



**FedEE**  
Federation of European Employers  
Fédération des Employeurs Européens

# Mettre à jour

## Latest News from the Federation of European Employers (FedEE)

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### Belgium: Harmonisation of laws concerning workers and employees

On January 1st 2014 the law on the harmonisation of workers and employees came into force in Belgium. Although the country is now closer to recognising a single status of employee, the full abolition of the differences in rules applying to blue-collar workers and white-collar employees is not yet complete. The latest changes principally impact on the rules on notice periods, trial periods, outplacement and the sick leave waiting period.

As regards the calculation of notice periods, a new system is now in place. Although the new system treats workers and employees equally it applies only to seniority gained since January 1st 2014. The notice due for any seniority acquired before January 1st 2014 remains subject to the old rules — which do differentiate between blue-collar workers and white-collar employees. To compensate workers who had built up significant seniority before January 1st 2014, however, new indemnity payments are available.

The outplacement scheme has also been extended under the recent law. All workers dismissed after January 1st 2014 who have the right to a notice period of at least 30 weeks will be able to benefit from the services of an outplacement scheme (subject to certain exceptions).

Finally, the one-day waiting period for sickness benefit that previously applied only to blue-collar workers has now been removed. The rules on guaranteed wages have not changed, however, meaning that entitlement to sickness benefit continues to differ between the two categories of employee.

For further information please see FedEE's Knowledgebase which has now been updated to reflect these changes.

### Cyprus: Extended shop opening hours

Temporary legislation allowing shops to open for longer has been extended for a second time in Cyprus. According to the country's Labour



Minister, Zeta Emilianidou, the latest extension will last for two months whilst the government prepares a Bill to permanently extend shop opening hours.

The laws, which permit shops operating in tourist areas to open between 5am and 11pm from Monday to Saturday, and between 9am and 11pm on Sunday, were first introduced by decree in July 2013. They were last renewed in October 2013 when the island's designated tourist areas were also extended to include the whole of Cyprus.

Employment rights remain safeguarded by the laws: a maximum of 38 working hours a week may be distributed between Monday and Saturday, and overtime rates of time and a half apply if a worker consents to work on a Sunday.

## **France: New rules for part-time employment**

France's law on job security entered into force January 1st 2014. As a result, any new employment contract entered into for part-time work must be for a minimum 24 hours a week. Certain exceptions apply for temporary staff, employees below the age of 26, workers of private individuals, workers who specifically request to work less than 24 hours per week and where a national sectoral agreement exists between the worker and the employer representatives to alter the 24-hour minimum threshold. Contracts already in force will have until January 1st 2016 to comply with the new rules. However, over the next two years employers may only reject an employee's request to work a minimum of 24 hours a week on economic grounds.

The law has also altered working time rules for part-time work: instead of short shifts, working time should be arranged to ensure that there are no rest breaks of more than two hours in one day.

In addition, any overtime beyond the normal part-time hours must be paid at the rate of 110% the normal hourly wage for the first 10% of time that exceeds the usual working hours. Subsequent overtime hours should be paid at a rate of 125%.

## **France: Pension reforms finally adopted**

The French National Assembly finally passed the law on pension reforms in December 2013.

The law provides for a progressive increase in the pension contribution period (required in order to receive a full pension) from the current 41.5 years up to 43 years by 2035. Employer and employee contributions will also increase by 0.15% in 2014 and by a further 0.05% in each of the following three years.

Additionally, the reforms provide for specific rules for workers subject to harmful working conditions. From January 1st 2015 such employees will earn points, relative to the amount and type of work performed, which can be used to "buy" training or early retirement. Employers will be required to keep a record of work undertaken in harmful conditions (fiche de pénibilité) for this purpose.

## **France: Reforming apprenticeship funding**

The French government intends to follow through on its proposed reforms to the financing of apprenticeships despite some provisions being rejected by the Constitutional Court.

Following extensive consultation, the French government proposed reforms to the apprenticeship tax within the framework of the Finance Law. On December 29th 2013 the Constitutional Court accepted the proposals to merge the apprenticeship tax with the apprenticeship development contribution, and to



allocate the additional contributions to the development of apprenticeship training centres. However, the Court rejected provisions relating to the distribution of the tax proceeds between the regions, training centres and schools offering vocational training.

It is expected that the reform of apprenticeship funding will be implemented in its entirety on January 1st 2015.

## **Hungary: New whistleblowing rules in force in 2014**

New whistleblowing legislation came into operation on January 1st 2014 in Hungary. The Act on Complaints and Interest Disclosure has brought about a number of changes affecting employers.

Companies are now required to notify the Hungarian Data Protection Authority (NAIH) of their whistleblowing scheme and publish their procedural whistleblowing rules — in Hungarian — on the company's website.

As regards data protection, employees involved in the whistleblowing procedure must be provided with information on the personal data processed — including who can access the data and how long the data will be used. Personal data may also now be automatically transferred to the relevant competent authorities, courts and individuals or organizations that are involved in the whistleblowing investigation. Data can even be transferred outside the European Economic Area (EEA) if there is a written transfer agreement and the data is adequately protected by EU law.

Sensitive data cannot be processed as part of the whistleblowing investigation and companies may be liable to pay fines of between HUF 100,000 (370 euros) and HUF 10,000,000 (37,037 euros) if they fail to comply with data privacy rules.

## **Netherlands: Work permits now last only a year**

Following changes to the Aliens Employment Act in the Netherlands, work permits issued to workers from outside the European Economic Area (EEA) from January 1st 2014 will only be valid for a period of one year. If an employer wishes for the employee to continue working in the Netherlands, they will have to reapply for a new work permit.

In order to obtain a work permit, employers must pay their employees from outside the EEA competitive wages. A request for a work permit may be denied if an employer has been previously convicted of infringing labour law provisions, such as health and safety regulations. It is possible for a worker from outside the EEA to work without a permit but they must have worked in the Netherlands for at least five years.

## **Poland: Amended rules on the issuing of work permits**

A new regulation entered into force in Poland on January 1st 2014 amending the simplified system of issuing work permits to citizens of the non-EU states Belarus, Georgia, Moldova, Russia and Ukraine.

When applying for a work permit after an employee has worked for an employer for at least three months (initially on the basis of a declaration of intention to employ a foreigner) a number of additional requirements now apply: the worker must be continuing in the same job they were previously employed in; they must provide original documents demonstrating that social security contributions have been made (if they were required); a written employment contract between the parties must exist; and the employer must present the original employment contract for inspection (a copy will not be acceptable).



Under the new regulations the simplified procedures for applications made in the above circumstances, as well for applications concerning nursing and care work, have been extended to apply also to the citizens of Armenia. Citizens from Armenia may now also work in Poland for up to six months in a twelve-month period without a work permit (subject to certain requirements as laid out in law).

## **Spain: Legal uncertainty as courts challenge reform**

A labour court in Barcelona has declared a part of the labour reform enacted by the Spanish government in 2012 to be illegal.

Article 4 of the labour reform allows companies with fewer than 50 workers to include a one-year trial period in employment contracts made for an indefinite period. When the employee is dismissed during this trial period they are not entitled to compensation. In a recent case, however, a judge ruled that this provision is in violation of the European Social Charter of 1961 — and therefore illegal.

The Courts in Spain have a tendency to challenge the legitimacy of existing law and as a result can bring legal uncertainty. It is also possible that other elements of the recent reforms may face similar scrutiny by the courts. [Case No 412/13]

## **Spain: New process for administration of employment contracts**

As promised, Spain's Ministry of Employment and Social Security has introduced a new system to simplify the administration of employment contracts. The new system does not, however, change the legislation on employment contracts nor reduce the number of different types of employment contract that may exist — the change is simply administrative.

An employer is required to submit a document to government for every employment contract entered into. Previously, a different document existed for each of the 40-plus different types of employment contract. This caused a great deal of confusion and was a burden on public resources. From now on, however, employment contracts will be grouped together into four categories for the purpose of administration: indefinite, temporary, training and work experience.

The Ministry has also created a virtual tool, which facilitates the process for employers: in only five steps employers will be able to select the most appropriate contract model for their business needs

## **Sweden: Parental leave amendments**

A number of changes to parental leave in Sweden have now come into force.

A parent is now limited to taking no more than 96 days of their 480 parental leave days (20%) after their child's fourth birthday. However, this leave may now be taken up until their child's twelfth birthday (instead of up until their eighth birthday only). These changes will only affect the parents of children born or adopted on January 1st 2014 or later.

In addition, the period of 10 days' temporary parental leave that may be taken in connection with the death of a child may now be taken within 90 days of the death (rather than 30).

## **UK: TUPE amendments published**

The UK government published its amendments to business transfer (TUPE) regulations this week.

Key changes that will come into force on January 31st 2014 include the following: Service Provision Change (SPC) will continue but only where the new activities carried out are fundamentally the



same; dismissal of an employee under Regulation 7 of TUPE 2006 will only be automatically unfair if the sole or principal reason for dismissal is the transfer itself; a change in the place of employment will be a justifiable reason for dismissal even if it is due to a transfer of undertakings; employers will be able to begin consultation for collective redundancies before a transfer takes place; a new employer will be bound to the terms of collective agreements at the point of transfer.

For TUPE transfers taking place on or after May 1st 2014, current employers will have 28 days (instead of the former 14 days) to provide employee liability information. For TUPE transfers taking place on or after July 31st 2014, employers will be permitted to consult with employees directly when there are fewer than 10 employees and when no recognised independent union or representatives exist.

These Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 do not extend to Northern Ireland.

## Pay, Tax and Benefit Trends

**AUSTRIA:** Employees in Austria who need to take time off work to provide long-term care to a close relative will now be able to benefit from a new care leave system — introduced on January 1st. With the agreement of their employers, caregivers may take up to three months' leave, on a full or part-time basis, to care for a sick child or close relative. The leave is unpaid but employees will receive a small 'care benefit' from the state to make up for loss of earnings.

**BULGARIA:** The national minimum wage in Bulgaria rose on January 1<sup>st</sup> 2014, to BGN 340 (173.83 euros) per month. Under the Budget Law passed last month, the minimum pension will also

be increased on July 1st 2014 to BGN 154.50 (78.98 euros) and tax relief will be available for individuals whose yearly income does not exceed 12 times the minimum wage.

**HUNGARY:** Last year, the government, employers' organisations and trade unions in Hungary agreed to a new minimum wage rate for 2014. As a result, on January 1st the mandatory minimum wage increased from HUF 98,000 (327.60 euros) per month to HUF 101,500 (approx. 339.30 euros) per month.

**IRISH REPUBLIC:** Effective since January 6<sup>th</sup> 2014, the sickness benefit waiting period in the Republic of Ireland is now six days instead of the former three.

**LATVIA:** On January 1st 2014 Latvia became the 18th country to join the eurozone. During the first two weeks of January there was a transitional period of parallel circulation of the euro and lats. The transition period ended on January 14th and, according to the European Commission, the changeover from lats to euros ran smoothly.

**NETHERLANDS:** The state pension age in the Netherlands increased by one month on January 1st 2014, meaning workers are now entitled to receive their statutory pension from the age of 65 years and 2 months. The state pension age was last increased on January 1st 2013 and is due to increase again on January 1st 2015 to 65 years and 3 months. After 2015 the state pension age will increase more rapidly — to 66 years in 2018 and to 67 years in 2021.

**UK:** The provisional results of the Office of National Statistics' Annual Survey of Hours and Earnings show a widening in the gender pay gap in the UK. The pay gap between male and female full-time employees (as a percentage of men's earnings) increased from 9.5% in 2012 to 10.0% in 2013.





## Other European HR News in Brief

**EUROPEAN UNION:** Restrictions on Romanian and Bulgarian citizens' rights to work were finally lifted on January 1st 2014 in the nine European countries where they continued to apply for the full seven-year transitional period. After joining the European Union in 2007, Romanians and Bulgarians may now enjoy their full rights to free movement in the EU.

**EUROPEAN UNION:** A number of European countries have so far failed to submit to the European Commission their plans for tackling youth unemployment. Six billion euros from the EU budget have been allocated to reduce youth unemployment but still 11 countries have not yet submitted their national plans.

**MALTA:** Malta's Department of Employment is considering the most appropriate way to introduce a system which would enable parents to take sick leave when they need to look after their sick children. Suggested measures to prevent abuse of such a system include the presentation of the child's medical certificate to the parent's employer and a limit on the number of sick leave days that may be taken for such purposes. Although no exact time frame has been set for introducing this system, the relevant legislation is expected to be implemented after consultation with employers, employees and trade unions.

**NETHERLANDS:** With effect from January 1st 2014, the Dutch mail service PostN will no longer deliver ordinary mail on Mondays. Mail will be delivered Tuesdays to Saturdays, except in the

case of funeral cards and medical post, which will continue to be delivered six days a week.

**SWEDEN:** Sweden's government has commissioned its Employment Service to develop ways to increase the rate of validation of foreign nationals' skills in Sweden. As an initial measure, the Employment Service intends to hold fairs where the organisers and employers will present opportunities for the qualifications of newly-arrived immigrants to be validated and their professional skills assessed. The Government is investing 10 million krona (1.1 million euros) into the project with the hope that immigrants will more easily find appropriate work and that the country will derive the most benefit from its immigrants' skills.

**UK:** The UK Government is consulting with employers, trade unions and legal representatives on the issue of zero-hour employment contracts. Generally, zero-hour contracts mean that employers do not have to offer work to their employees and employees do not have to accept work offered. Therefore, employees do not have a guaranteed working time. Concerns have arisen regarding "exclusivity clauses", which prohibit employees from working for other employers, as well as the lack of transparency of terms and conditions in zero-hour contracts. The government is seeking views on whether these types of employment contract should be outright forbidden or whether common law remedies or an ACAS Code of Practice (including model contractual provisions) could prevent exclusivity clauses being misused. The consultation period will end on March 13th 2014.

## FedEE News:

**FEDEE BLOG:** The new FedEE Blog is now live on the FedEE public website. Visit the [website](#) now to see the latest entries on Europe going beyond its powers, corporation tax and corporate crime, contributed by the



Federation's Secretary General, Robin Chater. New articles on topics of current interest will be added to the blog weekly, so be sure to check back regularly.

**CALLING ALL FEDEE FELLOWS:** We invite our Fellows to join our new [FedEE Fellows LinkedIn group](#). We hope you will use the group as a forum for the exchange of information and experiences. Please feel free to start a discussion or to contribute to those started by others. If you have not yet joined our Fellowship programme and are interested in doing so, please contact Angelika Rivero on [angelika.rivero@fedee.com](mailto:angelika.rivero@fedee.com) for more information.

**NEWS BY COUNTRY:** The news pertinent to each European country is now available in our knowledgebase under each individual country section. See the sub-section entitled 'Recent news'.

**REFER A COLLEAGUE TO FEDEE AND WE WILL DISCOUNT YOUR MEMBERSHIP FEES:** Don't forget our 'refer a friend' scheme. If you refer a colleague from another company to FedEE we will discount your company's next-due membership fee by £100 for each new member that comes out of your referral. To refer a colleague contact Angelika Rivero, with their contact details on [memberships@fedee.com](mailto:memberships@fedee.com).

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