weeks to 2 years	1 week
2 years to 5 years	2 week
5 years to 10 years	4 week
10 years to 15 years	6 week
15 years or more	8 week

- Summary Dismissal: - Employers may summarily terminate in the event of gross misconduct or breach of duties (subject to the application of fair procedures).
- Employees have 6 months to bring a claim for Unfair Dismissal from the date of the dismissal.

M

EMPLOYMENT OF FOREIGNERS

- EU citizens do not require a visa to visit Ireland.
- Individuals from an EU member state or one of the countries of the EEA or Switzerland do not require an employment permit.
- Under the Common Travel Area, UK citizens do not need a visa or employment permit to live or work in Ireland.
- Other countries – employment permit generally needed.

N

OTHER EMPLOYER'S DUTIES

- » Health & Safety at work, including adherence to (i) the Work Safely Protocol which sets out the minimum measures required in every place of work to prevent the spread of COVID-19 and (ii) the Code of Practice for Employers and Employees on the Prevention and Resolution of Bullying at Work, which sets out employers' obligations for preventing and dealing with bullying in the workplace
- » Fair Procedures – Disciplinary/Grievance.

O

EMPLOYEES' REPRESENTATION

- » Employees have a constitutional right to join a Trade Union.
- » No legal obligation on an employer to negotiate with a Trade Union unless previously agreed.
- » The Irish Congress of Trade Unions – 44 unions affiliated with ICTU north and south of the border.

P

EMPLOYMENT PRIVATE AGENCIES

- » Agency workers do not have all the same employment rights as regular workers.
- » Pursuant to the EU Directive on Temporary Agency Work, temporary agency workers have the right to equal treatment in basic working and employment conditions.
- » This is governed by the [Protection of Employees \(Temporary Agency Work\) Act](#).

Q

COUNTRY SPECIFICS

- » Notice of termination subject to statutory minimums based on service (see above).
- » The Employment Equality Act 1998 was amended by the Equality (Miscellaneous Provisions) Act 2015 which has the effect that an employer may set a mandatory retirement age if it is objectively justified.
- » All employees are entitled by law to a written statement of salary.
- » An employer is responsible for paying employee PRSI contributions and an employee must be given a P60 or a P45 when their employment terminates.
- » Employers are legally required to keep detailed records of employees' starting and finishing times, hours worked and leave taken.
- » The Workplace Relations Commission issued a [Code of Practice: Grievance and Disciplinary Procedures](#) which provides that employers are required to have in place written grievance and disciplinary procedures.
- » The Workplace Relations Commission issued a Code of Practice on the Right to Disconnect which came into effect on 1 April 2021, giving employees the right to switch off from work outside of normal working hours, including the right to not respond immediately to emails, telephone calls or other messages. This Code applies to all types of employment, whether employees are working remotely or not.
- » The Irish Government introduced its National Remote Work Strategy (the Strategy) in January 2021. While the Strategy does not have legislative force, its publication is a large step towards making remote working a permanent option in Ireland. The Strategy outlines key actions to be taken by the Government to promote and facilitate remote working in Ireland. Legislation to provide employees the right to request remote working is expected imminently.
- » The Gender Pay Gap Information Bill expected to be signed into law imminently, providing for the mandatory reporting of gender pay gaps in certain workplaces in Ireland.

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Information valid as of 1 September 2021

A**EMPLOYMENT CONTRACT / ALTERNATIVES**

Need not be in writing. The employer must issue a written confirmation to the employee detailing the identities of the employer and employee, employment start date, description of main roles, name or title of direct supervisor, total number of payments to the employee as salary and the dates, normal length of working day or week, weekly rest day, details of payments for social benefits and their recipient.

B**PROBATION PERIOD**

- » The period is not fixed;
- » Termination notices are set by law or longer if by agreement

C**FIXED-TERM EMPLOYMENT**

- » Allowed
- » No time limit within the law

D**WORKING TIME / SCHEDULING**

- » Standard: up to 42 hours per week
- » Employer must keep records of each individual employee's working hours
- » Various forms of flexible scheduling for working hours available

E**MINIMUM SALARY**

Fulltime employment – NIS 5,300 per month (approximately €1,365)

F SALARY SURCHARGES

- » Overtime – paid on hourly and weekly basis, with increasing rates in accordance with the overtime at a given day or week. Overtime can alternatively be paid for by adding a fixed component to the monthly payment provided that such payment is being checked for adequacy to the actual overtime on a periodical basis;
- » It may be agreed with certain senior employees (such as CEO) which are in a position that requires a high degree of trust that they will not be paid for overtime.

G STATUTORY LEVIES

	€	%
Health Insurance	3.1% - 5%	-
Social Security Insurance	0.4% - 7%	3.45% - 7.5%
Pension	5%	6.5%
Severance	-	8.33%

H PAYMENTS DURING ILLNESS

Based on sick days accumulated (up to 90), partially paid leave for the first four days and full payment from the fourth day and on; these terms can be improved by a personal agreement or a by Collective Arrangement.

I ANNUAL LEAVE

- » Minimum of 16 days of annual paid leave. Increasing with seniority at workplace.
- » The leave must be coordinated in advance
- » Transfer of unused leave into next year possible unless limited by employer
- » Compensation for unused leave mandatory upon employment termination

J MATERNITY/PARENTAL PROTECTION

- » Minimal compensation of 50% of average earnings for every month
- » Paid maternity leave of up to 15 weeks for employees of less than 12 months; up to 7 weeks before giving birth;
- » Paid maternity leave of up to 26 weeks for employees of more than 12 months; up to 7 weeks before giving birth;

K NON-COMPETE COVENANT

- » Limited enforcement possibilities;
- » Usually up to 12 months after termination.

L

EMPLOYMENT TERMINATION

- » Must comply with Agreement and abide by the following requirements by law:
 - » Summons to hearing prior to termination; right to have an attorney present;
 - » Evaluation of hearing; o Informing of termination;
 - » Prior notice under law or agreement applies, whichever is longer; may not apply in cases of criminal activities or breach of fiduciary duties;
 - » Prior notice can be waived and compensated for;
- » Severance is normally due unless extreme circumstance such as criminal offence towards the employer exists etc.
- » Specially protected employees: employees temporarily unfit for work, pregnant women, during fertility treatment, trade union officials
- » Possibility to dispute the validity of termination and termination procedure in court;

M

EMPLOYMENT OF FOREIGNERS

- » Labour laws – no restriction and no differentiation in comparison to local residents, in most cases;
- » Must have a work permit to get a visa;

N

OTHER EMPLOYER'S DUTIES

- » Health and safety at the workplace;
- » Observe anti sexual harassment laws;
- » Non-discrimination.

O

EMPLOYEES' REPRESENTATION

- » Workers unions if the employees joined one;
- » Workplace employee committee if elected.

P

EMPLOYMENT PRIVATE AGENCIES

- » Enable the employer to be more flexible with number of temporary employees;
- » Same labour laws apply;
- » Arrangement is limited by time after which the employee will be considered as an employee of the employer.



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- » Subordinate employment contract
- » Self-employment contract
- » Coordinated and continuous collaboration contract
- » Staff leasing contract

B

PROBATION PERIOD

- » Up to 6 months
- » The exact duration of the probation period may vary on the basis of the contractual level of the employee, according to the applicable NCBA
- » During the probation period both parties may freely terminate the employment relationship without notice

C

FIXED-TERM EMPLOYMENT

- » Up to maximum 12 months without specific reasons envisaged by Italian law
- » Up to maximum 24 months with specific reasons envisaged by Italian law
- » Maximum 4 extensions (within the limit of 24 months), with specific reasons envisaged by Italian law in case of agreement longer than 12 months
- » It can be renewed (within the limit of 24 months) only on the basis of specific reasons envisaged by Italian law
- » The expiration date must be provided in writing by the employment agreement
- » Possible termination before the expiration date only for just cause

D

WORKING TIME / SCHEDULING

- » Standard: 40 hours per week
- » Scheduling by the employer, standard daily working times up to 13 hours

- » Overtime: annual limit of 250 hours; weekly limit of 48 hours every 7 days
- » Various forms of flexible scheduling for working hours available
- » Pause: every 6 hours with a duration of not less than 10 minutes
- » Rest: 11 hours every 24 hours; 24 hours every 7 days

E MINIMUM SALARY

Provided by the applicable NCBA

F SALARY SURCHARGES

- » Overtime work: surcharge as provided by the NCBA both in cash and in compensative rest
- » Work on public holidays: surcharge as provided by the NCBA
- » Night work: surcharge as provided by the NCBA
- » Weekend work: surcharge as provided by the NCBA

G STATUTORY LEVIES

	Employer	Employee
Health insurance (INAIL)	May vary on the basis of the type of business and of the risk	-
Social security insurance (INPS)	30-40%	9-10%

H PAYMENTS DURING ILLNESS

- » Sickness allowance generally paid by INPS starting from the 4th day of illness.
- » The first three days of illness are generally paid by the employer
- » For employees with an open-ended contract, the allowance is paid for a maximum of 180 days in a calendar year; for employees with a fixed-term contract, the allowance is paid for a number of days equal to the number of days worked in the 12 months before the beginning of the illness, from a minimum of 30 days to a maximum of 180 days in a calendar year.

I ANNUAL LEAVE

- » Minimum of 4 weeks of annual paid leave
- » At least 2 weeks must be used in the current year
- » Transfer of unused leave into further years; compensation for unused leave possible only upon employment termination



J

MATERNITY/PARENTAL PROTECTION

- Mandatory maternity leave: between 2 months before and 3 months after the birth
- Optional maternity leave: it may be asked by parents until the 12th birthday of the child, for a maximum period of 11 months (in total for both parents), which may vary according to the family situation
- Restriction of dismissal starting from the 1st day of pregnancy up to the 1st birthday of the child

K

NON-COMPETE COVENANT

- It must be concluded in writing.
- It may be reached at any time during the employment relationship and even after its termination.
Up to 3 years after the termination of the employment relationship; up to 5 years for executives.
- The non-competition covenant must envisage: the object, the geographical zone, the duration of the non-compete and the fair compensation for the employee.

L

EMPLOYMENT TERMINATION

- Immediate written termination during probation period, without notice and without any reason.
- Employee:
 - ⋮ May resign anytime for any reason whatsoever, giving a prior notice.
 - ⋮ The resignation must be sent by means of a formal template online.
 - ⋮ Could resign for just cause, without notice
- Employer:
 - ⋮ May terminate only for:
 1. Justified subjective reason: i.e. due to significant failure, giving a prior notice.
 2. Justified objective reason: i.e. due to economical, organizational or productive reasons, giving a prior notice.
 3. Just cause: i.e. in case of serious breach of the trust relationship, without notice
- Collective dismissals:
 - ⋮ Only in case of dismissal of more than 4 employees in 120 days.
 - ⋮ A mandatory special termination procedure must be followed.
- Specially protected employees. Sick employees, pregnant employees, employees on maternity/parental leave.
- Possibility to claim the lawfulness of the dismissal within 60 days from the dismissal letter with a formal contestation letter, which must be followed by a Court claim within the further 180 days.

M

EMPLOYMENT OF FOREIGNERS

- EU citizens: no restrictions; notification of employment towards Labour Office
- Non-Eu citizens: visa and employment permit generally needed

N

OTHER EMPLOYER'S DUTIES

- » Health and safety at the workplace
- » INAIL insurance
- » INPS social security public pension fund

O

EMPLOYEES' REPRESENTATION

Trade unions and employees' representatives concerned health and safety protection

P

EMPLOYMENT PRIVATE AGENCIES

Employment agencies are private operators authorised to offer services to match job supply and demand and registered in the IT Register of employment agencies.

They are divided into:

- » Generalist recruitment agencies, which carry out intermediation, personnel search and selection and outplacement support activities.
- » Specialist staff leasing agencies, which may only employ employees for an open-ended period.
- » Intermediation agencies, which act as mediators between labour supply and demand.
- » Personnel search and selection agencies, which perform consultancy activities for the identification of candidates on behalf of the client.
- » Outplacement support agencies, which carry out activities aimed at relocating employees in the labour market.

Q

COUNTRY SPECIFICS

- » There is a specific system for particular categories of worker, such as executives and domestic workers
- » Specific collective agreements per sector may change the national legislation for the better

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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

Whether the employment agreement has been agreed orally or in writing, an employer has a fully mandatory duty to inform employees in writing about certain terms of the employment agreement, which includes amongst others:

- » name and address of the parties
- » the place where the work will be performed
- » the position of the employee
- » the date of commencement of employment
- » if the agreement is concluded for a fixed term, the duration of the contract
- » the entitlement to vacation or the manner in which vacation entitlement is calculated
- » the notice period
- » the remuneration
- » the usual working period per day or week
- » any applicable collective bargaining agreement or scheme made by or on behalf of a competent authority

B

PROBATION PERIOD

- » Maximum period in a fixed-term employment contract:
 - » one month if the agreed duration of the agreement is less than two years
 - » two months if the agreed duration of the agreement is two years or more
- » Maximum period in a permanent employment contract: two months
- » The period has to be equal for both parties and may not be extended
- » Non observance means the entire period is null and void not just the excess period
- » A second full-term probationary period may occur if the employee has been given an entirely new position that clearly involves different responsibilities and/or skills than his former position

C

FIXED-TERM EMPLOYMENT

- » The duration of one fixed-term contract is in theory unlimited

- » Max. 3 fixed-term contracts in a row and in total not more than 36 months when intervals are six months or less
- » A fourth fixed-term employment contract converts automatically into an employment contract for an indefinite period

D WORKING TIME / SCHEDULING

- » **Fulltime:** standard 36/40 hours per week, 8 hours per day
- » **Standard:** max 12 hours for one-shift, 60 hours per week and average 48 hours per week in each period of 16 weeks. For every period of 4 weeks max 55 hours per week
- » **Standard concerning breaks:**
 - » working day of more than 5,5 hours, the employee is entitled to a break of (in total) 30 minutes (or 2 x 15 minutes)
 - » in case of a 10 hour shift at least 45 minutes (or 3 x 15 minutes)

E MINIMUM SALARY

- » The amount depends on the age of the employee
- » In case an employee, aged 21 or older, works fulltime: € 1,701 gross per month (€ 78.51 gross per day)
- » For ages 15 to 20 increasing from € 510.30 to € 1,360.80 per month (all figures per 1 July 2021)

F SALARY SURCHARGES

No legal obligations

G STATUTORY LEVIES

Taxable income percentage (including percentage national insurance schemes)

- » 1) Up to € 21,042: 37,10% (tax plus social securities)
- » 2) From € 21,043 to € 35,127: 37,10% (tax plus social securities)
- » 3) From € 35,128 to € 68,506: 37,10% (tax plus social securities)
- » 4) € 68,507 and over: 49,50%

H PAYMENTS DURING ILLNESS

- » At least 70% of the salary during the first two years (with an exception for the first 2 days if agreed and to the extent that the salary does not exceed the maximum daily wage – as of 1 July 2021, € 225.57 gross per day, € 4,906.15 gross per month)
- » The first 52 weeks not less than the legal minimum wage (€ 1,701 gross per month)



I

ANNUAL LEAVE

- » At least 4 times the weekly work period
- » Expiry date of:
 - statutory holidays: 6 months after the year
 - (time limit of) holidays over and above the statutory minimum: 5 years (unless agreed otherwise)
 - compensation for unused leave possible only upon employment termination.

J

MATERNITY/PARENTAL PROTECTION

- » Pregnancy/maternity leave: 16 weeks in total. Payment is made by the Employee Insurance Agency. Benefits are equal to 100% of the maximum daily wage (per 1 July 2021 € 225.57 gross per day).
- » Paternity leave: 5 days. This paid leave can be taken any time in the first four weeks after birth of the child. During this period of leave the employer should pay 100% of the employee's wage. In addition employees can take additional unpaid paternity leave of 5 weeks in the first 6 months after the birth. Employees who take unpaid leave will be able to claim benefits from the Employee Insurance Agency for up to 70% of the (maximum) daily wage (per 1 July 2021 € 225.57 gross per day). However, they must first take up to paid paternity leave of 5 days.
- » Parental leave: 26 times the weekly work period until the child reaches 8 years of age. Due to European legislation the law is expected to change. In the future employees might be entitled to nine weeks (partially) paid parental leave. During this period the employee will be entitled to a benefit amounting to 50% of the daily wage (per 1 July 2021: 50% of € 225.57 = € 112.78 gross per day).
- » Prohibition of termination during the pregnancy, the maternity leave and 6 weeks after the maternity leave

K

NON-COMPETE COVENANT

- » Possible in a permanent contract
- » Possible in a fixed-term contract if individually motivated in the contract that it is necessary because of substantial business interests
- » Must be agreed in writing and the employee must be an adult (18 years)
- » Should specify the duration of its enforceability. Although not explicitly required by law, a non-compete covenant should also define both the geographical area and the type of work that it covers
- » An employee can claim a compensation if the clause prevents them, to a large extent, from taking up employment with another employer
- » The employer cannot invoke the non-compete clause if the termination or discontinuation of employment is a result of seriously culpable conduct or negligence of the employer

L

EMPLOYMENT TERMINATION

- » An employment agreement can be terminated by employer:
 - by consent of the employee;
 - by giving notice with the prior consent of the Employee Insurance Agency (hereinafter: UWV) in cause of economic grounds or long-term disability ("a and b- ground)

- ❖ by dissolution by the competent court (only in case of an appeal against a UWV denial or consent or on the following grounds:
 - ▶ c-ground: frequent sickness absence;
 - ▶ d-ground: inadequate performance;
 - ▶ e-ground: culpable conduct or negligence of the employee;
 - ▶ f-ground: refusal to perform work due to a serious conscientious objection;
 - ▶ g-ground: damaged working relationship;
 - ▶ h-ground: other reasons (only rarely), which are such that it cannot be required from the employer to continue the employment contract; and
 - ▶ i-ground: cumulative dismissal ground;
- ❖ for urgent cause (instant dismissal);
- ❖ by mutual consent;
- ❖ by notice on or after pension date;
- Extra rules for collective dismissals
- Prohibition of termination (other than consensual) during illness the first two years and pregnancy, or because of membership of participation body/trade union, etc.
- Possibility to dispute the validity of termination in court within 2 months from the last day of employment
- Statutory severance (“transition compensation”) is due upon termination by the employer (both fixed-term and indefinite) or termination by the employee due to seriously culpable conduct or negligence of the employer
- Severance pay is calculated as follows:
 - Step 1: has the employee worked for one or more full years?
 - ❖ $1/3$ monthly gross salary x number of years of service
 - Step 2: has the employee worked for a few days, weeks or months
 - ❖ $(\text{gross salary}/\text{gross monthly salary}) \times (1/3 \text{ gross monthly salary}/12)$
- The maximum transitional compensation amounts to up to € 84,000 gross or 12 months of gross salary (if that is more than € 84,000). This amount is indexed each year
- If the employment contract is dissolved on the cumulative dismissal ground (i-ground), the court may grant the employee an additional compensation on top of the transition compensation. The extra compensation amounts to a maximum of 50% of the transition compensation
- In case of misconduct of the employer the employee can be awarded an additional award (“equitable compensation”)
- Employer and employee may agree on alternative arrangements.
- No later than one month before a fixed-term contract ends the employer has to inform the employee in writing whether or not the employer will continue the employment agreement and under what conditions

M

EMPLOYMENT OF FOREIGNERS

- Citizens of the EU, the European Economic Area and Switzerland– no restrictions
- Non-EU citizens – visa and employment permit generally needed
- Brexit: after 31 December 2020, UK nationals in principle need a work and residence permit to live and work in the Netherlands.

N

OTHER EMPLOYER'S DUTIES

Health and safety at the workplace



O

EMPLOYEES' REPRESENTATION

Trade unions, work councils (if the company has 50 employees or more) and other employees' representations if the company has less employees

P

EMPLOYMENT PRIVATE AGENCIES

- » Obligation to pay salary equal to own employees;
- » Prohibition of non-competition clause for temp workers

Q

COUNTRY SPECIFICS

- » For companies operating in The Netherlands there are generally:
 - “Company” Collective Bargaining Agreements (hereinafter: CBAs); or
 - CBAs for specific industries, for instance, the metal or cleaning industry.

Not all employers are bound by a CBA. Some industrywide CBAs are declared generally binding by the Ministry of Social Affairs and Employment. In this case, if the activities of an employer fall under the scope of this CBA, the employer must still apply that CBA, even if it is not a party to it.

- CBAs could differ from the legal rules above!



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

In writing, includes: parties, type of agreement, date of conclusion, working and remuneration conditions; in particular: type of work, workplace, remuneration corresponding to the type of performed work, with salary components, employment proportion, date of commencing employment, scope of duties at a given position.

B

PROBATION PERIOD

- » Probation period, up to 3 months;
- » Aimed at verification of the employee's qualifications and fitness to work at a particular position

C

FIXED-TERM EMPLOYMENT

- » Period of employment based on one contract, as well as the total period of employment based of several contracts between the same parties, may not exceed thirty-three months, and the total number of such contracts between the same parties, may not exceed three.
- » The above does not apply to fixed-term employment: in order to replace an employee during his justified absence; in order to perform casual and seasonal work; order to perform work during the term of office; if the employer indicate objective reasons which can be attributed to the employer.
- » If the conclusion of contract serves to satisfy the actual periodical demands and is necessary in the light of all circumstances of the conclusion of the contract.

D

WORKING TIME / SCHEDULING

- » Principle: 8 hours a day and an average of 40 hours in 5-day work week in a period week in a period not exceeding 4 months (in justified cases it may be extended, but no more than up to 12 months)
- » different working hours (equivalent working time, continuous work, intermittent working time, task-oriented work schedule, flexible working hours, system of weekend work)
- » work schedule is drawn up the employer
- » break: daily rest (at least 11 hours), weekly rest (at least 35 hours)



- if the daily working hours exceed at least 6 hours - the employee has a right to take a break lasting 15 minutes (included in the working hours)
- overtime work: in accordance with the Labor Code -150 hours in a calendar year, unless the collective agreement, work regulations or contract specifies a different limit(the maximum limit of overtime hours that can be introduced in the work regulations, collective agreement or employment contract may be a maximum of 416 overtime hours per year. This is a number that absolutely cannot be exceeded).

E MINIMUM SALARY

2800 zł/ 18,30 zł per hour (PLN) gross

F SALARY SURCHARGES

- overtime work - base salary + bonus of 100% or 50% of remuneration for each hour of work; the employer cannot pay the allowance if the employee receives time off:
 - at the employee's request (respectively: 1: 1),
 - employer's decision (1: 1.5 respectively).
- night work - basic salary + an allowance of 20% of the salary for each hour of work;
- work on Saturdays - (exception to the 5-day working week rule), compensation only in the form of a day off granted by the end of the settlement period on a date agreed with the employee;
- work on Sundays and public holidays - another day off from work or cash compensation (an addition to remuneration in the amount of 100% for each hour of work on that day, once every four weeks, Sunday is free from work.

G STATUTORY LEVIES

	Employer	Employee
Pension	9,76%	9,76%
Disability	6,50%	1,50%
Accident	1,67% (*) (**)	---
Illness	---	2,45%
Health Care	---	9,00%
Work Fund	2,45%	---
The Guaranteed Employment Benefit Fund	0,10%	---
The Temporary Retirement Fund <small>(special working conditions)</small>	1,50%	---
Basic contribution for PPK (***)	1,50%	2,00%

(*) The interest rate of the accident insurance contribution changes each year and is determined in accordance with the regulation of the Minister of Labor and Social Policy of November 29, 2002.

(**) The indicator is valid until March 31, 2022.

(***) The amount of contributions for PPK can be raised by both sides.

H

PAYMENTS DURING ILLNESS

1. in total up to 33 days in a calendar year, and in the case of an employee over the age of 50 – in total up to 14 days in a calendar year - sick pay (80% of remuneration);
2. accident on the way to / from work or illness during pregnancy - in the period indicated in point 1 - sick pay (100 % of remuneration);
3. participation in the necessary medical examinations provided for candidates for donors of cells, tissues and organs as well as participating in the procedure of collecting cells, tissues and organs in the period indicated in point 1 - sick pay (100% of remuneration).
 - ⋯ For the period indicated in point 1 -sick pay paid by employer;
 - ⋯ For the period longer than the period indicated in point 1 –sickness benefit paid by Social Insurance Institution (ZUS).

Sick pay paid by the employer is calculated in accordance with the rules governing the calculation of the sickness benefit assessment base and is paid for each day of incapacity for work, including holidays.

I

ANNUAL LEAVE

- » **20 days** - if the employee is employed for less than 10 years;
- » **26 days** - if the employee is employed for at least 10 years;
- » the employee can not waive his right to annual leave;
- » the annual leave should be granted in the same year in, which the employee gained the right to it;
- » the unused annual leave should be granted no later than on 30th of September in the following calendar year;
- » the annual leave is granted in accordance to the vacation schedule or is individually agreed with the employee agreed with the employee.

J

MATERNITY/PARENTAL PROTECTION

- » **Maternity leave:**
 - 1) 20 weeks - in the case of giving birth to one child in one delivery;
 - 2) 31 weeks - in the case of giving birth to two children in one delivery;
 - 3) 33 weeks - if three children are born in one delivery;
 - 4) 35 weeks - if four children are born in one delivery;
 - 5) 37 weeks - if five or more children are born in one delivery.
- » **Parental leave (a mother or father employee is entitled to parental leave immediately after using the maternity leave) is granted for a maximum of:**
 - 1) 32 weeks with the birth of one child;
 - 2) 34 weeks with the birth of more than one child.

In the case of adoptive parents who took in an older child up to the age of seven for upbringing, the parental leave is 29 weeks.
- » **Child care leave:**
 - ⋯ is up to 36 months in total and is, as a rule, free of charge. Only employees with low incomes receive any benefits in the form of a childcare allowance during the parental leave.



Child care leave is granted to an employee with at least 6 months of work experience, which also includes the period of receiving unemployment benefit, and may be used until the end of the calendar year in which the child turns 6 years of age.

» Paternity leave:

Paternity leave may be used only by the father's employee until the child reaches the age of 2. The length of paternity leave is 2 weeks and can be taken in two weekly parts or at one time.

An employee who is adopting a child may take paternity leave within 24 months from the date on which the decision on the adoption of a child becomes final and not later than until the child reaches the age of 7. When a child has a decision to postpone compulsory education, the father may use paternity leave until the child turns 10.

» Parental Supplementary Allowance:

1) for a mother who is 60 years of age, has given birth and raised or raised at least four children and does not have an income ensuring the necessary means of subsistence;

2) for a father who is 65 years of age, in the event of the mother's death or abandonment of the children, or in the event of a long-term cessation of raising children by her - he has raised at least four children and does not have an income ensuring the necessary means of subsistence.

The condition of the birth and upbringing or upbringing of a child applies to one's own child, a spouse's child, an adopted child or a child accepted for upbringing as part of a foster family, with the exception of a professional foster family.

K

NON-COMPETE COVENANT

- » To the extent determined in a separate agreement, an employee may not perform activity that is competitive towards an employer, or perform work, under an employment relationship or any other basis, for the benefit of an entity conducting such activity (prohibition on competition).
- » A non-competition agreement after termination of employment must contain provisions regarding the period of non-competition, as well as the amount of compensation due to the employee from the employer.
- » The compensation cannot be lower than 25 per cent of the remuneration received by the employer before the expiry of the employment relationship for the period corresponding to the period of the prohibition on competition; the compensation may be paid in monthly instalments.

L

EMPLOYMENT TERMINATION

- » Employment contract for a probation period of time:
 - 1) 3 working days, if the probation period does not exceed 2 weeks,
 - 2) 1 week, if the probation period is longer than 2 weeks,
 - 3) 2 weeks, if the probation period is 3 months.
- » Fixed-term employment contract and employment contract for an indefinite period of time depends on the time of the employment:
 - 1) 2 weeks, if the employee has been employed for less than 6 months,
 - 2) 1 month if the employee has been employed at least for 6 months,
 - 3) 3 months if the employee has been employed at least for 3 years.
- » 3 - month period of notice may be shortened if the notice of termination due to the declaration of bankruptcy or employer's liquidation or for other reasons not attributable to the employee (not less than up to one month).
- » At the time of termination, the employee may be granted a vacation leave or he may be released from the obligation to perform work, the employee also retain the right to remuneration.
- » The notice period, covering a week or a month, ends on Saturday or on the last day of the month, respectively.
- » Termination of the contract or its termination without notice must be made in writing

- » If the employer want to terminate employment contract for an indefinite period of time or termination of the contract without notice (by the employer) shall require indication of the reason justifying the termination and instruction in the right of appeal to the labor court.

M

EMPLOYMENT OF FOREIGNERS

- » EU Citizens – the free movement of labour, work permit do not needed
- » Citizens of non-EU countries – residence title + work permit;
- » For citizens: The Republic of Armenia, The Republic of the Belarus, The Republic of Georgia, the Republic of Moldova, The Russian Federation and Ukraine – the simplified procedure.

N

OTHER EMPLOYER'S DUTIES

- » Work safety regulation (+training courses).
- » The employer is obliged to train the employee in the field of health and safety at work before allowing him to work and to conduct periodic training in this regard. Training of an employee before being admitted to work is not required if he or she takes up work in the same position as he held for a given employer immediately before entering into another employment contract with this employer.
- » medical examinations (preliminary, periodic and control);
- » the obligation for the employer to keep the employee's employment documentation (documents regarding employment periods, remuneration and other files constituting the basis for determining the amount of the retirement pension) for 10 years after the termination of the employment contract;
- » employee records in the case of employees employed before 1999 will be kept for the current period, i.e. as a rule 50 years, regardless of whether they are still working under the contract concluded at that time or not.

O

EMPLOYEES' REPRESENTATION

- » Trade union, worker's councils, employee's representatives;
- » Trade unions – at least 10 members;
- » Trade unions most often occur with employers, in whose capital the share of the Treasury can be recorded;
- » All persons working as employees in accordance with the provisions of international law may be represented and defended by a trade union (any employee may join a trade union, not only full-time, i.e. also working under civil law contracts, self-employed or even a volunteer and an intern).

P

EMPLOYMENT PRIVATE AGENCIES

Ttemporary employment agency.

Q

COUNTRY SPECIFICS

The Polish legislator is still working on the new Labor Code, which will include, i.e. changes in the amount of holiday leaves; regulations concerning remote work, extending the definition of mobbing to include the inadmissibility of differentiating the amount of remuneration according to the employee's sex; regulations that will allow employers to randomly and preventively test employees for the presence of alcohol and other intoxicants.



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- » Is any contract (regardless if written or not) where a individual renders a paid activity to others (individual or company) according to pre set rules and under its supervision and direction.
- » A written form is only mandatory on fixed term contracts.
- » Whenever a written form is mandatory the following information has to be included:
 - a) Employer identification
 - b) Place(s) of work
 - c) Employee category and functions
 - d) Engagement date
 - e) Duration of the contract (on term contracts)
 - f) Holiday regime
 - g) Salary value and date of payment
 - h) Working time (maximum of 8 hours a day and 40 hours per week)
 - i) Labour accidents insurance policy and compensation fund
 - j) Identification of applicable collective agreement (when applicable)

B

PROBATION PERIOD

- » Regular up to 90 days.
- » 180 for function with complexity
- » 240 for management functions
- » During probation period both parties may terminate the employment with immediate effect without having to offer cause nor any compensation arising.

C

FIXED-TERM EMPLOYMENT

- » The term is only possible whenever required to overcome temporary needs of the employer
- » The grounds have to be detailed
- » Maximum limit up to 2 years



D

REMUNERATION

- » Maybe fixed, variable or a combination of both.
- » Payable monthly 14 month per year (holiday and Christmas entitlements).
- » Lunch allowance is, in many aereas of activity, mandatory.

E

SCHEDULING

- » Maximum 40 hours per week, 8 hours per day.
- » Mandatory break after 5 hours of work.
- » Work by shifts is possible, standard is 8 hour shift but can be up to 12 hours.
- » Overtime: annual limit 150 hours.
- » Employer must keep records of overtime.
- » Various forms of flexible scheduling for working hours available.

F

SALARY SURCHARGES

- » **Overtime work** – surcharge of at least 25% of average earnings, which may be partially included in salary; compensatory paid time-off may be agreed instead.
- » **Work on public holidays** – compensatory paid time-off; surcharge of at least 100% of average earnings may be agreed instead.
- » **Night work** – surcharge of 10% of average earnings; may be decreased by agreement.
- » **Weekend work** – surcharge of 10% of average earnings; may be decreased by agreement.

G

MINIMUM SALARY

Established every year; for 2021 – 665,00 EUR

H

STATUTORY LEVIES

	Employer	Employee
Health insurance	-	-
Social security (includes sickness and pension protection)	23,75 %	11 %

Accident insurance is mandatory and the value is determinated according to the salary. Mandatory payment by the employer of 1% for a compensation fund to be activated on the termination of contracts whenever the employer does not pay the labour credits.

I**ANNUAL LEAVE**

- » Minimum of 22 working days of annual paid leave
- » Many collective agreements set a minimum of 25 working days
- » There is a mandatory period of minimum 10 consecutive days

J**NON-COMPETE COVENANT**

- » Used mainly on management functions
- » Maximum period of 2 years with exceptional cases 3 years; employee has to be compensated and there is no minimum fixed by law; compensation is often in the amount of the salary for the period of restraint.

K**MATERNITY PROTECTION**

- » Mother and father are entitled to an initial parental leave of 120 or 150 consecutive days, which may be shared between them
- » In the case of multiple births, the parental leave is increased by 30 days for each additional child
- » The father has up to 25 days of leave with 15 being mandatory
- » Employees with children of less than 12 years or children that are disabled or have a chronic health problem are entitled to have a flexible work schedule
- » There are several entitlements for working parents.

L**EMPLOYMENT TERMINATION**

- » Immediate written termination during probation period.
- » Written agreement.
- » Dismissal is in general forbidden other than with cause.
- » Employer may terminate the contract with cause on:
 - » Just cause (as a consequence of breach of duties by the employee, following a formal procedure);
 - » Extinction of work post is subject due process involving formal procedure including a pre notice period between 15 and 75 days depending on the length of the contract under termination;
 - » Dismissal for inadequacy is subject to due process involving a formal procedure and to a pre notice period between 15 and 75 days depending on the length of the contract
 - » Collective dismissal is subject to due process involving a formal procedure and to a pre notice period between 15 and 75 days depending on the length of the contract
- » Employee may terminate anytime with or without cause.
- » Severance is due for termination on objective grounds (extinction of work post, dismissal for inadequacy, collective dismissal) varying with the duration of the contract under termination.
- » Specially protected employees: pregnant employees, employees on maternity/parental leave, trade union officials
- » Any dismissed employee may dispute the validity of termination in court within 60 days counting from the last day of employment, except for collective dismissal where the dispute can be raised up to 6 months from the dismissal date. To dispute the validity the employee has merely to invoke invalidity, with the employer bearing the burden of demonstration otherwise, i.e.: of the propriety of the dismissal, both in form (due process) and in substance (valid cause).

**M****REDUCED-HOURS EMPLOYMENT**

It can take place by agreement and under determined circumstances has:

- » Early retirement
- » Ensure the company's sustainability and work posts
- » Care of minor children who are disabled or with a chronic illness
- » Care of minor children, under one year of age

Limited employee rights

N**EMPLOYMENT OF FOREIGNERS**

- » EU citizens – no restrictions, notification of employment labour authority is mandatory
- » Non-EU citizens – Residency visa with working authorization is required and follows formal procedure

O**OTHER EMPLOYER'S DUTIES**

- » Health and safety at the workplace
- » Mandatory medical examinations (pre- and post-employment and periodic) and agreement with provider of employment medical services

P**EMPLOYEES' REPRESENTATION**

Trade unions, work councils, representatives concerned with occupational safety and health protection

Q**EMPLOYMENT PRIVATE AGENCIES**

Not applicable

R**COUNTRY SPECIFICS**

Collective agreements are quite common in Portugal. Numerous labour rulings are settled by reference to the appropriate collective agreements.

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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT / ALTERNATIVES

- » Must be in writing and include:
 - » name and seat of the employer;
 - » the personal name of the employee, place of residence or temporary residence of the employee;
 - » type and level of professional education, respectively education of the employee, which are a condition for performing the work for which the employment contract is concluded;
 - » the name and description of the work that the employee should perform;
 - » place of work;
 - » type of employment (indefinite or fixed-term);
 - » the duration of the fixed-term employment contract and the basis for establishing a fixed-term employment relationship;
 - » the day of commencement of work;
 - » working hours (full, part time or shortened);
 - » the amount of the basic salary on the day of conclusion of the employment contract;
 - » elements for determining the basic salary, performance, salary compensation, increased earnings and other earnings of the employee*;
 - » deadlines for payment of earnings and other remunerations on which the employee is entitled*;
 - » duration of daily and weekly working hours*.
- » *The employment contract does not have to contain the elements aforementioned which are marked with * if they are determined by law, collective agreement, rulebook or other act of the employer in accordance with the law, in which case the contract must specify the act by which these rights were established at the moment of conclusion of the employment contract.
- » Alternatives - Work beyond the Scope of Employment:
 - » Temporary and Periodical Work;
 - » Service contract;
 - » Contract for Vocational Training and Advanced Training;
 - » Supplementary Work.

B

PROBATION PERIOD

- » Up to 6 months.
- » Before the expiration of the time for which the probation period is concluded, the employer or employee may terminate the employment contract with a notice period that cannot be shorter than five working days. The employer is obliged to explain the cancellation of the employment contract.
- » The employment relationship shall be terminated to an employee who has failed to demonstrate appropriate working and professional capabilities during the probation period on the date of the expiration of the period specified in the employment contract.

C

FIXED-TERM EMPLOYMENT

- » Up to 24 months (2 years) with interruptions or without interruption.
- » Notwithstanding with previously mentioned provision, a fixed-term employment contract may be concluded:
 - » if this is necessary due to the replacement of a temporarily absent employee until his return;
 - » to work on a project whose time is pre-determined, the longest until the end of the project;
 - » with a foreign citizen, based on a work permit in accordance with the law, until the expiration of the period for which the work permit was issued;
 - » to work in a newly established employer whose entry in the registry with the competent authority at the time of the conclusion of the employment contract is not older than one year, for a total duration not exceeding 36 months;
 - » with an unemployed person, to whom is missing up to five years until the fulfilment of one of the conditions for exercising the right to old-age pension, not longer than the fulfilment of such condition, in accordance with the regulations on pension and disability insurance.
- » If a fixed-term employment contract is concluded contrary to the provisions of the law or if the employee remains at work with the employer at least five working days after the expiration of the time for which the contract is concluded, the employment relationship is considered to be indefinite.

D

WORKING TIME / SCHEDULING

- » Full-time work: 40 hours per week for one-shift operations; it can be determined that full-time work is shorter than 40 hours per week, but not shorter than 36 hours per week.
- » Scheduling by employer, daily shift 8 hours, could be up to 12 hours in some cases.
- » An employee who works at least six hours a day has the right to rest during daily work for at least 30 minutes.
- » An employee who works longer than four and less than six hours a day has the right to rest during work for at least 15 minutes.
- » An employee who works longer than 10 hours a day has the right to rest during work for at least 45 minutes.
- » Rest during work could not be used at the beginning and at the end of working hours.
- » Overtime work could not last more than 8 hours per week; An employee could not work longer than 12 hours a day, including overtime work.
- » Employer is obliged to keep records of each individual employee's working hours.
- » Various forms of flexible scheduling for working hours available.

E

MINIMUM SALARY

The minimum salary is determined on the basis of the minimum labour cost determined in accordance with the law, time spent at work, and taxes and contributions paid out of earnings. In 2021, minimum salary is determined in the amount of 41.469,67 RSD gross (around EUR 250 net) depending on the number of working days in the month/ the number of working hours per month.

F

SALARY SURCHARGES

- » Work on the day of the holiday which is a non-working day – surcharge of at least 110% of the employee's basic salary;
- » Night work if such work is not valued when determining the basic salary – surcharge of at least 26% of the employee's basic salary;
- » Overtime work – surcharge of at least 26% of the employee's basic salary;
- » Seniority compensation - On the basis of the time spent on work for each full year of work realized in the employment relationship with the employer – surcharge of at least 0.4% of the employee's basic salary.
- » If the conditions set forth have been met at the same time on several grounds, the percentage of salary surcharges could not be lower than the sum of percentages on each of the basis of the salary surcharge.

G

STATUTORY LEVIES

	Pension and disability insurance	Health insurance	Unemployment insurance
Employee	14%	5.15%	-
Employer	11.5%	5.15%	0,75%

H

PAYMENTS DURING ILLNESS

- » An employee is entitled to salary compensation during absence from work due to temporary incapacity for work for up to 30 days, as follows:

1) at least in the amount of 65% of the average salary in the previous 12 months before the month in which the temporary incapacity for work occurred, provided that it cannot be lower than the minimum wage determined in accordance with this Law, if the incapacity for work is caused by illness or injury out of work, unless otherwise provided by law;

2) in the amount of 100% of the average salary in the previous 12 months before the month in which the temporary incapacity for work occurred, provided that it cannot be lower than the minimum wage determined in accordance with this Law, if the incapacity for work is caused by injury at work or occupational disease, unless otherwise provided by law.

If the temporary incapacity for work lasts longer than 30 days, the salary compensation from the 31st day is paid from the health insurance funds.

I

ANNUAL LEAVE

- » Minimum of 20 working days of annual paid leave.
- » An employee has the right to use the annual paid leave after one month of continuous work in the calendar year from the date of the establishment of the employment relationship with the employer.
- » The annual leave could be used in one or in two or more parts and if an employee uses annual leave in parts, he is obliged to use the first part for at least two working weeks continuously during the calendar year, and the remainder by no later than June 30 of the following year.
- » An employee has the right to use his annual leave in two parts, unless he agrees with the employer to use his annual leave in several parts.
- » The annual leave must be ordered by the employer at least 15 days in advance; the employer may change the time determined for using the annual leave if required by the needs of the work, no later than 5 working days before the date determined for the use of the annual leave.
- » In the event of termination of employment, the employer is obliged to pay a monetary compensation instead of using the annual leave to an employee who has not used the annual leave in whole or in part, in the amount of the average salary in the previous 12 months, in proportion to the number of days of unused annual leave.
- » An employee who has not used a annual leave in the calendar year in whole or in part due to absence from work for the use of maternity leave, absence from work for child care and special care of the child - has the right to use that annual leave until June 30 of the following year.

J

MATERNITY/PARENTAL PROTECTION

- » An employed woman is entitled to absence from work due to pregnancy and childbirth, as well as absence from work due to child care, for a total of 365 days.
- » An employed woman has the right to commence maternity leave based on the findings of the competent health authority at the earliest 45 days and obligatory 28 days before the time determined for childbirth.
- » Maternity/paternity leave lasts up to three months from the day of delivery.
- » An employed woman/man, upon the expiry of maternity/paternity leave, has the right to absence from work due to child care until the expiration of 365 days from the day of commencement of maternity/paternity leave.
- » An employed woman/man is entitled to maternity/paternity leave and the right to absence from work for child care for the third and every next newborn child for a total duration of two years.
- » One of the parents of a child who needs special care due to a severe degree of psychophysical impairment, except for the cases stipulated by the regulations on health insurance, has the right to leave the work or to work with half of the full hours after the expiration of maternity/paternity leave and absence from work for the care of the child, up to 5 years of age of the child.
- » One of the parents with a child up to three years of age may work overtime, or during night, only with their written consent.

K

NON-COMPETE COVENANT

- » Non-competition covenant can only be established if there are conditions for employees to acquire new, especially important technological knowledge, a wide range of business partners, or to get to know important business information and secrets.
- » Up to 2 years after termination of the employment, it may be concluded if the employer obliges with the employment contract to pay to the employee a fee in the contracted amount.

L**EMPLOYMENT TERMINATION**

- » Expiration of the period for which it was concluded.
- » When the employee reaches 65 years of age and at least 15 years of service, unless the employer and employees agree otherwise.
- » Written agreement between the employee and the employer.
- » Prior to signing the agreement, the employer is obliged to inform the employee in writing about the consequences that occur in the realization of the right to unemployment.
- » The termination of an employment contract by an employer or an employee.
- » An employee has the right to terminate the employment contract on his request.
- » The employee terminates the employment contract in writing, at least 15 days before the date the employee stated as the day of termination of employment (notice period).
- » A longer notice period may be established by general act or employment contract, but not longer than 30 days.
- » Employer may terminate employment contract to the employee on the grounds specified by law (justifiable reason relating to the employees ability to work and his behaviour, violation of work obligations by employee, disrespect of work discipline by employee, on the basis of technological, economic or organizational changes, refusal of employee to conclude an annex to the contract in accordance with the law); often special termination procedure and rules for delivery of the documents must be followed.
- » At the request of a parent or guardian of an employee younger than 18 years of age.
- » The death of an employee.
- » Regardless of the will of employee or will of the employer.
- » The employee has lost his working capacity.
- » An employee is forbidden to perform certain jobs and he cannot be provided with other jobs.
- » Due to serving a prison sentence, an employee must be absent from work for more than six months.
- » A security measure, educational or protective measure has been imposed to an employee, lasting longer than six months and therefore employee must be absent from work.
- » In case of termination of the work of the employer.
- » In other cases, determined by law.
- » The amount of the severance payment is determined by general act or employment contract.
- » It could not be lower than the sum of one third of the earnings of an employee for each completed year of employment at the employer with whom the employee is entitled to severance pay.
- » At the time of retirement - at least equal to two average earnings payed in the Republic of Serbia, according to the latest published data of the republic authority in charge of statistical affairs.
- » Collective dismissals – mandatory special termination procedure for multiple redundancies.
- » Specially protected employees: pregnant employees, employees on maternity/parental leave, trade union officials.
- » Possibility to dispute the validity of termination in court within 60 days from the day of receipt of the decision of termination of employment.

M**EMPLOYMENT OF FOREIGNERS**

- » EU and NON-EU citizens – visa and employment permit generally required

**N****OTHER EMPLOYER'S DUTIES**

- » Health and safety at the workplace.
- » Provide the employee with a notice on working conditions, organization of work and rights and obligations arising from regulations on work and regulations on safety and protection of life and health at work.
- » Provide the employee with the conditions for performing the tasks determined by the employment contract.
- » Request the opinion of the trade unions in cases established by law, and within an employer with whom the union is not formed – request the opinion of the representative appointed by the employees.
- » Delivery of notifications to employees when establishing employment relationship regarding rights and obligations of the company according to the Law on prevention of harassment at work and Law on protection of whistleblowers.

O**EMPLOYEES' REPRESENTATION**

- » Trade unions, council of employees.
- » Specific percentage of employees for establishing of trade unions.
- » The employees within the employer who has more than 50 employees could form council of employees.

P**EMPLOYMENT PRIVATE AGENCIES**

- » Law on Agency Employment entered into force on 1ST March 2020.
- » Outsourcing was applied in practice, but now for the first time is adopted regulation that governs and guarantees the rights of assigned employees.

Q**COUNTRY SPECIFICS**

- » A complicated structure of earnings
- » Special termination procedure and rules for delivery of documents must be followed



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Information valid as of 1 September 2021

General Notes:

The key employment legislation in Singapore is the Employment Act (“EA”). The core provisions of the EA (such as minimum days of annual leave, paid public holidays and sick leave, timely payment of salary and statutory protection against wrongful dismissal) apply to all classes of employees in Singapore. In addition, Part IV of the EA provides additional protection of working hours, payment for overtime work and rest days which apply to workmen (i.e. blue-collar employees involved in manual labour, such as cleaners and construction workers) earning up to S\$4,500/month and non-workmen (i.e. white collar employees who are not in managerial or executive positions, such as clerks and receptionists) earning up to S\$2,600/month.

This Fact Sheet does not cover the employment of the following classes of persons:

1. Seafarers (governed by the Merchant Shipping (Maritime Labour Convention) Act 2014).
2. Domestic Workers (governed by the Employment of Foreign Manpower (Work Passes) Regulations 2012).
3. Civil Servants and Statutory Board Employees (no governing legislation).

This Fact Sheet also does not take into account additional requirements which may be imposed on foreign employees by the Employment of Foreign Manpower Act.

CATEGORY 1

1. Workmen earning up to S\$4,500/month.
2. Non-workmen earning up to S\$2,600/month

CATEGORY 2

All other employees not in Category 1

A**EMPLOYMENT CONTRACT / ALTERNATIVES**

No legal requirement for employment contract to be in writing. However, employers must at least issue a written document (which need not be in the form of a contract) to each employee, who is employed for a period of at least 14 continuous days, setting out 18 specified key employment terms, unless any specified key employment terms is not applicable.

B**PROBATION PERIOD**

Probation periods are not mandatory. Employment during the probation period is subject to the same laws governing non-probationary employment.



C

FIXED-TERM EMPLOYMENT

Employees working under a fixed-term employment contract are generally subject to the same governing laws as non-fixed-term employment.

D

WORKING TIME / SCHEDULING

CATEGORY 1

- » Employees working less than 5 days a week are generally not to be required to work for more than 9 hours a day or 44 hours in a week.
- » Employees working more than 5 days a week are generally not to be required to work for more than 8 hours a day or 44 hours in a week.
- » Employees are to be given not less than 1 rest day without pay each week.
- » Employees are generally not to be required to work more than 6 consecutive hours without a break.
- » Employees must be given at least 45 minutes break for meals if the nature of the work requires continuous work for up to 8 hours.

CATEGORY 2

- » Freedom of contract – the employer and employee may agree to any mutually acceptable arrangement.

E

MINIMUM SALARY

- » There is no minimum wage in Singapore.
- » There is an alternative scheme known as the “Progressive Wage Model”, which applies to workers in three industries (cleaning, security and landscape) who are Singapore Citizens and Permanent Residents (“SCPRs”).

F

SALARY SURCHARGES / STATUTORY LEVIES

- » Central Provident Fund (mandatory national social security savings scheme) for SCPRs
- » Foreign Worker Levy
- » Skills Development Levy
- » Contributions to Self-Help Groups and Social Help and Assistance Raised by Employees (but employees may choose to opt out from such contribution)

H

PAYMENTS DURING ILLNESS

- » Employees are entitled to both paid outpatient sick leave and paid hospitalisation leave if they have worked for at least 3 months with the employer. The number of days of paid sick leave the employee is entitled to depends on his or her period of service, up to 14 days for paid outpatient sick leave and 60 days for paid hospitalisation leave. The 60 days of paid hospitalisation leave includes the 14 days paid outpatient sick leave entitlement. Employees who have worked for 6 months or more will get the full entitlement.

- If an employee is on either paid hospitalisation or outpatient sick leave, the employer is required to pay the employee at his or her gross rate of pay.
- In addition, an employer must pay for the employee's medical consultation fee:
 - it results in at least one day of paid sick leave, and
 - it arises from a medical certificate given to the employee by a medical practitioner from an approved public medical institution or appointed by the employer.

I ANNUAL LEAVE

- Employee who works for an employer for at least 3 months is entitled to paid annual leave of at least 7 days in the first year, pro-rated to the number of days the employee remained in service in such year.
- Employee is entitled to an additional 1 day's paid annual leave for every subsequent year of continuous service up to a maximum of 14 days.

J MATERNITY/PARENTAL PROTECTION

- Working mothers of newborn child born as a Singapore Citizen will be entitled to 16 weeks of paid maternity leave subject to fulfilment of statutory conditions.
- Working mothers of newborn child born as a non-Singapore Citizen will be entitled to 12 weeks of paid maternity leave subject to fulfilment of statutory conditions.
- Working fathers of newborn child born as a Singapore Citizen will be entitled to 2 weeks of paid paternity leave subject to fulfilment of statutory conditions.

A parent who has served his employer for a continuous period of at least 3 months and who has a child who is a Singapore Citizen is entitled to 6 days of childcare leave per year (if the child is below 7 years old) and 2 days of extended childcare leave per year (if the child is between 7 and 12 years old).

K NON-COMPETE COVENANT

Non-competition covenants are governed by general principles of contract law, which generally hold such clauses unenforceable unless justified as protecting the legitimate interests of the parties and the public in general.

L EMPLOYMENT TERMINATION

Termination with prior notice

- The length of notice for termination of employment shall be the same for both employer and employee and shall be based on the notice period stated in the terms of the employment contract.
- In the absence of a notice period in the employment contract, the EA sets out the minimum notice period for termination of employment, as follows:
 - Employment for less than 26 weeks – 1 day's notice;
 - Employment for not less than 26 weeks but less than 2 years – 1 week's notice;
 - Employment for not less than 2 years but less than 5 years – 2 weeks' notice; and
 - Employment for not less than 5 years – 4 weeks' notice.



- The employer or employee may elect to pay the other party a sum equivalent to the gross wages of the employee for the notice period in lieu of serving out the period of notice.

Termination with prior notice

- Either the employee or employer may terminate employment without notice in the event key employment terms have been breached. Legal advice should however be sought first before doing so.
- The party that is in breach of the key employment terms must pay compensation in lieu of notice to the other party.
- If an employee is alleged to have committed an act of misconduct, the employer must conduct an inquiry before deciding whether to dismiss an employee or to take other forms of disciplinary action.

M

EMPLOYMENT OF FOREIGNERS

- Persons who wish to work in Singapore and who are not SCPRs are considered foreign employees and must in general have a valid Singapore work visa in order to legally work in Singapore.
- The foreign workforce in Singapore is generally classified into three groups, which should obtain various types of passes before working in Singapore:
 - Professionals – may apply for an Employment Pass, EntrePass, or Personalised Employment Pass;
 - Skilled and semi-skilled workers – may apply for an S Pass or Work Permit;
 - Trainees and students – Training Employment Pass, Work Holiday Pass, or Training Work Permit.

N

OTHER EMPLOYER'S DUTIES

Workplace Safety

- Employers must ensure the safety of their employees at work and at their workplace. Certain requirements for hazardous work are statutorily prescribed.
- Employers are required to obtain work injury compensation insurance for all employees performing manual work, as well as employees earning less than S\$1,600 per month.

Personal Data Protection

- Employers are required to protect the personal data of their employees in accordance with the Personal Data Protection Act.

Re-Employment of Elderly Workers

- Employers must offer each employee who reaches the age of 62 re-employment on a yearly renewable basis until the employee turns 67 years old if the employee meets certain criteria. If the employer is unable to offer re-employment, the employer must transfer such employee's employment to another employer and the employee must agree to the re-employment offer by the new employer.
- If the employer is not able to offer re-employment, the employer must pay the employee a one-off payment of 3.5 months of the last drawn salary (subject to a minimum of S\$5,500 and maximum of S\$13,000).

O

EMPLOYEES' REPRESENTATION

- Trade unions in Singapore are regulated in accordance to the Trade Unions Act and other related legislation administered by the Registry of Trade Unions.
- Singapore unions are expected to adopt a "tripartite" model where the trade unions collaborate with the Government and employers to arrive at mutually acceptable arrangements.

P

EMPLOYMENT PRIVATE AGENCIES

- » Employment agencies are required to obtain an employment agency licence to operate.

Q

COUNTRY SPECIFICS

- » Singapore has established an “Employment Claims Tribunal” which is empowered to hear and resolve most employment related disputes, subject to the following:
 - » Claims must first be registered with the Tripartite Alliance for Dispute Management;
 - » Claims must not exceed S\$20,000 (S\$30,000 if the claim is filed through a designated mediation framework);
 - » Claims must be filed within 1 year after the dispute arose if still employed by the employer, or within 6 months from the last day of work.
- » A “Fair Consideration Framework” has been established containing rules which require employers to advertise roles and consider local candidates before they are able to hire foreign workers.



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Information valid as of 1 September 2021

A

EMPLOYMENT CONTRACT

- » There are two types:
 - **Verbal.**
 - **Written:** it must include company & worker information; date of commencement of work; type of contract; professional category; work conditions; probation period; vacation period; remuneration; the applicable Workers' Collective Agreement; and the company & worker signatures.
- » The following Employment contracts **must be in writing**:
 - Whenever a legal provision so demands.
 - Apprenticeship and Training contracts.
 - Part-time contract and Fixed-discontinuous contract.
 - Replacement contract and Distance contract.
 - Contract for specific work or service.
 - Contracts of workers hired in Spain at the service of Spanish companies abroad.

B

PROBATION PERIOD

- » May be agreed on in writing, subject to the limits of duration which are established in the Workers' Collective Agreement.
- » In the absence of agreement: up to **6 months for qualified technicians**; up to **2 months for other workers**.
- » In **companies with less than 25 workers**: up to 3 months for workers who are not qualified technicians.
- » The agreement establishing a **Probation period must be null when the worker has already previously performed the same functions in the company** under any contract type.
- » During the Probation period, **the worker shall have the rights and obligations corresponding to the work post occupied as though s/he formed part of the work force**, except for those deriving from the dissolution of the labour relations, which may take place at the petition of either of the parties during the probation.
- » Once the Probation period has elapsed without withdrawal, the contract shall take full effect, with the period of the services rendered being included in the worker's seniority.
- » Situations of temporary incapacity, risk during pregnancy, maternity, adoption, custody for adoption, fostering or risk during breastfeeding and parenthood affecting the worker during the probationary period interrupt the computation of the term, if agreement is reached between both parties.

C

FIXED-TERM EMPLOYMENT

- » When the worker is contracted to perform a specific independent work or service with its own substance within the activity of the company: up to **3 years**, which **may be extended for 12 more months** more due to a Workers' Collective Agreement.
- » When market circumstances, the accumulation of tasks or the excess of orders thus require, even where this concerns the normal activity of the company: up to **6 months within a period of 12 months**, to be counted from the moment in which such causes arise. Its extension is possible by agreement between the parties without the total duration exceeding the aforementioned maximum.

D

REMUNERATION

- » Payable on the date and in the place agreed on or in accordance with practices and customs. The period to pay may not exceed one month.
- » The right to salaries on commission shall arise the moment the deal, placement or sale in which the worker may have intervened is closed and paid, and shall be liquidated and paid at the end of the year, unless otherwise agreed on.
- » Interest for late salary payment shall be 10% of the amount owed.
- » Mandatory payment in legal tender or by cheque or any other similar mode of payment through credit entities.

E

SCHEDULING

- » Agreed in the Workers' Collective Agreement or work contract, with a maximum duration of **40 hours per week** in the yearly computation.
- » **Between the end of one working day and the beginning of the next**, there shall be at least 12 hours.
- » **Daily working time** may not exceed a total of **9 hours**, unless another distribution of daily working time is established by Workers' Collective Agreement or by agreement between the company and the workers' representatives, respecting, in any case, the rest period between working days.
- » **Workers under age 18 may not work more than 8 hours per day.**
- » Break of at least 15 minutes during working days exceeding 6 hours.
- » Break of at least 30 minutes for workers under age 18 during working day exceeding four hours and a half.
- » Facilities to adapt the working life with personal and family life.

F

SALARY SURCHARGES

- » **Overtime work:** payment in equivalent periods of paid rest or payment in a set amount, which cannot be inferior to the value of the ordinary working hour.
- » **Night work:** shall have a specific compensation to be determined in the Workers' Collective Agreement, unless the salary has been established considering that the work is nocturnal by its own nature, or compensation in terms of rest may have been agreed on.
- » **Work on public holidays:** shall be paid and not recoverable.
- » **Summer bonus:** the amount shall be fixed by collective agreement. The amount cannot be below the current legal monthly minimum wage. It's possible to divide the bonus into 12 monthly amounts.
- » **Christmas bonus and summer bonus:** the amount shall be fixed by collective agreement. The amount cannot be below the current legal monthly minimum wage. It's possible to divide the bonus into 12 monthly amounts.

G

MINIMUM SALARY

950 EUR per month for 14 payments. The government is now negotiating the increase of the minimum wage for 2021 by 15 euros (965 euros) and for 2022 to raise it by another 31 euros (996 euros).

F

STATUTORY LEVIES

Personal Income Tax		Social Insurance		
Pay only by the employee		Employer		Employee
0 € - 12.450 €	19%	Common Contingencies	23,60%	4,70%
12.450 € - 20.200 €	24%	Professional Contingencies	Depends of the professional activity.	-
20.200 € - 35.200 €	30%	Overtime work	12% force majeure (FM)	2% FM
			23,60% other causes (OC)	4,70% OC
35.200 € - 60.000 €	37%	Unemployment	5,50% permanent contracts (PC)	1,55%
			6,70% temporary contracts (TC)	1,60%
			6,70% part-time contracts (PTC)	1,60%
60.000 € ->60.000 €	45%	Social Insurance Fund (FOGASA)	0,20%	-
		Professional Training	0,60%	0,10%

H

PAYMENTS DURING ILLNESS

	Common Contingencies	Professional Contingencies
1st - 3rd day	No salary, unless otherwise agreed.	75% of the reduced salary to be paid out by the employer since the first day until the end of the time off work.
4th -20th day	60% of the reduced salary to be paid out by the employer.	
From 21st day on	75% of the reduced salary to be paid out by the employer	

K

PENSION SCHEMES

- » By the state or private funds.
- » By the employer.

I

ANNUAL LEAVE

- » Minimum of **30 calendar days** of annual paid leave.
- » The worker shall know the dates at least **2 months in advance**.
- » If the annual leave coincides in time with a temporary incapacity arising from pregnancy, childbirth or natural breast-feeding, with periods of suspension with reservation of work post or with suspension of the work contract due to paternity, the worker shall have the right to enjoy holidays on a different date, even though the calendar year to which they correspond may have finished.

If the annual leave coincides in time with a different temporary incapacity that precludes the worker to enjoy his annual leave into the calendar working year, the worker shall have the right to enjoy holidays once finish his temporary incapacity and providing that they have not passed any more than 18 months from the end of the year in which the right was originated.

J

MATERNITY PROTECTION

- » Maternity/adoption/fostering leave of **16 weeks without interruption**, which may be **extended by 2 weeks more** for each child starting from the second **in the case of multiple childbirth**. This period shall be distributed at the mother's option, provided that 6 weeks are immediately subsequent to the birth of the child.
- » **Paternity** leave is extended to 16 weeks in 2021.
- » **If both parents work**, the mother, upon starting the rest period due for maternity, may elect to have the other progenitor enjoy a certain uninterrupted part of the rest period after childbirth, either simultaneously or successively with the rest period of the mother.
- » **In case of risk during the pregnancy or during the natural breast-feeding period**, the suspension of the contract shall end on the day that the suspension of the contract owing to biological maternity begins, or the lactating child turns 9 months old, respectively, or, in both cases, when the impossibility for the worker to be reinstated in her previous work post or another post compatible with her status disappears.

K

NON-COMPETE COVENANT

- » Up to **2 years after termination for technical personnel and 6 months for other workers**.
- » It is **only valid** if the following requirements are present:
 - » That the employer has an actual industrial or commercial interest in such;
 - » That the worker is paid an adequate economic compensation.

K

TERMINATION

- » By mutual agreement between the parties.
- » For the reasons validly reflected in the contract.
 - » Unless these constitute a manifest abuse of rights on the part of the employer.
- By expiration of the time agreed on or the completion of the work or service that is the subject of the contract.
- By the resignation of the worker.
 - » With the due advance notice that Workers' Collective Agreements or the customs of the place indicate.
- » By the death or serious, total, or absolute permanent disability of the worker.

- » By the death or serious, total, or absolute permanent disability of the worker.
- » By the worker's retirement.
- » By the death, retirement or incapacity of the employer.
- » In the case of death, retirement or incapacity of the employer.
 - The worker shall have the right to the payment of the amount of 1 month of salary.
- » In cases of the extinction of the legal personality of the contracting party.
- » Due to force majeure finally rendering work impossible.
- » Due to mass dismissal based on economic, technical, organizational or production reasons.
- » Through the desire of the worker, based on a contractual breach by the employer.
- » By the worker's dismissal.
- » For legally valid objective reasons.
- » Owing to the decision of a worker permanently obliged to abandon her work post as the result of having been a victim of gender violence.
- » Possibility to dispute the validity of termination = workers must file a request of conciliation within 20 working days from the last day of employment, before the Mediation, Arbitration and Conciliation unit;
- » If there is not agreement before the Mediation, Arbitration and Conciliation unit, workers have a right of file a complaint in Court.
- » Collective dismissals: specially protection for employees temporarily unfit for work, pregnant employees, employees on maternity/parental leave, trade union officials.



EMPLOYEES' REPRESENTATION

- » Extinction of work contracts based on economic, technical, organizational or production reasons.
- » In a period of 90 days, the extinction affects at least:
 - 10 workers in companies that employ less than 100 workers.
 - 10% of the number of workers in the company in those employing between 100 and 300 workers.
 - 30 workers in companies that employ 300 or more workers.
- » The procedure must be initiated in writing.
- » The procedure must be preceded by a consultation period of less than 30 days, or 15 in case of companies with fewer than 50 employees, with the legal representatives of the employees.
- » The consultation with the legal representatives of the employees must be, at the very least, about the possibilities of avoiding or reduce the collective dismissals and attenuate its consequences using accompanying social measures.
- » The communication of the opening of the consultation period will start by means of a document by the employer to the legal representatives of the employees, and one copy which must be sent to the labour authority. In this document shall be specified the following points:
 - a) The specification of the causes of the collective dismissal.
 - b) Number and professional qualification of the affected employees by the dismissal.
 - c) Number and professional qualification of the employees employed in the last year.
 - d) Period expected for the realization of the dismissals.
 - e) Criteria used for the designation of the affected employees by the dismissal.
 - f) Copy of the communication directed to the employees or their representatives.
 - g) Representatives of the employees who will be part of the negotiating committee.
- » The communication to the legal representatives of the employees and to the labour authority shall be accompanied with an Explanatory Memorandum about the causes of the collective dismissal and the other aspects, and the financial and accounts documentation and the technical dossier.

- That agreement shall require the approval of most of the legal representative of the employees or, where appropriate, most of the members of the representative commission of the employees
- The termination of the consultation period can finish with an agreement or without agreement; if it finishes with an agreement a Deed of Agreement must be drafted, or a Deed of Final Decision in case no agreement can be reached.
- After the consultation period, the result of the communication period must be communicated to the labour authority and to the employees individually. In case of objection, this can be individually or collective.



SEVERANCE PAY

	Disciplinary dismissal	Objective dismissal	Collective dismissal
Fair	0€	75% of the reduced salary to be paid out by the employer <u>since the first day until the end of the time off work.</u>	
Unfair	Readmit the worker or paid...	Readmit the worker or paid...	Readmit the worker or paid...
Up to 12/02/2012	45 days salary per year worked to a maximum of 42 months' salary	45 days salary per year worked to a maximum of 42 months' salary	45 days salary per year worked to a maximum of 42 months' salary
Since 13/02/2012	33 days salary per year worked to a maximum of 24 months' salary	33 days salary per year worked to a maximum of 24 months' salary	33 days salary per year worked to a maximum of 24 months' salary
Null	The company is obliged to readmit the worker & paid the corresponding procedural salary	The company is obliged to readmit the worker & paid the corresponding procedural salary	The company is obliged to readmit the worker & paid the corresponding procedural salary



REDUCED-HOURS EMPLOYMENT

- Reduction between one eighth and one half of the normal working day.
- With the corresponding reduction in salary.
- No limited employee rights.
- Maximum duration:
 - ⋮ Reduction to look after children up to age of 12: until the child is 12 years old.
 - ⋮ Reduction to the care of children seriously ill: until the child is 18 years old.
 - ⋮ Other reasons: no limit.



EMPLOYMENT OF FOREIGNERS

- EU citizens: no restrictions, notification of employment towards Labour Office.
- Non-EU citizens: visa and employment permit generally needed.

N

OTHER EMPLOYER'S DUTIES

- » Health and safety at the workplace.
- » Mandatory medical examinations (pre- and post-employment and periodic) and agreement with provider of employment medical services.
- » Ensure workers' free association.
- » Guarantee workers' participation in the company.
- » The punctual receipt of the compensation.

O

EMPLOYEES' REPRESENTATION

- » Trade unions, work councils, representative organizations. Concerned with workers' rights protection.
- » **Minimum number of employees for establishing workers' delegates:** less than 50 & more than 10 workers. There may likewise be a workers' delegate in those companies or centres with between 6 & 10 workers, if these so decide by majority.
- » **Minimum number of employees for establishing works committees:** shall be formed in every work centre with a census of 50 or more workers.
- » **Companies with two or more work centres in the same province or in neighbouring municipalities,** the censuses of which do not individually come up to 50 workers but jointly do, shall form a joint works committee.
- » Solid tradition in Spain and with an active participation in Spanish labour system.
- » Some sectors are in a strong position (metal industry, shipyards, etc).
- » By law is possible to border or to exempt the employees' representation to the Forces or armed Institutes or to other Enforcement Authorities submitted to military discipline.

P

EMPLOYMENT PRIVATE AGENCIES

- » Enable the employer to be more flexible with number of employees.
- » Same salary and working conditions for agency employees must be guaranteed.
- » Agency employees' seniority in the company must be respected to calculate the severance pay.

Q

COUNTRY SPECIFICS

- » There is a special system for domestic workers.
- » No matter the type of contract or the reason because the labor contract ends, all workers have a right a quittance at the end of the employment relation, which is different and independent of the severance pay.
- » Workers with a minimum of contribution period to the Social Insurance have a right to an unemployment subsidy.
- » Gender equality policy.
- » Temporary lay-off proceedings by reason of Covid-19

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Information valid as of 1 September 2021

A**EMPLOYMENT CONTRACT / ALTERNATIVES**

- » Can be in writing or by word of mouth or inferred through conduct. The terms can be expressed or implied.
- » For a Shop & Office employee, the following particulars of employment should be provided in writing: name, designation, nature of employment and grade, normal hours of work, rate and frequency of remuneration (including allowances and overtime), probationary period, normal working hours, leave, holidays and superannuation benefits, other benefits (such as medical and insurance), prospects of promotion, and other conditions of employment.

B**PROBATION PERIOD**

- » Not statutorily stipulated
- » May vary from six months to one year, depending on the nature of employment
- » The period of probation must be clearly stated in the letter of appointment.
- » Services of an employee can be terminated without giving reasons during the probation period.

C**FIXED-TERM EMPLOYMENT**

- » Term is not statutorily stipulated
- » Automatic termination of services upon the expiry of the fixed term
- » Can be renewed for a further period. Continuous renewal may constitute permanent employment

D**WORKING TIME / SCHEDULING**

- » Standard for shop & office employees: 9 hours per day (inclusive of a meal interval of 1 hour)/ 45 hours a week.
- » Wages Boards covering specific industries have determined different work hours :48 hours, 45, 45 ½ or 46 hours depending on the scheduling.
- » Overtime work: maximum 12 hours a week.



E

MINIMUM SALARY

- LKR 12,500 (approx. 52 EUR) monthly or LKR 500 daily for all workers in any industry.
- For Wages Board employees the respective wages board may prescribe higher minimum wages.

F

SALARY SURCHARGES

- **Overtime work:** Surcharge of 1 ½ times the normal hourly wage.
- **Work on weekly holidays:** Surcharge of 1 ½ times the normal hourly wage.
- **Work on statutory holidays:** Extra day's wage or one day leave in lieu thereof in that year.
- **Work on poya holiday:** Surcharge of 1 ½ times the normal daily wage.

G

STATUTORY LEVIES

Sri Lanka Taxes	%
Personal Income Tax Rate	6 – 18
EPF contribution by the employer	12
EPF contribution by the employee	8
ETF contribution by the employer	3

H

PAYMENTS DURING ILLNESS

- Entitled to 7 days casual with full remuneration (from second year of employment)
- In the first calendar year of service: 1 casual leave for every 2 months completed

I

ANNUAL LEAVE

- Shop & office employees: Not entitled to annual leave in the first year of service. Annual leave in respect of 2nd calendar year in service are accrued based on the commencement of employment, as follows:
 - Between January 1 and March 31 of the previous year 14 days
 - Between April 1 and June 30 of the previous year 10 days
 - Between July 1 and September 30 of the previous year 7 days
 - Between October 1 and December 31 of the previous year 4 days
- Full 14 days Annual Leave from 3rd calendar year.

J

MATERNITY/PARENTAL PROTECTION

- » Maternity leave: 84 days of leave where the confinement results in the delivery of a live child (excluding weekly holidays, public holidays and full moon poya holidays) or 42 days of leave where the confinement does not result in the delivery of a live child.
- » Women in confinement have to be given light work during three months before and after confinement. Such work cannot be injurious to the health of the female worker and the child conceived.
- » Services cannot be terminated on account of confinement.
- » Two nursing intervals per day is allowed for the female employees who is nursing a child under one year of age. Where a creche is provided by the company the nursing interval will be 30 minutes. Where no creche is provided, the nursing interval is one hour. Female employees who have worked for the Company for less than 40 weeks can apply for up to 10 weeks of non-salaried maternity leave, but the employee's salary for Sundays and public holidays will be paid normally.

K

NON-COMPETE COVENANT

As stipulated in the terms of employment contract.

L

EMPLOYMENT TERMINATION

- » Termination of the services of a workman can arise either by:
 - 1. Voluntary resignation by an employee;
 - 2. Termination of services with the approval of the Commissioner of Labour;
 - 3. Termination of services by the employer for justifiable grounds.
- » Compensation for loss of office/ severance is payable as prescribed by Gazette where terminated under 2 above.
- » Labour Tribunals may order reinstatement with backwages or compensation in lieu thereof where termination is challenged and found to be wrongful/unjust.
- » If service period is for a continuous and uninterrupted period of 5 years, entitled to gratuity where employer comes within the requirements set out in the Payment of Gratuity Act.

M

EMPLOYMENT OF FOREIGNERS

Foreign employee requires residence visa/ work permit

N

OTHER EMPLOYER'S DUTIES

Health and safety at the workplace.



O

EMPLOYEES' REPRESENTATION

- » Trade Unions can be formed to achieve common objectives
- » Trade Unions must be registered under the Registrar of Trade Unions
- » Legally binding Collective agreements can be entered into between Trade Unions and employers or employer unions.
- » Additionally, the Employee Councils may be set up to channel better communication between management and employees on employee management related issues.

P

EMPLOYMENT PRIVATE AGENCIES

Considered as employees of the Agency but subject to judicial tests which determine actual employment/ service.

Q

COUNTRY SPECIFICS

Pro-employee approach taken by the Labour Forums

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EMPLOYMENT CONTRACT / ALTERNATIVES

- » In principle, there is no form requirement, however;
- » If the contract is for a fixed term of one year or more: Must be in a written form.
- » If the contract is for indefinite or fixed term of less than a year: Can be in writing or verbal. In absence of a written contract, however, a document (in writing) including the principal terms and conditions of the employment relationship must be provided by the employer in 2 months at the latest from the commencement of the employment relationship.
- » Must include: general and special working conditions, weekly or monthly salary, benefits (if any), term of the employment (if the agreement is for a fixed term) and provisions that the parties have to comply with in the case of termination.

B

PROBATION PERIOD

- » Up to 2 months; up to 4 months only where there is a collective bargaining agreement.
- » During the probation period both parties could terminate the contract with immediate effect and without any compensation and providing any reason.

C

FIXED-TERM EMPLOYMENT

- » Only where there is an “objective cause” justifying the fixed term such as a specific project.
- » In principle, cannot be renewed.

D

WORKING TIME / SCHEDULING

- » Maximum: 45 hours per week.
- » Scheduling by employer, standard shift up to 11 hours.
- » Up to 4 working hours: minimum 15 minutes of break.
- » From 4 working hours to 7.5 working hours: minimum 30 minutes of break.
- » More than 7.5 working hours: minimum 1 hour of break.

- » Overtime: annual limit 270 hours with employee's consent.
- » Shift work - Minimum 3 shifts in 24 hours (In the workplaces operating in the field of tourism, private security and health services, 2 shifts can be carried out in 24 hours).

E MINIMUM SALARY

- » The (gross) monthly minimum salary - TL 3,577.50 (approx. 350 EUR) and (net) - TL 2,825.90 (approx. 275 EUR) including the minimum living allowance (MLA)
- » MLA is part of the salary that is exempted from income tax.
- » The amount of MLA varies depending on the employee's status including his marital status and number of children.

F SALARY SURCHARGES

- » Overtime work - An extra 50% in addition to their usual hourly rate exceeding 45 hours per week. (For every hour of overtime worked, the employee may choose 30 minutes of free time instead of the extra payment).
- » If the work hours of an employee are less than 45 hours per week (e.g. 35 hours), an extra 25% in addition to their usual hourly rate up to 45 hours and an extra 50% in addition to their usual hourly rate for additional overtime hours exceeding 45 hours per week.
- » Balancing Method - Overtime is calculated over a specified period up to 2 months maximum. Therefore, even if certain weekly working hours of an employee exceed 45 hours in various weeks, it will not be considered as "overtime working" as long as the average weekly working time over the specified period does not exceed 45 hours. The period may be increased to up to 4 months in collective labour contracts.
- » Work on public holidays - An additional full day's salary for each day worked.

G STATUTORY LEVIES

Income tax applies on a progressive rate up to 40%. Furthermore, statutory social security contributions apply depending on the particulars of each employee and are subject to a maximum of approx. EUR 2,600 irrespective of the employee's income.

H PAYMENTS DURING ILLNESS

- » Employers are not obliged to provide sick pay to employees during sick leave.
- » Employees are entitled to compensation from third day of sickness from the state.

I ANNUAL LEAVE

- » Employees who have worked for at least 1 year are entitled to paid annual leave.
- » 1 to 5 years of employment (including the fifth year): minimum 14 days per year.
- » More than 5 years to 15 years of employment: minimum 20 days per year.
- » More than 15 years of employment: minimum 26 days per year.

- » Employees who are below the age of 18 or above the age of 50: minimum 20 days per year.
- » Any unused leave shall be paid upon termination of the employment regardless of the reason for termination or the terminating party.

J

MATERNITY/PARENTAL PROTECTION

- » 16 weeks of maternity leave in total (eight weeks before and eight weeks after giving birth), in the case of plural pregnancy, this eight-week period before birth increases by 2 weeks
- » After the expiry of 16 weeks, female employees have the right to either:
 - » Unpaid leave for up to 6 months; or
 - » Unpaid leave for half of their weekly working hours (This is available for 60 days for the 1st birth, 120 days for the 2nd and 180 days for the 3rd birth)
 - » In addition, 30 days will be added to the abovementioned periods in the case of multiple births and the period will be 360 days in a case where the child is disabled
- » After the maternity leave period or unpaid leave period, employee have the right to work part-time until the first day of the month following the date child's compulsory schooling begins, by meeting certain requirements.
- » Nursing leave 1.5 hours per day for children below the age of one.
- » 5 days paid leave of absence with pay in the event of employee's spouse giving birth.

K

NON-COMPETE COVENANT

- » Statutory obligation while the employment contract is in place.
- » Restriction after termination is valid if there is employee's consent - Must be limited in terms of time (i.e. maximum 2 years), geographical area and the relevant services.

L

EMPLOYMENT TERMINATION

- » An employment agreement for an indefinite term: Subject to a notice requirement.
- » An employment agreement for a fixed term: Automatic termination (without any notice).
- » In principle, termination notice is in writing.
- » For an employee whose length of service: Less than six months: minimum 2 weeks. Between 6 and 18 months: minimum 4 weeks.
- » Between 18 months and 3 years: minimum 6 weeks. More than 3 years: minimum 8 weeks.
- » During the notice period: At least 2 hours per day to search for a new job (Can be taken a full day off rather than taking it on a daily basis).
- » Statutory severance payment: At least one year of continuous employment in that workplace plus the termination must be due to certain reasons specified under law. The statutory severance pay amounts to one month's gross salary of the employee (this is currently capped at 8.284,51 TL (approx. 800 EUR) per year of service with that employer unless the parties agree on a higher amount).
- » Annual Leave: Must be paid upon termination.
- » Job Security: If the employee is benefiting from job security, then the employer must provide a valid reason for terminating the agreement such as poor performance.

M**EMPLOYMENT OF FOREIGNERS**

Work permit is necessary to work in Turkey.

N**OTHER EMPLOYER'S DUTIES**

- » Occupational health and safety.
- » Protection of personal rights and data.
- » Equal treatment.

O**EMPLOYEES' REPRESENTATION**

- » A trade unions and employee representatives mostly chosen as per the collective bargaining agreements.
- » Minimum number of employees for establishing a trade union is 7.
- » Collective Bargaining Contract if the union meets certain requirements such as enrolling more than half of the employees in that workplace.

P**EMPLOYMENT PRIVATE AGENCIES**

Enable hiring for a certain period of time depending on the particulars of the business line.

R**COUNTRY SPECIFICS**

Labour courts tend to favour employees in employment related disputes.

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Information valid as of 1 September 2021

A**EMPLOYMENT CONTRACT / ALTERNATIVES**

- » No federal requirement for any contract.
- » Most employment is not covered by a contract but instead is “at-will” employment, in which the employee can quit at any time and the employer can dismiss the employee without notice and for any reason (barring certain exceptions for unlawful discrimination).
- » In certain situations, employers must give notice before layoffs (Worker Adjustment and Retraining Notification (“WARN”) Act). Some states have stricter requirements.

B**PROBATION PERIOD**

- » No federal requirement.
- » Left to the employer's discretion.
- » Most commonly seen in the context of labor unions, whereby an employer can fire an employee without cause during a probationary period (usually an employee who is part of a union cannot be discharged without additional process).

C**FIXED-TERM EMPLOYMENT**

- » Available via contract between employer and employee.
- » No rights or duties following end of any agreed fixed term except as stated in contract.

D**WORKING TIME / SCHEDULING**

- » No general restrictions on scheduling.
- » Some occupations (pilots, drivers, hazardous positions, union positions) may be subject to scheduling requirements under federal law and/or union contracts.
- » Youth may be subject to scheduling rules under federal and state laws.
- » Many states require unpaid meal periods be included in a schedule.



E

MINIMUM SALARY

- » Federal minimum hourly wage is \$7.25 per hour.
- » Government contractors and some recipients of federal aid subject to higher minimum wages.
- » Some states and local jurisdictions require a higher minimum wage. The District of Columbia and some other localities currently require the highest minimum hourly wage, which is \$15.00 per hour.

F

SALARY SURCHARGES

- » Federal and state overtime premiums; typically, workers who qualify for overtime pay must be paid 1½ times their regular hourly rate starting with the 41st hour (or fraction thereof) in a workweek. Many exceptions and other details apply.
- » Some union contracts and some government contracts require additional surcharges, such as hazard pay or night shift pay.

G

STATUTORY LEVIES

	Employer	Employee
Health insurance ("Medicare")	1.45%	1.45%
Social Security Insurance	6.20%	6.20%

H

PAYMENTS DURING ILLNESS

- » There is no federal law that requires employers in general to provide paid sick leave, although most government contracts and many union contracts require it.
- » Some states, such as Massachusetts, New York, and California, and some local jurisdictions require paid sick leave for eligible employees.
- » The Family and Medical Leave Act (FMLA) is a federal law that guarantees covered employees up to 12 weeks of unpaid leave each year for specified family and medical reasons. Some states require longer periods of unpaid leave.

COVID-19

- » Paid sick leave and expanded family and medical leave for certain Coronavirus-related reasons was available April 1, 2020, through December 31, 2020, but that requirement has expired.
- » Extended employer tax credits for paid sick leave and expanded family and medical leave voluntarily provided to employees until March 31, 2021.
- » Some states have extended requirements; for example, covered employees in California are entitled to up to 80 hours of COVID-19 related sick leave from January 1, 2021 through September 30, 2021.

I**ANNUAL LEAVE**

- » No general federal requirement. Most government contractors are required to give annual leave.
- » No state's law requires an employer to provide paid or unpaid vacation time; however, some states, like California and New York, have laws governing administration of paid and unpaid vacation time when it is offered, including limitations on "use-it-or-lose-it" plans.

J**MATERNITY/PARENTAL PROTECTION**

- » Under FMLA, a covered employer must provide 12 weeks of job-protected unpaid leave to eligible employees for the birth of a child.
- » Some states, like California, New Jersey, Rhode Island, and New York, require paid family leave and/or additional unpaid leave, which includes maternity (or paternity) leave.
- » The Pregnancy Discrimination Act is a federal law that prohibits discrimination on the basis of pregnancy. Many states also have pregnancy discrimination protections.

K**NON-COMPETE COVENANT**

- » No federal law and varies by state.
- » President Biden's Executive Order 14036 (July 14, 2021) directed the Federal Trade Commission to consider a rule "to curtail the unfair use of noncompete clauses and other clauses or agreements that may unfairly limit worker mobility." So far, the FTC has taken no action.
- » An increasing number of states discourage such covenants and interpret them in favor of the employee. California prohibits non-competition covenants unless it pertains to sale of business.

L**EMPLOYMENT TERMINATION**

- » No federal requirements as long as the termination is not discriminatory or in retaliation for exercising rights relating to employment (whistleblower protection).
- » At will employment: an employee can be terminated at any time without notice unless the employee is part of a protected class and is being fired based on his or her race, religion, color, national origin, sex (including pregnancy, gender identity, and sexual orientation), age (40 or older), or disability; the U.S. Equal Employment Opportunity Commission (EEOC) and partner state agencies are responsible for enforcement.
- » States may have additional protected classes.

M**EMPLOYMENT OF FOREIGNERS**

- » Work visa or a permit to work, which is known as an Employment Authorization Document (EAD), required.
- » Workers seeking permanent US residency must also obtain a green card.

**N****OTHER EMPLOYER'S DUTIES**

Most employers must follow workplace safety rules issued by the Occupational Safety and Health Administration (OSHA).

O**EMPLOYEES' REPRESENTATION**

Labor unions represent certain employees and engage in collective bargaining over wages, benefits, and working conditions; unions are most common for employees in the public sector.

P**EMPLOYMENT PRIVATE AGENCIES**

- » Besides the federal minimum wage, there is no federal law requiring benefits or entitlements to agency employees.
- » Employees hired from agencies may be deemed joint employees of the agency and agency's customer.

R**COUNTRY SPECIFICS**

Although there are federal laws regarding employment, these laws often set out the minimum requirements; many states offer greater protections and variations as they see fit.

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A**EMPLOYMENT CONTRACT / ALTERNATIVES**

- » Must be in writing and include the following information:
 - » Name and address of the employer
 - » Full name, date of birth, sex, residential address and number of ID card of the employee;
 - » The nature of the work;
 - » Working hours and rest time and holidays;
 - » Wage, method of and time of payment of wages, allowances and other additional payments;
 - » Regime for wage increases and promotion;
 - » Location of the job;
 - » Duration of the contract;
 - » Employment protection and conditions on occupational safety and hygiene;
 - » Social and health insurance and unemployment insurance; and
 - » Training and skill improvement

B**PROBATION PERIOD**

- » For managerial position: Up to 180 days
- » For other positions: Up to 60 days
- » During probation period both parties may terminate the employment with immediate effect without stating a reason

C**FIXED-TERM EMPLOYMENT**

- » Up to 3 years
- » May be extended twice, each time for up to additional 3 years

**D****WORKING TIME / SCHEDULING**

- Standard: 8 hour per day or 48 hours per week
- Shift workers are entitled to a break of at least 12 hours between each shift.
- Mandatory 30 minutes rest break after consecutive 6 hours of work. This break is increased to 45 minutes if an employee is working night shift
- Overtime: annual limit 200 hours; up to 300 hours with competent authority's approval

E**MINIMUM SALARY**

- Salaries to be agreed upon by the parties, but may not be lower than the minimum salaries set by the Government
- Minimum salaries to be reviewed annually
- Currently, minimum salaries are as follows:
 - Area I (Ha Noi and Ho Chi Minh City): VND4,420,000 (approximately US\$192)
 - Areas II, III and IV: VND3,920,000; VND3,430,000; VND3,070,000 respectively (approximately US\$170; US\$149; US\$133 respectively)

F**SALARY SURCHARGES**

No, there is no salary surcharges except for personal income tax on the taxable income.

G**STATUTORY LEVIES**

	Employer	Employee
Health insurance	1,5%	3%
Social Security Insurance	8%	17,5%
Unemployment insurance	1%	1%

H**PAYMENTS DURING ILLNESS**

- The employees are able to obtain reimbursement of 75% of their salary (the Employee's pro-rated daily salary of the previous month before taking sick leave) for sick leave days from the Social Insurance Fund;
- The number of days for which the Employee can obtain the reimbursement is based on the Employee's total years of covered employment

I

ANNUAL LEAVE

- Minimum of 12 days of annual paid leave. For every 5 years of employment, 1 day is added to the annual leave
- Unused leave shall be used in current calendar year. It may be carried forward to the next calendar year based on the discretion of the employer
- Upon employment termination, the employee shall be paid for unused leave

J

MATERNITY/PARENTAL PROTECTION

- Maternity/parental leave until child reaches 6 months of age.
- Female employees having children less than 12 months old shall have 1 paid hour break during working hours to feed their children.

K

NON-COMPETE COVENANT

- Enforcement of covenants depends on the type of covenants, term of labour contract or covenants as contractually agreed upon the parties.
- When an employer claims damages for breach of non-competition covenant, the employer must prove a loss resulting from the breach and a connection between the employee and the damage caused.

L

EMPLOYMENT TERMINATION

- Immediate written termination during probation period.
- Written mutual agreement.
- Written notice of termination.
 - Fixed term employees may terminate only on the grounds specified by law.
 - Indefinite term employees may terminate any time for any or no reason.
 - Employer may terminate only on the grounds specified by law (organizational changes, economic reasons, health issues, failure to meet requirements, unsatisfactory work performance, breach of duties and dismissal); often special termination procedures must be properly complied.
 - 3 working days, 30 days or 45 days' notice period depends on termination grounds and type of labour contracts.
- Minimum severance payment depends on termination grounds.
 - 1 month salary for each year of employment but no less than 2 months' salary in case of termination of an employment contract as a result of organizational changes, economic reasons.
 - ½ month's salary for each year of employment in case of termination of an employment contract as result of (i) Automatic termination; (ii) Unilateral termination by the employer (except for dismissal as a violation act); and (iii) Unilateral termination by employee.
- Collective termination (from 2 or more employees) as a result of organizational changes, economic reasons – a labour usage plan must be formulated and mandatory special termination procedure for multiple redundancies.
- Specially protected employees: pregnant employees, employees on maternity/parental leave, trade union officials.
- Possibility to dispute the validity of termination in court within 1 year from the date of discovery of the conduct which a disputing party claims breaches his/he lawful rights and interests.



M

EMPLOYMENT OF FOREIGNERS

- » Foreign employees, with definite exceptions, are required to obtain work permits when they work in Vietnam
- » Work permits are issued for a maximum period of 24 months and may be renewed only one time for an additional 24 months of employment.
- » The employment contract is entered into after the work permit is issued and its term is no longer than the work permit's term.
- » Foreign employees who work without work permits shall be forced to exit or be expelled from Vietnam. Employers employing foreign employees without work permits are subject to an administrative fine

N

OTHER EMPLOYER'S DUTIES

- » To implement labour contracts, collective labour agreements and other lawful agreements; and to respect the honour and dignity of employees;
- » To establish a regime and to hold discussions and exchanges with the employees and with the organization representing the employees; and to implement democratic regulations at the grassroots level in the workplace;
- » To provide training and retraining and to foster the upgrading of qualifications and technical trade skills aimed at maintaining or changing trades or professions and jobs for employees;
- » To implement provisions of the law on labour, on employment, on occupational education, on social insurance and health insurance, on unemployment/job loss insurance, and on occupational safety and hygiene; and to formulate and implement solutions on preventing sexual harassment in the workplace;
- » To participate in the development of national trade technical standards, and in assessment and recognition of national trade standards for employees.

O

EMPLOYEES' REPRESENTATION

- » The employee can establish the organization representing. The employee's representation organizations at the grassroots level comprise the company trade union and an employees' organization at the company.
- » The employee's representation organization established on a voluntary basis by the employees at any one employing unit, aimed at protecting the lawful and proper rights and interests of the employees in the labour relationship via collective bargaining or via other forms stipulated in the law on labour.

P

EMPLOYMENT PRIVATE AGENCIES

- » Labour outsourcing services are allowed for both local and foreign owned company;
- » Labour outsourcing is permitted if it is for the purposes of (i) to temporarily satisfy a sudden increase in labour requirements for a definite period of time; (ii) to temporarily replace employees on maternity leave, suffering from work-related accident, occupational disease or performing civil obligations or employees who is entitled to a reduction of working hours; or (iii) to satisfy a need for highly skilled employees.
- » The companies who engage in labour outsourcing services must meet certain conditions and are also required to obtain sub-license for such service.

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