



FedEE
Federation of European Employers
Fédération des Employeurs Européens

Mettre à jour

Latest News from the Federation of European Employers (FedEE)

Inside this Issue:

Poland: New rules for bank holiday working

Netherlands: Wages on the increase

Luxembourg: Justification for redundancy

France: Social security levy on severance pay

UK: Rights in return for share ownership

EU: Big gap between winners and losers

Czech Republic: Amendments to the Labour Code

Draft amendments to the Czech labour Code are currently in the process of passing between the Chamber of Deputies and the Senate. Some of the most significant proposed changes include:

- * The maximum probationary period for management level employees is to be increased from three to six months.
- * Employees dismissed for organisational reasons will be able to claim severance pay according to a new scale. This will range from 1-3 times average monthly earnings (depending on length of service).
- * Employers will be required in future to set annual leave periods by June 30th for the next calendar year. If they do not do so, then employees may determine when they take their leave - upon giving at least 14 days notice.

In addition, it could soon be lawful to agree a non-competition clause with an employee during their probationary period - provided it offers appropriate compensation.

Europe: Minimum wage changes

Several governments have recently declared a change in the level of their national minimum wage.

In the channel island state of Guernsey the statutory minimum wage has increased to GGP 6.30 (7.76 euros) per hour for employees over the age of 18. This rate became effective on October 1st 2012

In Luxembourg the monthly minimum wage has increased by 2.5% to 1846.51 euros, effective from October 1st 2012. Additionally, further increases due to indexation will now take place annually, as opposed to twice a year.

The Polish minimum wage will increase from PLN 1500 (365.76 euros) to PLN 1600 (390.14 euros) a month on January 1st 2013.

As of 1st October 2012, the gross monthly national minimum wage in Ukraine has increased to UAH 1,118 (106.28 euros).



EU: Big gap between winners and losers

Industrial production across the European Union rose by an average of 0.3% between July and August 2012, but declined by 1.8% on an annual basis from August 2011.

The largest monthly increase occurred in Portugal (+6.8%), Lithuania (+4.6%), Slovenia (+4.0%) and Greece (+2.5%). By contrast, contraction occurred in the Czech Republic (-2.9%) and Denmark (-2.8%).

The most significant year-on-year rises were achieved in Slovakia (+17.0%), Lithuania (+11.1%) and Latvia (+8.1%), whereas industrial production fell significantly on an annual basis in Italy (-5.2%), Spain (-3.2%) and the Czech Republic (-3.1%).

Luxembourg: Justification for redundancy

The Luxembourg Court of Appeal has ruled that an economic crisis affecting a company is not, in itself, sufficient reason for employee dismissal - unless it is justified on more precise grounds.

An employer should draw up a detailed case with financials covering several years and broken down by each activity, or economic unit. They must set out the reasons why any financial losses translate into a need for redundancies and are not just cyclical sector outcomes or the results of bad planning. An employer must also explain in the letter announcing redundancies why it would be impossible to reassign employees to other tasks owing to their qualifications and/or company size (July 12 2012, Numbers 37528, 37495, 37478 and 37247).

Sweden: Armed guards aboard ships

The increased threat of piracy, especially in the approaches to the Red Sea has led the European Union to introduce Regulation 725/2004 which allows ships to carry armed guards. This is now

being progressively implemented by EU member states - with the latest ratification by Sweden.

The Act on Guarding Onboard Swedish Ships will become effective on January 1st 2013. It will allow Swedish ship owners operating outside the European Economic Area to protect their vessels through contracts with private maritime security companies. However, armed security personnel must be licensed to carry weapons and owners must register the use of armed guards.

UK: Trading rights in return for share ownership

UK Chancellor, George Osborne, has announced plans for a new form of employment contract that encourages employees to exchange some employment rights for share ownership.

The new contract will be available to all employers, but is aimed at small and medium-sized companies. Employees may be given a number of shares exempt from capital gains tax. In return they will forego their rights on unfair dismissal, redundancy and the right to request both flexible working and time off for training. They will also be required to provide 16 weeks' notice of return from maternity leave, instead of the usual eight weeks. Legislation to introduce the 'employee-owner' contract is expected later this year.

Pay, Tax and Benefit Trends

FRANCE: The French government has announced that it intends to introduce next year a 20% social security levy on severance pay below 72,744 euros. This amount is currently exempt from social security charges.

ITALY: A recent EU-wide study by the Italian Federation of Enterprise has evaluated the annual number of company hours spent achieving tax compliance. In 2010, the lowest average time-demands arose in Luxembourg (59 hours), the



Irish Republic (76 hours) and Estonia (81 hours), whilst the highest time demands were in Portugal (298 hours), Italy (285 hours), Slovenia (260 hours) and Slovakia (257 hours).

GERMANY: The regional labour court of Dusseldorf (Germany) has recently permitted social plan provisions awarding less favourable benefits for employees approaching pension age. The clause in question reduced the claimant's redundancy pay because he was entitled to a statutory retirement pension within 48 months of his termination. In the view of the court, this did not violate any EU or domestic age discrimination laws. The case has been admitted for appeal (10 Sa 866/11).

GERMANY: Germany and Taiwan have concluded a double taxation agreement in order to avoid the possibility that citizens from either country will be taxed twice on the same income. The agreement is due to come into effect on January 1st 2013.

GREECE: New statistics from the Greek Finance ministry have revealed that 56% of those registered as self-employed have declared an annual income below the tax-free ceiling of 5,000 euros per year so far this year. The government is to introduce new laws to change the taxation system for the self-employed, with a bill expected before parliament next month. It is anticipated that a progressive system will be adopted with rates varying from between 20% and 35%.

ITALY: From January 1st 2013, marginal personal income tax rates in Italy are set to fall. The rate for those earning up to 15,000 euros in taxable income will fall from 23% to 22% and the band covering the next 13,000 euros will be subject to 26% tax rather than 27%. From July 1st 2013 Italy's two VAT rates will increase from 10% to 11% and 21% to 22% respectively.

NETHERLANDS: The Netherlands central statistics office has reported that wages rose on average during Q3 2012 by 1.7% - the biggest rise since the end of 2009. The largest increases were in the industrial (2.3%) and construction (2.1%) sectors.

PORTUGAL: The Mercer Total Compensation Survey for Portugal has found that this year 26% of companies are freezing remuneration. Pay increases in 2013 are expected to range between 1.18% and 1.46%.

RUSSIA/LATVIA: Russia and Latvia have now both ratified a mutual double taxation agreement. This provides that companies shall only be taxed in their home state, provided that the enterprise conducts business in the host state via a permanent representative office.

SLOVAKIA: The tax exempt value of meal vouchers in Slovakia has increased from 3 to 4 euros per day. Under §152 of the Slovak Labor Code an employer is required to provide employees adequate nutrition in the workplace or in its vicinity. Vouchers represent a cost-effective way for employers to meet this obligation if they do not operate a staff canteen.

Other European HR news in brief

EUROPE: According to the Organisation for Economic Cooperation and Development (OECD) the European countries with the longest average annual working hours are Greece (2032 hours), the Russian Federation (1981 hours), Hungary (1980 hours) and Poland (1937 hours). The lowest average annual hours are in the Netherlands (1379 hours), Germany (1413 hours) and Norway (1426 hours).

GERMANY: The labour court in the German city of Cottbus has recently ruled that an employee voluntarily sacrifices the right to compensatory



time off if they take part in works council activities during their annual leave period (2 CA 147/12).

GERMANY: An increasing number of people of Sinti and Roma origin are taking advantage of visa-free travel rights between Serbia/Montenegro and the European Union to enter Germany and then claim political asylum. This follows a German Federal Constitutional Court ruling in July that substantially increased social security benefits for asylum seekers.

NETHERLANDS: It has now been agreed in principle that a merger will take place between the three biggest Dutch trade unions - Bondgenoten, Abvakabo and Bouw. The unions will in future operate under the name of the trade union federation FNV where they will form into 20 groupings representing different sectors - such as FNV Brandweer (fire service), FNV Veiligheid (security) and FNV Metaal. The old FNV will be abolished on May 15th 2014, when a new federation will operate both as a representative body for different union interests and a union in its own right.

NETHERLANDS: The number of women in the Netherlands holding senior jobs is growing steadily - according to data from the government's 'Charter Talent To The Top Programme'. Their

figures indicate that the total grew from 17.8% in 2010 to 18.5% in 2011. The highest concentrations of women in senior positions are in employers' organisations, trade, hospitality, healthcare and the national civil service.

NETHERLANDS: The Dutch parliament will consider a Bill this Autumn which proposes that mail delivery days will be cut from six to five each week. The day that would be dropped is Monday because it is the least profitable delivery period for PostNL.

POLAND: The Polish Constitutional Tribunal has recently held that employees must be given an additional day off where their scheduled rest day (other than a Sunday) falls on a bank holiday. This is contrary to article 130/21 of the Labour Code which will consequently no longer apply (Ruling of 2 Oct 2012 K27/11).

SWITZERLAND: A new study by the Swiss Federal Social Insurance Office (FSIO) has revealed that more workers have been opting to delay retirement than ever before - citing job satisfaction and flexibility as their primary reasons. Between 2008 and 2011 one third of employees worked beyond the mandatory retirement age.

FedEE news:

Fully revised law programme presentations will shortly be available to FedEE members. These 25-35 minute audio-visual e-learning tools can be used for both personal development and HR teach-ins. Each presentation covers essential statutory rights and requirements in a particular European country. The countries covered so far are France, Germany, the Netherlands, Poland, the Russian Federation, Spain and the United Kingdom. A further update for Italy and revised certification assessments will follow.

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](#).

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