



**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 system for time credits

The new Belgian national agreement 103 (replacing the existing collective agreement 77bis) on time-credits will come into force in September 2012.

Employees will be entitled to three calendar years' time credit for the care of young children, assistance with sick relatives or for training. In the case of care for a sick or disabled child, the limit will be raised to four calendar years. Employees will also be entitled to a total period of 12 months' time credit for other purposes. This may either be taken on a full-time basis or two years part-time, or five years on a 1/5th time credit (or a combination of these periods).

Employees who have reached the age of 55 with 25 years working experience will have the right to take partial early retirement - either on a four-day week or through an individually negotiated part-time arrangement.

### EU: Changes to social security rules

New social security rules have come into force across the European Union which simplify access to social security for aircrew and self-employed frontier workers.

The regulations for aircrew state that they shall pay their social security contributions and receive benefits in the country where they start and end their shifts, rather than the country where the airline is based. Their employer, however, is obliged to pay social security contributions in the "home base" country. Existing aircrew must make a request to be covered by the new rules – otherwise the previous rules will continue to apply to existing work arrangements for up to a maximum of 10 years.

In future, self-employed frontier workers living near the borders of countries not offering unemployment benefits to the self-employed may opt to pay contributions in the country of last activity. When unemployed, however, the worker must actively seek work in the elected country to be fully entitled to unemployment benefit there.



## Europe: Leading sector not always finance

Although it is frequently presumed that the pay market is dominated by the financial services sector, there are many countries in Europe where average earnings are higher in other sectors.

A recent analysis carried out by FedEE has found that in 19 of the 37 countries for which reliable data is available average earnings are higher in a sector other than financial services. The highest overall pay levels are in the utilities sector (5), pharmaceuticals (4), computer and related (4) and petroleum exploration and processing (4). In Romania the highest paying sector is the tobacco industry and in Bosnia-Herzegovina it is the communications equipment manufacturing industry.

## France: New limit to redeployment rights

The French Supreme Court has ruled on the extent to which an employer making a dismissal for economic reasons is obligated to offer an alternative position.

The employee in question had claimed unfair dismissal when his employer failed to offer him a corresponding role in Germany - despite the fact that he could not speak German. The Court held that the employer was under no obligation to redeploy the employee to Germany, despite provisions in the French Labour Code requiring alternative positions within the group (including those abroad) to be considered before making an employee redundant. In the court's view the employer was not obligated to redeploy the employee as he spoke no German. However, if he had had a basic command of German which required further training the situation would have been different (C.Cass. ch soc, 10/05/12, 11-12-469).

## France: Recovery of training costs

The French Supreme Court has ruled that a contractual provision requiring an employee to repay training costs to their employer was not enforceable following the employee's dismissal for willful misconduct.

In the light of this ruling such repayment clauses are likely to be fully enforceable only where an employee resigns from their position and not where a dismissal has taken place - even where it is fully justified. Employers are therefore advised to revise policies requiring the withholding of salary at the point of dismissal to recover training costs (C.Cass, Ch Soc, 10/05/12 11-10.571).

## Germany: Employer may side step agreement

The Erfurt Labour Court in Germany has ruled that an employer was within their rights to leave an employers' association during ongoing collective bargaining in order to protect itself against excessive wage rises. The court also ordered the Ver.di union to pay damages to the company for an illegal strike which followed the employer's exit.

Midway through negotiations, the employer which produces pharmaceutical packaging, changed its regular membership of the employers' association to one which excludes collective agreements. The Court found that employer had made this change sufficiently clear to the union - thus making its exit legally effective (AZR 775/10).

## Pay, Tax and Benefit Trends

**BELGIUM:** The mileage reimbursement rate for use of a private car for work-related travel in Belgium has increased to 0.3456 euros per kilometre as of July 1st 2012.

**BULGARIA:** The number of companies registering in Bulgaria rose last year as more foreign enterprises sought to take advantage of



the county's low tax rates. In particular, Greek and Romanian companies have made the move with 3,781 Greek companies paying tax in Bulgaria in 2011: a 75% increase on the previous year. Bulgaria's corporate and personal income tax rates are both 10% - the lowest in the European Union.

**BULGARIA:** The Bulgarian Council of Ministers has banned all bonuses for civil servants. In addition, an annual performance evaluation review is to be introduced for all staff as a basis for determining pay increases.

**FRANCE:** The French government has announced an increase in the national minimum wage (SMIC). The 2% increase effective on July 1st represents a 0.6% rise above inflation and takes the hourly rate to 9.40 euros, and monthly rate to 1425.67 euros. No additional rise is likely for a further year.

**NETHERLANDS:** Latest figures from the Dutch Statistics Office (CBS) reveal that female independent contractors earn considerably less than their male counterparts. The average male income in 2010 was 26,000 euros, compared to just 15,000 euros for women. This difference is not entirely due to women working fewer hours than men - as the concentration of female contractors in lower paying economic sectors is also an important factor in the relative levels of overall self-employment rates.

**SLOVAK REPUBLIC:** Proposals for changes to payroll levies for self-employed workers in the Slovak Republic are now awaiting parliamentary approval. The current social security coefficients are 2.0 for social insurance and 2.14 for health insurance. These will gradually decrease to 1.486 for both payments. If the changes are approved, the lump-sum allowance that a self-employed person can deduct from annual gross income will in future be capped at 5,040 euros per year or 420 euros per month.

**UK:** The UK Solicitors' Regulation Authority is scrapping its minimum wage for trainee solicitors in favour of the national minimum wage from 2014. The current solicitors' minimum wage of £18,590 (23,180 euros) per annum for training contracts based in central London and £16,650 (20,761 euros) for those in other areas will no longer apply. The current national minimum wage equivalent for a 35-hour week is £11,065.60 (13,798 euros).

**UK:** New wage subsidies for UK employers who take on unemployed 18 to 24 year olds are to be introduced in 20 of the most deprived areas of the UK. The six-month subsidy, which equates to £2,275 (2,836 euros), will be payable provided the young worker had been unemployed for at least six months prior to being hired. The chosen 'hotspots' include Blaenau Gwent, Hartlepool and Wolverhampton in England and Clackmannanshire, North Ayrshire and West Dunbartonshire in Scotland.

## Other European HR news in brief

**CZECH REPUBLIC:** The Czech government has recently approved a Bill to protect whistleblowers, which could become law next year. The current proposal provides comprehensive protection from discrimination, including dismissal for reporting wrongdoing in the workplace.

**FRANCE:** Employers are advised that from July 1st 2012 new French motoring laws make it compulsory for drivers to carry breathalyser kits in their vehicles. Drivers may be subject to random checks from November 1st 2012 and the penalty will be a small on-the-spot fine. The limit for drink-driving in France is 50mg of alcohol per 100ml of blood (equivalent to one small beer) - lower than the UK limit of 80 mg per 100ml. If a driver is found to be above the limit they may be subject to a jail term of between two months and two years.



**LATVIA:** A parliamentary Bill in Latvia currently awaiting Presidential approval removes the right of employers to require an employee to speak a particular language other than Latvian. The Bill stipulates that knowledge of any language may not be demanded by employers, except in cases where it is essential for performance of a particular job. Currently 79% of the country's native population speaks Latvian.

**LATVIA:** The current retirement age in Latvia will increase from 62 in 2014 by three months every year until it reaches 65 in 2025. The minimum period for social security insurance contribution purposes will be raised to 15 years from 2014, and to 30 years from 2025.

**NETHERLANDS:** Large companies in the Netherlands no longer have to apply for a work permit to bring in highly-skilled workers from outside the EU on a temporary basis. The new rules only apply to companies with a turnover of 50m+ euros per year and with orders of over 5m euros. The workers may only enter to perform short-term tasks such as dealing with special orders or instruction on the use of new equipment,

and non-EEA nationals must not be used if an EEA national could perform the same task(s).

**NETHERLANDS:** Employers in the Netherlands are now able to apply for indemnification in respect to liability in the case of the failure of a certified temporary employment agency to make tax and social security contributions. This joint decision by the Tax, Finance, Social Affairs and Employment Ministries is aimed to provide an extra incentive for companies to do business only with approved agencies.

**NETHERLANDS:** Managing directors of listed companies in the Netherlands can no longer be considered employees and must be appointed on assignment contracts. Agreements in place before July 1st 2012 are not affected.

**POLAND:** The International Labour Organisation (ILO) has recommended that Poland change its legislation regarding employees' freedom of association rights. Current legislation restricts the rights of home-based employees, workers with civil law contracts and the self-employed to establish and join trade unions.

## FedEE news:

**PAY IN EUROPE 2012:** The 2012 edition of Pay in Europe has now been published and is available to members on the [FedEE website](#). This contains basic median gross hourly pay levels for 32 private-sector benchmark positions in 47 countries and territories. This year the country with the highest overall median pay level remains Denmark, followed closely by Norway and Switzerland. However, the Republic of Ireland has risen from 10th to 7th place and the United Kingdom from 18th to 14th. The lowest paying country remains Moldova with median earnings just 4% of those received by Danish employees.

**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](mailto: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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