



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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France: Dismissal out of time

The French Supreme Court has found a dismissal invalid because it took place a year after the alleged grounds for dismissal (harassment of a colleague) had occurred. The employer argued that it was not aware of the extent of the employee's misconduct until the investigating Labour court had reached a decision on the victim's claim.

Under the French Labour Code an employer may not initiate disciplinary proceedings more than two months after the date on which they become aware of the facts. In the court's view, once the employer had become aware of the harassment they should have launched a prompt investigation - instead of waiting passively for the Labour court's decision.

Greece: Greek labour market bends to growing economic pressures

The Greek Labour Inspectorate (SEPE) has reported a rapid change in the structure of employment relationships. Over the period from January to May 2011 there were 5.6% fewer employment contracts concluded than during the equivalent period last year. Furthermore, over the

same period there was a 27.7% reduction in full-time employment contracts and an 11% rise in shift-work contracts. There was also a 166% increase in the number of full-time contracts converted into part-time contracts.

Meanwhile, the Greek government is coming under increasing pressure from the IMF and European Union to adopt a more flexible wage policy as a precondition for the release of further loan facilities. The IMF is particularly insistent on the abolition of sectoral wage agreements, something the labour ministry has thus far resisted on the grounds that it would depress wage levels. However, the both funding organisations insist that Greece needs to improve wage competitiveness in order to resume growth and attract investment.

Netherlands: Lower compensation by companies that train staff

The Dutch Christian Democratic party has put forwards a proposal to encourage employers to invest in training. The new Bill imposes a heavier severance compensation payment upon companies that fail to keep a worker's skills up to date.



Currently redundant employees are entitled to compensation linked to their length of service - up to a ceiling of £75,000 or one year's pay. Courts do, however, take into account a number of additional factors when determining severance levels - including training and retraining.

Ukraine: Net pay guarantee underpins pension reform

Ukraine's national parliament has approved a new pensions reform package. This establishes a "three pillar" system consisting of a mandatory state pension, a supplementary state insurance (channelled into the personal accounts) and voluntary private pensions insurance.

The principal implications for employers are:

- × An increase in the pension age for women from 55 to 60 years (achieved over a four-year period), provided that the retiree has paid social insurance contributions for not less than 15 years,
- × A minimum social insurance contribution period to achieve full pension benefits - of 35 years for men and 30 years for women. For each additional year, the pension will be increased by 1%,
- × Several options for women who remain subject to the former pensionable age. They may either retire and receive the pension under the previous system or continue in employment and add an additional 2.5% to their pension for each additional half year worked.

An important guarantee under the revised system is that the current net salary of employees at the date of implementation shall not decrease as a result of any increase to the social insurance premium.

UK: Reform of unfair dismissal rules

The UK government has announced plans to reform unfair dismissal rules.

Under the current proposal, from April 1st 2012

employees will have to work at the same company for at least two years (rather than one year) before becoming eligible to bring an unfair dismissal claim against their employer.

The Chancellor has also announced that the government is planning to introduce fees for bringing cases to employment tribunals - with effect from April 1st 2013. The new fee scale will include extra charges for employees who wish to claim more than £30,000 in compensation.

Pay, Tax and Benefit Trends

FINLAND: Negotiations in Finland's technology industry sector have broken down. This follows the offer by employers of a 1% pay rise this year, followed by 0.9% rise next spring. The focus for talks will now be at an individual company level.

GUERNSEY: The hourly minimum wage on the channel island of Guernsey has risen by 2.5% to £6.15 (7.15 euros) for adult workers and £4.35 (5.06 euros) for workers aged 16-18. Employers providing accommodation with a job may deduct from wages up to £61.50 (71.54 euros) per week and those providing both accommodation and food may deduct £87.13 (101.35 euros) a week.

ITALY: The Italian parliament is discussing new legislation which would allow employee representatives to negotiate company level agreements that derogate from both national collective agreements and statutory provisions. Such agreements would, if approved through a workplace ballot, apply to all employees of the company concerned.

MACEDONIA: The Macedonian government, unions and employers have agreed for the first time to set a statutory minimum wage. The new law is expected to come into force in 2012 and it will set a safety net of 130 euros per month. It is thought that the agreement will increase the incomes of about 65,000 low paid workers.



POLAND: According to a recent report by the HR consulting firm Sedlak & Sedlak the wages of Polish workers employed by foreign companies exceeds that of domestic firms. This gap currently amounts to around 10%.

SWITZERLAND: As the annual pay round gets underway in Switzerland trade unions are demanding 2-3% increases against an employers' probable upper limit of 1.5%. The head of the Swiss Employer's Association, Thomas Daum, has warned that pay rises will vary between sectors - with some exporters being unable to afford any increase in remuneration due to the over-valued franc affecting profit margins.

UK: The UK hourly minimum wage rose on October 1st by 15p to £6.08 (6.98 euros) for adult workers, by 6p to £4.98 (5.71 euros) for 18-20 year-olds, and by 4p to £3.68 (4.22 euros) for 16-17 year-olds. The apprentice rate has also risen by 10p to £2.60 (2.98 euros) an hour.

TURKEY: The Turkish government has reached an agreement with the Confederation of Turkish Labour Unions to increase the salary of public sector workers. There will be an immediate rise of 4%, followed by a further 4% rise at the end of the year.

Other European HR news in brief

IRISH REPUBLIC: The European Commission has proposed the release of 35 million euros from the European Globalisation Fund to assist around 6,000 redundant construction workers across Ireland to get back to work. Those affected were mainly employed by small firms most severely hit by the ongoing economic crisis. The proposal is now before the European Parliament and, if adopted, will then require approval from the Council of Ministers.

ITALY: Fiat, Italy's largest private-sector employer, has confirmed that it will be leaving the

country's powerful employers' association Confindustria at the end of this year. According to Fiat's chief executive, this decision has been made because new labour laws and collective agreements have failed to offer the "operating flexibility" required. From next year the company will not have to adhere to nationally negotiated agreements and will therefore be free to determine new working practices and conditions in all its Italian operations.

NETHERLANDS: Dutch workers who take part in the employer's save-as-you-earn 'spaarlou' scheme will be able to withdraw their entire savings from January 1st 2012. The tax-free savings scheme is being phased out with the government hoping that the early release of the cash will help to boost the economy. Under current rules workers may save up to 613 euros each year tax-free. The savings remain tax-free provided that they are not drawn upon for at least four years.

NETHERLANDS: The Dutch Court of Appeal has recently held that a summary dismissal was invalid because the employer had not properly communicated its reasoning to the employee. The Court confirmed that when assessing whether an employee's conduct justifies summary dismissal, an employer is permitted to take into account the employee's earlier record of conduct. However, this fact must be communicated to the employee at the time of their dismissal.

NETHERLANDS: Sickness absence now costs employers in the Netherlands over 10bn euros a year. Latest statistics - for Q2 2011 - indicate that the highest rates of absence are to be found in public administration (5.1%), education (5.1%), manufacturing (5.1%) and healthcare (5.0%), whilst the lowest rates are in the hospitality sector (2.5%). Absence rates increase with company size - from small (1.9%), medium (3.1%) to large enterprises (4.8%).



MALTA: The European Commission has requested that Malta end discrimination against workers with work experience acquired in another member state. In the Commission's view the Maltese authorities have failed to take previous periods of comparable employment acquired by teachers in another member state into account when they take up posts in Malta's state schools. Should Malta fail to act within two months the Commission will initiate proceedings before the European Court of Justice.

SLOVAKIA: The European Commission has accused the Slovak government of failing to meet its EU treaty obligations through not taking into account a worker's service in another EU member state when calculating social security benefits (including a state pension).

UK: The UK Employment Appeals Tribunal (EAT) has held that an employer's refusal to provide a team of 'lipspeakers' to support a deaf employee's proposed job posting did not constitute direct disability discrimination, or a failure to make reasonable adjustments. Further, it noted that whilst cost is not the deciding factor in determining

whether an adjustment is reasonable, it remains a relevant factor - as no employer's resources are unlimited (*Cordell v Foreign and Commonwealth Office*).

UK: The latest labour market statistics from the UK's Office for National Statistics (ONS) reveal that there were 5.6 unemployed people for every vacancy during May-July 2011. This compares with an equivalent ratio of 2.7 between May and July of 2008 and 2.2 between May and July of 2004. The ONS also reports that companies employing over 2,500 people constantly generate over 40% of the vacancies registered with job centres.

UK: The number of collective employment disputes referred to the UK's Advisory, Conciliation and Arbitration Service (ACAS) increased by 15% between 2009–2010 and 2010–2011. The most common causes of the referred disputes were issues such as bonuses, job evaluation, grading, pensions and leave. Other issues concerned general pay claims, redundancy and trade union recognition.



FedEE News:

FUTURE DEVELOPMENTS:

Within the next month FedEE plans to launch its new website and logo. Members will also be able to download our first 'App' onto an Iphone and attend the premiere of our film "Without Prejudice".

The App makes FedEE's job evaluation and pricing system (JEAPS) (see <http://www.fedee.com/fedmembers/resource/JEAPS/JEAPS.html>) accessible from your mobile. Renamed "Jobsworth" its basic version will cover only the UK and Irish salary markets. However, it also has a facility for two upgrades to cover either a selection or all European countries and territories.

Without Prejudice is a film concerning racial discrimination in the workplace and the way such cases are dealt with at an employment tribunal. It has been made in conjunction with Lincoln University, the UK's Advisory, Conciliation and Arbitration Service (ACAS) and Trade Union Congress (TUC). It marks a new departure for training films as it is made with high production standards, deals sensitively with the human story behind litigation and views like a prime-time TV drama. The film stars Sharena Martineau (RADA, National Theatre and RSC), Simon Slater (Doctors, Casualty, Spooks, the Bill) and Adam Kotz (Last King of Scotland, The Promise, Five Daughters, Silent Witness). The DVD includes a 30-minute filmed discussion between experts from ACAS, the TUC and the law firm Baker & McKenzie as well as full set of trainer's notes.

The premiere of **Without Prejudice** will be at 3pm on Monday, November 7th 2011. It will be shown at the BMA film theatre in London. A number of complimentary tickets are available for FedEE members. Please contact the FedEE office (0207 520 9264 or by email admin@fedee.com) as soon as possible to secure your seat for the first showing of this highly moving film - as places will be strictly limited.

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