



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: New gender reporting requirements

New gender reporting requirements have come into force in Belgium (Act of April 22nd 2012). All companies must now file annual accounts containing a social report setting out wage data broken down on a gender basis.

In future, companies employing 50+ people will have to carry out an assessment every two years to determine if their remuneration practices are gender-neutral. A report detailing wage data broken down by gender must also be provided to the company's works council each year and an action plan established if any rectification is necessary. Employers will further be obliged to appoint, if proposed by the works council, an independent "mediator" to implement the action plan.

Belgium: Blue Card scheme now introduced

Belgium introduced the EU Blue Card system on September 10th 2012. This exempts certain highly-skilled, non-EEA employees from an obligation to have a permit in order to work in Belgium. During its first two years of operation

such workers will, however, be required to first obtain a temporary (90-day) permit from a regional administration. Cards will then be issued for an initial term of 13 months (renewable).

To obtain a blue card a worker must be qualified to at least higher diploma level - with at least three years' study. They must also be in receipt of a job offer for an indefinite term (or a fixed-term contract of a year or more) at an annual gross wage of at least 49,995 euros.

Czech Republic: Unauthorised use of IT equipment

The Czech Supreme Court has recently ruled that persistent private use of an employer's IT equipment by an employee is a valid reason for dismissal.

Under Section 316(1) of the Labour Code, employees may not use an employer's means of production - including computer or telecommunication equipment - for personal use without the consent of their employer. An employer is entitled to use reasonable controls to ensure this prohibition is being complied with. The Court confirms that employers may monitor



employees without giving prior notice if they suspect that their equipment or systems are being used without consent - provided this is carried out in a way that does not excessively interfere with the employee's privacy.

EU: Board gender quotas

The European Commission is drawing up a proposal to impose a 40% female board representation quota on publicly-listed companies by 2020. The draft measure has yet to be published, but may exclude smaller publicly-listed companies.

Women make up less than 10% of boards in Greece, Italy, Cyprus and Malta; in Germany 16%, and in Finland and Sweden around 25%. Currently women occupy 42% of board positions in Norway - where there is a well-established gender quota system.

EU: Draft disputes measure withdrawn

The European Commission has withdrawn its proposed 'Monti II regulation'. The core element of the regulation stated that:

"The exercise of the freedom of establishment and the freedom to provide services enshrined in the [EU] Treaty shall respect the fundamental right to take collective action, including the right or freedom to strike, and conversely, the exercise of the fundamental right to take collective action, including the right or freedom to strike, shall respect these economic freedoms.

This measure did not achieve the support of many EU states which operate their own mechanism for resolving collective disputes and do not feel it appropriate for the EU to intervene in such matters.

Finland: Dads and economy focus for reforms

The Finnish government's has increased paternity leave to a maximum of 54 working days and proposed a new economic stimulus programme.

In its 2013 budget funding has been allocated for a programme of social guarantees aimed at unemployed people under the age of 25 (and recent graduates under 30 years of age). This will provide a job opportunity or vocational training within the first three months of unemployment. More funds will eventually be allocated for apprenticeship and skills programmes for people between 20 and 29 years of age.

The government also plans to apply a temporary tax incentive for research and development. If the measure becomes law companies would also be able to claim double the normal depreciation allowance for their investments in industrial production and a temporary capital tax incentive for growth-related investments.

UK: Health and safety rules relaxed

A large number of UK employers are to be exempted from health and safety rules under new government plans.

Due to take effect next April, the new regulations will permit businesses to be inspected only if they have had an accident, have a poor safety record or operate in dangerous industries. Additionally, legislation is set to be introduced next month to ensure employers would be liable only for lower civil (rather than criminal damages) in respect to accidents where they are found to be at fault. Furthermore, employees will no longer be able to litigate following an accident in cases where there is no prima facie evidence that an employer has been negligent.



UK: Heavy fine for infringing privacy rights

The UK Information Commissioner has imposed a £250,000 (309,370 euros) fine on an employer after a former employee's pension records were found in a supermarket car park.

The employer, a UK local authority, had employed an outside agency to manage its records - but had failed to seek appropriate guarantees on how the personal data would be secured. The UK Data Protection Act (1998) requires that where an outside organisation is used to process personal data the employer remains legally responsible for its security. In this case, it is believed more than 600 files were deposited at supermarket recycle bins, each containing confidential information. In a significant number of cases they included salary and bank account details.

Pay, Tax and Benefit Trends

DENMARK: The Danish tax authorities have confirmed that certain favourable tax rules relating to employer-provided 'free housing' will be repealed from January 1st 2013. From this point on, the taxation of a 'free' residence must be based on the home's market value, as opposed to previously where the taxable base was set at a maximum amount of 98,000 DKK (13,146 euros) per year, regardless of the actual rental cost or market value.

EASTERN EUROPE: A new report published by the World Bank argues that the grey economy is so widespread in Eastern Europe it is undermining the region's growth. The bank estimates that Bulgaria's grey economy currently accounts for 32% of GDP and hard on its heels is Romania (29%), Lithuania (28.5%) and Estonia (28.2%). This problem not only affects social benefits, but means that tax-compliant companies are receiving unfair competition from noncompliant firms.

EU: EU hourly labour costs rose by 1.8% during the first half of 2012. There were increases in all national economies, with the largest rises in Romania (7.1%), Finland (4.9%), Bulgaria and Latvia (both 4.8%). The smallest increases were in Ireland (0.4%), Spain and the Netherlands (both 0.5%).

FRANCE: French president Francois Hollande has confirmed that there will be no exceptions in the application of the so-called 'wealth tax' on incomes over one million euros, but that the measure may be dropped after two years. The proposed 75% marginal tax rate is aimed at closing the 2013 budget gap. It is still unclear whether the 75% tax will only apply to income from work. Income derived from capital - notably from the sale of shares, property, dividends and interest - may remain exempt from the levy.

IRISH REPUBLIC: Ireland has introduced a foreign earnings deduction (FED) tax relief program available to employees of Irish companies who spend time working in Brazil, Russia, India, China and South Africa (BRICS countries). The FED relief is available to Irish residents who spend at least 60 qualifying days working outside Ireland in any of the BRICS countries over a 12-month period. This will, however, only apply to the tax years 2012, 2013 and 2014.

PORTUGAL: The Portuguese prime minister has announced new austerity measures to keep the country on track with its bailout programme. Employee social security contributions are set to increase from 11% to 18% in 2013, whilst employer contributions will decrease from 23.75% to 18% in an effort to cut labour costs. Tax measures (as yet unspecified) are also likely to be included in the 2013 budget. These will focus on high earning individuals and companies achieving big profits.



ROMANIA: An amendment to the Romanian Labour Code has come into force which adds a further national public holiday to the current eleven provided by article 139 of the Code. November 30th has been declared a public holiday with effect from this year.

SLOVAKIA: The Slovak parliament has recently approved several changes to the country's pension system. This reduces the minimum employee contribution to private schemes from 9% to 4% and removes the obligation on young employees to enroll into a company scheme as soon as they enter the labour market. They now have the option to delay enrolment until age 35.

SWEDEN: The Swedish government has allocated SEK 108 million (12.7 million euros) to aid the provision of evening and night time childcare facilities. The programme will start on July 1st 2013 and will aim to give municipalities an incentive to extend the opening hours of such facilities - so that workers with family responsibilities will be available for employment during unsocial hours.

Other European HR news in brief

EUROPEAN COURT OF HUMAN RIGHTS: The European Court of Human Rights has adjourned a case involving four British workers who claim that they were denied the right to demonstrate their religious beliefs in their workplace. Two of the applicants contend that their employer's actions contravened articles 9 and 14 of the European Convention on Human Rights because they were sent home for failing to remove or conceal a necklace bearing a cross.

EU: Average consumer prices (HICP) in the European Union rose by 2.7% over the year to August 2012. The lowest annual rates were in Sweden (0.9%), Greece (1.2%) and Latvia (1.9%) - whilst the highest annual rates were in Hungary (6.0%), Cyprus (4.5%) and Estonia (4.2%).

EU: Over the year to July industrial production across the EU declined by an average of 1.5%. The largest falls were in Estonia and Italy (-7.3%), Spain (-5.4%) and Greece (-5.3%). However, several countries moved against the overall trend with rises in Slovakia (18.4%), Latvia (5.3%) and Ireland (5.1%).

FRANCE: The French organisation La Poste has been found by a court to have unlawfully hired temporary workers to replace striking employees. The company has consequently been ordered to pay a substantial fine and also damages to three trade unions.

FRANCE: According to the French Ministry of labour the prevalence of fixed-term (CDD) contracts is growing - with seven out of ten workers recruited on a CDD last year. Large employers used this type of employment more than smaller ones. However, only a quarter of those under 30 were hired on a CDD - although the vast majority of such jobs were under six months duration.

GREECE: Greece is under pressure to adopt a six-day working week as part of the terms required to secure a further economic bailout from the EU and IMF. Other radical labour reforms are thought to be in the pipeline, including a range of measures to relax working-time regulations and the introduction of a single rate minimum wage. It has also been proposed to reform the national labour inspectorate and put it under direct EU supervision.

LUXEMBOURG: There have been just 35 requests to the Luxembourg labour authority to introduce short-time working this month, compared with 32 in August. During the short-time working period, the state reimburses a company 80% of the salaries normally received by the employees concerned for the inactive hours. However, reimbursement is limited to 250% of the social minimum wage and the company still has to



pay social security costs and salaries in respect to hours worked.

PORTUGAL: Under an amendment to Portugal's immigration rules (Act 23/2007) the validity of temporary stay visas has increased from 90 days to four months. EU Blue Cards will now be issued to highly qualified individuals with a job offer and a salary at least 1.5 times the annual gross average

national salary. Moreover, affluent individuals depositing over a million euros in a Portuguese bank, buying a house for more than 500,000 euros or creating at least 30 jobs in the country will no longer have to comply with normal immigration formalities.

FedEE news:

REFERRAL SCHEME: FedEE is implementing a referral scheme to enable existing members to refer professional contacts from other organisations.

To participate please email the name, position and company name of the person you wish to refer to: membership.services@fedee.com and invite your contact to join FedEE using the following link: <http://www.fedee.com/about-fedee/join-fedee> with the reference 'referral' in the comments box.

Should the referred organisation take up membership within a 3 month period, we offer a €125 discount on the annual subscription fee to the new member for the first year, and the same discount to the referring organisation when they renew. There is no limit to the number of referrals that can be made.

Please rest assured that FedEE will not contact the referred organisation directly, or add the information provided to any database or mailing list.

JSB EMPLOYMENT LAW TRAINING OFFER: FedEE and [JSB](#) are working in partnership to offer FedEE members a 10% discount on any employment law course booked using the discount code 'fedee12'.

JSB offers a wide range of employment law training for HR professionals, covering all aspects of UK and international employment law.

Full details of their employment law programmes can be found [here](#).

Their full range of **international employment law courses** covers over 30 countries, including comprehensive 1-day seminars on many European jurisdictions. Each seminar is led by a legal expert from the country in question, providing first class legal expertise that links legislation to practical HR management challenges. Full details of their upcoming courses can be found [here](#).

To activate the FedEE member discount code, simply quote 'fedee12' when booking.



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