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Editorial: The rise and rise of the shorter work week

As the French government struggles against militant union opposition to remove its statutory 35-hour week, much of the rest of the developed world is moving headlong towards reduced work weeks.

In Europe lifestyle demands by employees have gone hand in hand with a widening realisation that improvements in technology are eroding the need to work long hours to sustain many businesses. Leading the way towards the six-hour day is Sweden, where innovative employers report that shorter workdays improve productivity by increasing concentration and making it less tempting for employees to seek diversions or bring their private lives into the office.

Working time differences are also a gender issue. An increasing number of countries have introduced rights to request part-time working and other employee-centred benefits such as working reduced hours for women returners. Evidence of the impact of such measures can be seen in the latest figures from Eurostat, the EU statistical agency. These show that

although only 20% of women workers without children are on part-time contracts, the proportion working part-time increases with each child to reach 45% for women with three or more children.

A shorter working week can also, of course, arise from economic crises as well as lifestyle choices and productivity experiments. Short time working was commonplace throughout the last downturn and in besieged economies such as Venezuela today where the President has just ordered the public administration to create a three-day weekend to reduce electricity consumption.

Over the next ten years the penetration of integrated smart devices, and wide-scale automation of practically all corporate functions will significantly reduce the demand for human labour and further raise the average skill content of those jobs that do remain. An employment crisis can be avoided either by allowing working age populations to decline — as in Germany and China — or by reducing work weeks. For those countries where working age populations are not falling, skill levels remain low and work weeks remain at traditional levels, the consequence will be even more widespread and long-term unemployment.

Chile: New union rights may not survive constitutional challenge

A highly contentious Bill giving trade unions important new rights and powers has finally been passed by both houses of Chile's parliament.

Under the Bill, workers in the same business sector will have a new limited right to unite in order to negotiate sectoral collective agreements and unions must be given access to relevant information during all negotiations. Furthermore, it will soon be very difficult for employers to replace striking workers with contractors, employers will not be permitted to deny access to workspaces during a strike and it will be unlawful to offer extra benefits to non-unionised employees.

The Bill now awaits signature from President Michelle Bachelet. The President has been instrumental in steering the measure through congress, although opposition groups have made it clear that aspects of the Bill will be challenged through the Constitutional Court.

European Union: The recession is finally over

According to the European Commission's Spring 2016 quarterly employment review, the last remnants of the downturn that began in 2007 have now disappeared and the EU is advancing into new economic territory.

In 2015 GDP across the EU grew by 1.8%, whilst employment improved by just 1.0%. Most of the employment growth happened in the service sector, whereas in industry 'employment stagnated' and in construction it continued to decline. Nevertheless, by Q3 of 2015 the employment rate for 20-64 year olds had returned to its pre-crisis levels.

Labour productivity has also continued its upward curve — with a 1% improvement in the year to Q4 2015. This is twice the rate of improvement recorded in Japan and the USA. Productivity gains were particularly high in Sweden and Romania and in most countries labour costs per unit of output have been stable.

Although unemployment stood at 8.9% in February 2016, that figure is 0.8% lower than a year earlier. However, there were huge differences in the unemployment rate — from just 4% in Germany to 24% in Greece and 20.4% in Spain. Moreover, youth unemployment and long term-unemployment still remain huge economic burdens — with 10.5 million people in the EU remaining registered unemployed for over a year and 4.5 million for over two years. Of course these figures will be much greater if we included unregistered jobless counts.

The biggest beneficiary of the upturn has been EU household incomes — which grew by 2% in the year to Q3 alone. With consumer price inflation being low or dipping into deflation this means that real income growth has been significant too. Slightly fewer households now need to draw on savings or run into debt — although 15% of households are now in 'financial distress' — with the proportion rising to 25% in lower-income families.

Germany: Guidance issued on employer rights to monitor email and internet use

The German data protection authorities have issued helpful guidance for private-sector employers explaining how and when it is permissible to monitor employees' email and internet use at work. The guidance comes after a number of recent cases brought this issue to the fore.

According to the guidance, if personal use of the internet and workplace emails is prohibited by an employer, there is greater scope for monitoring this use. The relevant law in this instance is the Federal Data Protection Act. An employer may carry out spot checks to ensure employees are complying with the restriction on personal internet use and they may note incoming and outgoing company emails. However, initially no personal data should be collected during these procedures. The collection of personal data will only be permissible where there is concrete suspicion of a violation connected to a criminal offense — and even in these cases the actions of the employer must be strictly proportional to the seriousness of the malpractice.

If an employer permits email and internet use for personal purposes they will be subject to strict telecommunications secrecy. Personal data may only be accessed with employee consent — except in limited circumstances. An employer may carry out spot checks on internet and email usage only after a works council agreement has been concluded outlining to what extent personal use of the internet and work email is permitted and provided that individual consent to planned monitoring has been received from the employees. Once again, even if consent has been given, specific checks may only be made where there is concrete suspicion of a breach of the rules on internet or email use. Employees may refuse to give their consent for their internet and email usage to be monitored, although in such a case they will forego their right to use these systems for personal use.

The official guidance may be viewed [here](#) (in German).

Israel: Increased rights for working parents

Several parental benefit measures are currently going through Israel's legislative system.

Earlier this year the government approved an amendment to maternity benefit rules to allow all working women who reach 22 weeks of their pregnancy to receive a birth allowance, birth grant and maternity leave. Now the Knesset (parliament) has approved a Bill at preliminary reading that extends to fathers the right to leave work each day to feed babies. Currently, working mothers enjoy a daily 'nursing hour' during the four months after returning from paid maternity leave. This will now be called a 'parenting hour'. Under another Bill, working fathers could soon benefit from seven more days of paternity leave. Five of the days would have to immediately follow the child's birth — three being treated as vacation days and the other two as sickness absence.

The Knesset have also passed a Bill at final reading to change the way maternity leave is calculated for self-employed women. In future it will be based on the quarter of the year prior to the birth in which she earned the most. Meanwhile, the Cabinet Law Committee has given the go ahead to the payment of maternity grants to those having their baby at home, as well as to those having them at hospital. The grant is worth 1,751 shekels (463 US dollars) for a first birth, 788 shekels (208 US dollars) for a second, and 525 (139 US dollars) for each additional birth.

Luxembourg: Latest on parental leave reforms

A Bill that would reform the law on parental leave is currently being considered by Luxembourg's Chamber of Deputies. The aim of the Bill is to increase the number of parents using parental leave by extending the eligibility criteria and increasing flexibility as to the ways in which it may be used.

The draft law in its current form would extend the right to take parental leave to all employees working at least 10 hours per week. Currently only those working a

minimum of 20 hours per week are entitled such leave. It would also allow parental leave to be taken until the child is six years old (12 years in the case of adoptive leave) instead of five years as is currently the case — provided the first period of leave is taken immediately after maternity leave.

Furthermore, the Bill proposes the introduction of two new options for taking parental leave. Parents on full-time contracts would be able to choose to reduce their hours by 20% over a 20-month period or take four separate one-month periods of parental leave within a period of 20 months. With respect to parental leave pay the fixed-rate allowance would be abolished and instead employees would receive pay based on their salary within the range of 1,922 euros (2,176 US dollars) to 3,200 euros (3,623 US dollars) per month, depending on the status of the employee.

It has recently been confirmed that the new rules would apply to all eligible parents who request parental leave after the new law comes into force. Those requesting to take parental leave before this date — which has not yet been set — will be subject to the previous rules, even if they do not commence parental leave until after the new rules have come into force. It remains possible that changes will be made to the Bill before it comes into force.

Pay, Tax and Benefit Trends

THE AMERICAS: All enterprises across the world should maintain heightened vigilance against the circulation of fake currency. This is because of the huge increase in the production of forged, but sophisticated US dollars in Peru. The US secret service has seized 75 million fake US dollars since 2009, but recently the scale of production has multiplied exponentially with one gang alone producing 250 million dollars per year. The US Treasury is in a constant struggle to be one step ahead of the

counterfeiters by constantly introducing innovations. These allow US banks to detect forgeries, but still leaves consumers, retailers and employees exposed to Peruvian copies which are printed on the same paper as dollar bills and contain expertly hand sewn security strips.

ARGENTINA: A new legislative tax decree (394/16) has been enacted in Argentina. This raises the personal tax-free earnings thresholds of pensioners and employees who are trade union members to between 245,444 pesos (16,770 US dollars) for single people and 325,000 pesos (22,000 US dollars) for married people with two children. The changed allowances are unlikely to come into force until next year.

ARGENTINA: The provincial legislature of Córdoba in Argentina has approved an added subsidy to allow a fourth month of maternity leave. In order to obtain this benefit, employees will have to apply to their employers for unpaid leave of 30 consecutive days after the immediate termination of the normal maternity leave. The provincial government will then be responsible for the payment of the fourth month, limited to up to an amount of 20,000 Argentine pesos (approx. 1,386 US dollars).

FIJI: The failure of many employers to pay double time to employees in Fiji who worked over Easter has led the Employment Minister, Semi Koroilavesau, to clarify the meaning of the Employment Relations Promulgation (ERP) 2007. The law states that a worker must be paid in respect of 'each public holiday for the number of hours which the worker would normally have worked on that day had it not been a public holiday'. This means that if they also work during that holiday they are entitled to the payment they would receive anyway — plus the pay for actually conducting work duties.

MIDDLE EAST: Falling oil revenues and rising budget deficits in the Middle East are forcing governments to look for new ways to raise funds. In Oman a recent legislative proposal would impose a 3% levy on expatriate employee salaries instead of charging a flat-rate visa fee every two years. A new passenger levy will be charged for use of Dubai airport from June 30th 2016 and the Gulf Cooperation Council (UAE, Saudi Arabia, Oman, Qatar, Kuwait and Bahrain) have jointly agreed to introduce a value-added tax in 2018 on a number of goods and services.

SINGAPORE: The Singaporean government has announced increases to the levies on a number of work permits. From July 1st 2016, levies will increase on construction sector and service sector work permits by between 7% and 18%. The levies will also increase on S Pass permits (permits for mid-skilled foreign employees meeting certain minimum salary and qualification criteria) by between 5% and 18%. Work permits for the marine, process and manufacturing sectors are currently subject to a freeze on levy increases.

UAE: The gradual introduction of mandatory employee health insurance cover by companies in the Dubai Emirate is now nearing completion. All companies with 100+ employees must now operate approved schemes and companies with less than 100 employees will have to do so from July 1st 2016. Also from that date, sponsors of expatriates will have to put in place insurance cover for employees' dependants.

UK: The UK tax authority, HMRC, is taking steps to tighten up tax evasion schemes called 'disguised remuneration' (DR). This involves making payments to an employee through a third party such as an 'employee benefit trust' (EBT) or offering loans that are not expected to be repaid. Earlier legislation ended many existing schemes, but many employers have not taken advantage of settlement opportunities offered by HMRC or have come up with new evasive schemes

such as making offshore payments but assigning the loan to the benefit of an EBT. These practices will be prevented by next year's Finance Act. In the meantime, the HMRC has given employers until April 5th 2019 to discontinue DR loan arrangements before it applies income and social security taxes in full to them.

UK: The UK Employment Appeals Tribunal has found that, contrary to HMRC guidance, childcare vouchers provided via a salary sacrifice scheme are not 'non-cash benefits' that should be continued after an employee has gone on statutory maternity leave. They could therefore be discontinued for the duration of the leave. [Peninsula Business Services vs Donaldson]

USA: The US Department of Labor has announced a new fiduciary obligation on financial advisers with effect from April 2017. This means that pension intermediaries must be more transparent, must provide retiring employees with impartial advice and may not accept any payments creating conflicts of interest — unless they qualify for an exemption intended to assure that the customer is adequately protected. In the latter case they must explain in writing why they are acting in their client's best interests. According to the Department the new rules could save retiring employees four billion US dollars per year.

VENEZUELA: An income tax exemption has been introduced by the Venezuelan government for residents that have earned net income in the country over the last year. The new tax-free benefit is worth 3,000 tax units (2,195 US dollars in 2015 and 2,590 US dollars in 2016). It can be applied retrospectively to 2015 — but only if the taxpayer submitted their income tax return by March 31st 2016.

Other Global HR News in Brief

AUSTRALIA: Soon after introducing two new false accounting offences, the Australian government has

issued a public discussion paper on the possibility of introducing a deferred prosecution agreement (DPA) scheme to help combat serious corporate crime. The paper, which may be viewed [here](#), considers both the arguments for and against the implementation of such a scheme and examines how such schemes are used in the USA and UK. Responses to the 14 questions listed at the end of the paper must be submitted by May 2nd 2016.

EUROPEAN UNION: Latest figures from an EU-wide survey indicate that over the years from 2009 to 2014 the proportion of young early leavers from training and education courses has fallen by 3%. But significant country differences exist — ranging from 2.7% in Croatia to 21.9% in Spain. Under the EU 2020 Strategy all countries are required to set targets for early leavers. The only country failing to do so is the UK.

FINLAND: Amendments to the Finnish Annual Holidays Act took effect on April 1st 2016. These allow employees with a right to take more than four weeks holiday in a year to postpone the rest of their annual holidays only if they have been sick and off work for more than six days during annual leave. However, if they are subject to sickness absence before commencing leave they may postpone the whole period of intended leave. Annual leave accrual during maternity, paternity and parental leave is also limited to a maximum period of six months' leave.

INDIA: The Indian Prime Minister, Narendra Modi, has announced that the results of government and other public service entry examinations, as well as associated screening data, will be made available to private-sector employers 'wherever consent is given by the candidate'. Modi claimed that this will reduce search costs and 'enable better matching of candidates from labour surplus areas with jobs in other regions'.

IRAQ: A fresh Labour Code has come into force in Iraq replacing the former code that dated back to 1987. The

new code introduces the right for employers to ask employees to undertake three months' probation and gives employees a right to 21 days holiday per year (30 where they do dangerous or arduous jobs) plus special paid leave for marriage, bereavement and public service. It also puts a new one-year limit on fixed-term contracts (renewable for only one further year) and includes the right to union membership and trade union recognition as well as a raft of equal opportunity and anti-discrimination provisions principally aimed at women. Most significant of all for employers is the requirement to pay almost all departing employees a lump sum equal to two weeks salary per year of service. It would appear, however, that this will only apply to service after February 7th 2016.

POLAND: Revisions to the Polish Surveillance Act, which have just come into force, give the police and intelligence services virtual 'carte blanche' to covertly monitor any physical or digital communications and video recordings — including that previously subject to client-attorney secrecy. There need be no pretext for any investigation and there will be no close judicial oversight. Many former personnel from the brutal and highly corrupt communist era Służba Bezpieczeństwa intelligence organisation are still in post — or personnel trained by them after 1989 are. Thus these new wide-ranging powers expose companies in Poland to random acts of snooping, malfeasance and even espionage. For this reason high level encryption of personal or commercially sensitive data will be necessary, no confidential data should ever be held in Poland or be accessible from any Polish source.

QATAR: A delegation from the UN's International Labour Organisation has warned the Qatar government that it must make the kafala system unlawful or face potential UN sanctions. The system forbids immigrant workers from changing employers or leaving the country without their employer's permission. As a consequence, it exposes many workers to forced labour for little or no remuneration. It also allows

employers to confiscate passports and agencies offering employment in Qatar to charge high fees which place immigrant workers in perpetual debt.

SPAIN: On March 15th 2016 the Supreme Court of Spain confirmed that, during a collective redundancy, failure to mention in the individual dismissal letters the selection criteria that were applied does not support a case for unfair dismissal. This is because the criteria will have already been set out in the agreement between the employer and employee representatives. [STS 219/2016]

UK: The UK Visas and Immigration branch of the Home Office has issued updated immigration guidelines for Tier 2 (highly skilled) workers. The minimum salary threshold for indefinite leave to remain is now 35,000 pounds sterling (50,000 US dollars). However, exemptions may apply in respect to positions requiring a doctoral degree, occupations where there are shortages in the local labour market, applications in certain previously-listed shortage occupations and where certificates of sponsorship were assigned before April 6th 2011. In all cases the sponsoring employer must certify that qualifying terms and conditions

(including pay) will be respected throughout the UK employment term.

USA: Utah is the latest US State to tighten up post-employment restrictive covenants. Under the new law, contracts concluded from May 10th 2016 may limit employees from working for competitors post-employment for no longer than one year. This restriction will not apply, however, if a post-compete clause is negotiated as part of a severance arrangement between the parties. Meanwhile, the phrasing of such covenants is being raised in several US courts. For example, in a recent appellate case in Texas the court refused to accept that an obligation existed to keep confidential information secret if the covenant was silent on such an undertaking.

USA: A suit has been filed by the US Chamber of Commerce against Seattle's city administration for passing an ordinance last year allowing self-employed workers, like taxi and truck drivers, to join trade unions and enter into collective bargaining. Federal law does not give collective bargaining rights to independent contractors. However, such workers make up significant proportions of the working population in most sectors.

Dates for your diary:

May 1st 2016: The minimum wage will increase in **Ukraine** to 1,450.50 hryvnias.

May 2nd 2016: Deadline for submitting responses to the **Australian** government's public discussion paper on the possibility of introducing a deferred prosecution agreement (DPA) scheme.

May 10th 2016: New rules on post-termination non-compete clauses come into effect in Utah, **USA**.

July 1st 2016: Increase in levies on construction sector and service sector work permits and S-Pass permits in **Singapore**.

July 1st 2016: The requirement for companies in Dubai, **UAE**, to provide health insurance cover for all employees extends to companies with fewer than 100 employees from this date.

Latest news for business travellers:

In the [Republic of Ireland](#), workers at Dublin's tram operator Luas are planning a number of 24-hour strikes this month and next. These are due to take place on April 23th, 24th and 28th and May 4th, 13th 20th and 27th. Additionally, a four-hour stoppage is scheduled for May 26th between 3pm and 7pm.

Zaventem airport in [Belgium](#) is now open, however operations are suffering disruptions due to a strike by air traffic controllers. Travellers should contact Brussels Airport or their airline for the latest updates.

Tours Val de Loire Airport in [France](#) will be closed on June 22nd, 23rd, 27th, 28th, 29th and 30th due to essential works.

Violent demonstrations have been taking place in [Macedonia](#)'s capital, Skopje over the last couple of days and further demonstrations are planned for April 14th and 15th. Travellers are advised to avoid the demonstrations and large crowds and follow the local media for the latest updates and advice.

FedEE news:

IMPROVE YOUR KNOW-HOW ABOUT A MAJOR ISSUE FACING HR TODAY: The way companies handle personal data has come to the forefront in the last few years and now represents one of the biggest risk areas facing HR Professionals. That is why FedEE is establishing a forum to allow HR generalists to get up to speed with all the practical things they need to do in the EU and other major jurisdictions across the world. Our first meeting is in London on June 2nd 2016 and this will be geared to non-specialists. The meeting forms part of the mission of FedEE to demystify legal and technical jargon and minimise the effort required to keep abreast with developments. To learn more about the event go to our [agenda](#) where you can also click on a link and sign up to attend. Alternatively please call our events unit on +44 (0)117 975 8611.

WEBSITE IMPROVEMENTS: We are delighted to announce that the first stage of our website upgrade is now live! Our [Members' Area](#) has a **new look** and it is now possible to **search** our resources using our **new and highly-effective search function**. We also have some **new material** in our [HR Knowledgebase](#) including a brand new country section on [New Zealand](#). Furthermore, we have introduced a facility that allows members to **change their passwords online** at any time, day or night. We hope these changes will have a positive impact on your experience of using our resources. Further website upgrades will be taking place over the coming months and we will keep you informed of the latest developments.

NETWORK WITH OTHER FEDEE PROFESSIONALS: Don't forget to sign up to FedEE's face-to-face networking community, butN. Join for free today at <http://www.but-n.com>.

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