



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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Europe: Launch of Europe's largest trade union federation

This week the largest trade union Federation in Europe will be formed following the merger of the European Metalworkers' Federation (EMF), the European Mine, Chemical and Energy Workers' Federation (EMCEF) and the European Trade Union Federation for Textiles, Clothing and Leather (ETUF:TCL).

The new European Trade Union Federation (ETUF) will become the main union body for industrial workers in Europe. It will have its head office in the same building as the ETUC in Brussels and its aim will be to target multinational companies from its improved power base to "fight for decent working conditions and secure employment."

EU: Inflation in the pipeline

Industrial producer prices are a good indication of inflationary forces in the pipeline that are likely to pass through to wholesale and consumer prices during the course of this year.

The latest figures published by Eurostat indicate a monthly rise of 0.6% in the European Union

during March 2012, slightly below the 0.9% increase in February 2012. The rise over the year to March was 3.8%. The latest monthly rise was almost entirely due to price changes in the energy sector (+1.8%) which were passed on most readily by Greece and the UK (+1.2%). Even so, prices fell in March in Sweden (-0.5%), Austria and Hungary (both -0.1%).

Poland: Parliament votes to raise retirement age

Poland's lower house of parliament has approved the gradual increase of the retirement age to 67 by 2020 for men and 2040 for women. This will now be debated in the Senate where the government holds a majority.

A further feature of this measure is the regulation of early retirement. This will be available at 62 for women after 35 years of employment and 65 for men after 40 years of employment. But those who choose to retire early will receive just 50% of their pensions until reaching their new retirement age.

Recent studies suggest that nearly half of Poland's population will be over 50 by 2042, but



only a third of these will be active in the labour market.

Romania: Tax changes would still leave expats better off

Romania's new government is considering the withdrawal of the country's 16% flat-rate of income tax and its replacement with a progressive system. The proposed new system - which could be introduced as early as next year - would impose an 8% tax on those with low-incomes, 12% for middle-earners and 16% for the highest paid.

A recent change in Romania's tax laws has made the country far more attractive to expatriate workers. Until now, foreign workers have only been able to take advantage of the country's competitive fiscal regime to be taxed on their worldwide income in Romania after they have been resident for three years. This has now been brought forwards so that they may now pay all their global income-tax in Romania after just one year in residence - even if their stay is only temporary.

Spain: Tightening up immigration rules

The Spanish government has amended its immigration and residency rules (Royal Decree-Law 16/2012) for citizens of the European Economic Area (EEA) and is now drawing up reforms to its Aliens Act.

Under the new law, Spain will only allow EEA citizens to remain in residence after they have lived in Spain for more than three months if they are either gainfully employed, have sufficient funds to avoid becoming a burden to its social security systems, if they are enrolled in an education programme or if they have health insurance.

The government is also set to amend the Aliens Act in order to introduce new restrictions for those

from outside the EEA. This will mean that non-EEA citizens will have to have legal residence in Spain before they may access its public healthcare system.

UK: Liability in multiple fault claims

The UK Employment Appeals Tribunal has ruled that employment tribunals do not have the jurisdiction to apportion liability for compensation in discrimination claims where more than one party is at fault. It held that the relevant legislation only gives tribunals the power to decide whether the parties are at fault and not the relative amount of contributions towards any compensation that must be made between them.

This ruling arises from a case brought by female employees of Sunderland City Council against both their employer and two of the trade unions recognised by it, the GMB and Unison. The employees alleged that an agreement entered into between the council and the unions to "cushion the impact" of the removal of performance-related bonuses which had historically benefitted male workers was discriminatory. Bonuses, which were made available to workers in traditionally male-filled roles such as gardening and street cleaning, were not extended to care workers, dinner ladies and other roles traditionally held by women that were deemed to be of "equal value".

Pay, Tax and Benefit Trends

BELGIUM: The minimum age for early retirement in Belgium is due to be progressively increased by six-monthly increments each year starting on January 1st 2013 and ending on January 1st 2016. However, a number of exceptions have recently been introduced allowing workers aged 60 on extended notice periods who have worked for at least 35 years to continue to retire early after the end of this year (Belgian Royal Decree of April 26th 2012, published in the Belgian Official Journal of April 30th 2012).



BULGARIA: The Bulgarian minimum wage rose on May 1st from BGN 270 to BGN 290 (148.27 euros) a month. Trade unions are pressing the government to raise the minimum wage still further to BGN 330 (168.73 euros) by 2013.

DENMARK: Talks are underway between the Danish government and trade union confederations FTF and LO on reducing the number of public holidays. The focus for discussions has been on Great Prayer Day (the fourth Friday after Easter), Holy Thursday (the day before Good Friday) and Whit Monday (the Monday after the seventh Sunday after Easter).

FRANCE: The French Amending Finance Act for 2012 is due to become effective on October 1st 2012. This introduces the so-called Social VAT - which represents a 1.6% increase in the general VAT rate to finance an equivalent reduction in employers' social security contributions.

LIECHTENSTEIN: The Liechtenstein government has revealed that it plans to generate additional future income from a withholding-tax levied on Swiss cross-border workers. The tax to be imposed on workers employed in Liechtenstein and resident in Switzerland, is to be agreed within the framework of the bilateral double taxation agreement between the two countries.

NETHERLANDS: According to the Dutch employers' organisation AWWN collective wage increases concluded during April averaged 1.8%. Moreover, 70% of Dutch agreements last month included provisions to assist employees maintain their employability through, for instance, training in new skills.

PORTUGAL: Portugal has temporarily removed four of its 14 public holidays as part of its national austerity measures. Two religious festivals and two other public holidays will be suspended for five years from 2013. The four days affected are All Saints Day on November 1st; Corpus Christi,

which falls 60 days after Easter; October 5th, which commemorates the formation of the Portuguese Republic in 1910; and December 1st, which marks Portuguese independence from Spanish rule in 1640.

UK: The Northern Ireland Assembly has decided to accelerate the raising of the statutory retirement age for women from 60 to 65. It will now be achieved by 2018 - two years earlier than the original deadline. In 2020, the age for both female and male state pensions will rise to 66.

UK: UK employers should be aware that the deadline for sending annual tax returns for the 2011-12 tax year is approaching - with all submissions required to be made online by May 19th. A penalty of £100 (124 euros) per 50 employees for each month (or part month) that the return is outstanding will be imposed on those that miss the deadline.

Other European HR news in brief

ECJ: The European Court of Justice (EJC) has held that a sick worker who reached retirement before he had an opportunity to take all the leave due to him is entitled to receive an in-lieu payment by way of compensation. However, a public servant entitled to leave in addition to the statutory entitlement of four weeks per year may only receive payment in lieu for their non-statutory entitlement if provision is made for them to do so under national law. (*Georg Neidel v Stadt Frankfurt am Main* C-337/10).

DENMARK: The Danish Supreme Court has ruled that an employer who dismissed an employee for her absence from work caused by a pregnancy-related illness acted in a discriminatory manner. This was the case, despite the fact that the employer was unaware that the employee was pregnant or that her absences were due to a pregnancy-related condition. In awarding compensation of six months' salary the court did,



however, take into account the fact that the employer had failed to reverse their dismissal decision even after it became clear that the absences were pregnancy-related.

FRANCE: The manager of a French company has been given a three months' suspended prison sentence and personally fined 5,000 euros for illegally employing a Bulgarian worker. His company was additionally fined 20,000 euros by the employment tribunal in Rennes after finding that the employee had not been paid the minimum wage and the company had not informed the French labour inspectorate about the temporary employment.

IRISH REPUBLIC: Although the number of professional job vacancies rose in the Irish Republic by 5% over the year to April 2012 the number of job seekers for such positions rose by 63% over the same period. According to the Morgan McKinley Irish Employment Monitor, there are currently scattered pockets of hiring within the pharmaceutical, manufacturing and IT sectors with professionals becoming more mobile and flexible in looking for alternative employment.

NETHERLANDS: The Dutch parliament recently adopted the Management and Supervision Act. This changes the status of Managing Directors in listed companies from employee to assignee. This means that a Managing Director will no longer benefit from statutory employment protection rights. The Act is expected to enter into force on July 1st 2012.

NETHERLANDS: From July 1st 2012, only legally married or registered domestic partners from outside the EEA will be able to join their partner residing in the Netherlands. However, the new policy will not apply to residence permit applications filed before July 1st or existing residence permit holders - who will remain able to renew their permits under the current rules.

NETHERLANDS: New statistics from the 2011 Dutch Working Conditions Survey reveal that employees between the ages of 55 and 64 years would generally like to continue working until close to 65 years. This is one and a half years above the current average retirement age. The variation in the desired age of retirement correlates with their occupation, sector and working conditions. Those working in management expect to be able to continue longest. In more physically demanding sectors, such as manufacturing and agriculture, employees wish to retire at an earlier age.

ROMANIA: Unregistered labour in Romania has increased by 30% since 2009, according to recent figures from the Fiscal Council think tank. Around 2.3 million Romanians worked without proper registration last year - up 4% from 2010. Unregistered labour accounted for 35.3% of all work. As a result, Romania's tax revenue stood at 28.1% of GDP in 2010, well below the EU-27 average of 39.6%.

SPAIN: The European Commission has proposed to provide 1.6m euros from the European Globalisation Adjustment Fund to aid 350 redundant footwear industry workers in Spain's Valencia region. The request made by the Spanish authorities would assist workers from around 140 companies back into employment through re-training, outplacement, job search allowances and assistance with commuting costs.

UK: According to the latest figures from the UK Department for Business Innovation and Skills trade union membership dropped by 143,000 last year - the fourth successive year that a substantial decline had taken place. All of the fall in 2011 took place in the public sector (private sector unionisation rose slightly) and the highest concentration of union membership is now amongst female employees (28.7%) rather than male employees (23.4%).



FedEE news:

FedEE LONDON NETWORKING MEETING: We are now taking reservations for places at our June 26th networking meeting taking place in London.

The theme for the June meeting will be '**Managing the distributed workforce**'. Our guest speaker will be Stephen Ratcliffe of Baker & McKenzie LLP who will be leading a discussion on the issues that arise when managing a distributed workforce. Stephen is a Senior Associate in the Employment Department of Baker & McKenzie LLP. He has extensive experience in the field of agency workers, employment litigation, outsourcing, and discrimination issues.

FedEE's Secretary-General, Robin Chater, will be providing a round up of recent employment law and HR developments from around Europe.

The **programme** will run from 2.45pm to 4.30pm with refreshments and networking. The venue will once again be the Novotel, Hammersmith, London.

Attendance is free but as places are strictly limited please contact us as soon as possible on admin@fedee.com or by calling (0044) 0207 520 9264 to reserve your place.

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.

UK JUBILEE BANK HOLIDAY: The FedEE offices will be closed during the UK Jubilee Bank holiday on 4th and 5th June. All enquiries will be dealt with on Wednesday 6th June. For urgent matters please email admin@fedee.com



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Fédération des Employeurs Européens/The Federation of European Employers (FedEE) is the organisation for international employers operating across Europe. The Federation was founded in 1989 with financial assistance from the European Commission. Our UK postal address is Adam House, 7-10 Adam Street, The Strand, London, WC2N 6AA, UK. Tel: (0044) (0)207 520 9264. Web: <http://www.fedee.com>. We utilise virus scan software, but are not responsible for any problems that may arise from the transmission, receipt or use of any material.

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