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LABOR AND EMPLOYMENT LAW UPDATES FROM AROUND THE GLOBE

Littler

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Geida D. Sanlate, Littler Editor

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CONTENTS

Angola

Angola Ratifies the 2006 Maritime Labor Convention (MLC)

New Legislation Enacted

Authors: Elieser Corte Real, Partner, and Nuno Gouveia, Partner – Miranda Alliance - Fátima Freitas & Associados

By means of Resolution no. 108/24, of September 23, 2024, Angola approved the 2006 Maritime Labor Convention (MLC) for ratification. The MLC marks a significant step for the national maritime sector and is a cornerstone of the global regulatory framework ensuring high standards in maritime transport. By adopting it, Angola reinforces its commitment to safeguarding the rights of maritime employees, particularly in relation to providing safe, fair, and decent working conditions. The adoption also aligns Angola with international best practices regarding the protection of maritime employees.

Australia

Introduction of New "Skills in Demand" Visa

New Legislation Enacted

Authors: Michael Whitbread, Of Counsel, and Naomi Seddon, Shareholder – Littler

Effective December 7, 2024, the Australian Government replaced the Temporary Skills Shortage visa (subclass 482) with a new Skills in Demand visa. This new visa offers more opportunities for individuals to change employers and provides clear pathways to permanent residency. The regime introduces a tiered system with fast-track processing for highly skilled migrants, a "core skills" pathway, and a more restricted "essential skills" pathway. The two-year related work-experience requirement under subclass 482 has also been reduced to one year making it easier for students who study in Australia to transition to a permanent work visa.

Privacy Amendment Bill Passed

New Legislation Enacted

Authors: Michael Whitbread, Of Counsel, and Naomi Seddon, Shareholder – Littler

Australia's Federal Parliament passed the Privacy and Other Legislation Amendment Bill 2024 in November 2024. Our earlier update on the bill as first proposed appears here.

The Bill introduces, among other things, a penalty regime for corporations that fail to have a clearly expressed and up-to-date privacy policy. The Privacy Commissioner will be empowered to issue compliance notices, including civil penalties of up to AUD $66,000 when an organization fails to, among other things: have a compliant privacy policy, allow for anonymity (where practicable and not otherwise prevented by law), honor direct marketing opt-outs, or respond to a request to correct information within 30 days and include any requested correction notice. While most aspects of the new law will commence once the law receives Royal Assent over the next several weeks, transparency requirements regarding automated decision-making will begin 24 months after the new law takes effect.

Employers should take steps now to proactively review existing privacy policies to ensure compliance.

High Court of Australia Clarifies Scope of Vicarious Liability

Precedential Decision by Judiciary or Regulatory Agency

Authors: Michael Whitbread, Of Counsel, and Naomi Seddon, Shareholder – Littler

The High Court in Australia considered the issue of an employer's vicarious liability for the acts of employees in *Bird v. DP (A Pseudonym)* [2024] HCA 4. The case involved acts of a priest, which the High Court found could not result in vicarious liability of the Diocese as the priest was not an employee of the Diocese, holding that vicarious liability is confined to employment relationships only. The High Court also declined to consider a new contention that the Diocese owed a non-delegable duty of care, as the claimant had not raised this contention in earlier proceedings.

Gender Equality Targets in Proposed Amendment to the Workplace Gender Equality Act

Proposed Bill or Initiative

Authors: Michael Whitbread, Of Counsel, and Naomi Seddon, Shareholder – Littler

Federal Minister for Women, the Hon. Katy Gallagher, has proposed an amendment to the Workplace Gender Equality Act that would require employers with at least 500 employees to set, act upon, and achieve defined gender equality targets. Gender equality reporting has been in place for employers with 100 or more employees since 2012 but, to date, there have been no target requirements imposed on employers. If passed, this amendment would place additional obligations on certain employers to achieve set targets.

The proposal would require the Federal Minister to set the targets and applicable rules, covering classes of targets, numbers of targets of a specified class, and/or required levels of improvement against a specific target. The government would also be permitted to publicly name any employer that fails to meet its targets, potentially leading to reputational damage and affecting the company's ability to secure government contracts.

Criminal Wage Theft Provisions Began January 1, 2025

Legal Compliance

Authors: Michael Whitbread, Of Counsel, and Naomi Seddon, Shareholder – Littler

As previously reported, as of January 1, 2025, the criminalization of serious violations of wage theft laws went into effect. In addition to existing exposure to civil penalties, an employer that intentionally engages in conduct which results in a failure to pay an amount required under the Fair Work Act, such as accrued annual leave, may be subject to criminal liability. Individual executives, such as company directors or partners in a partnership, can be subject to a fine of up to AUD $1,650,000, or a term of imprisonment of up to 10 years for serious violations. Corporate employers can be fined up to AUD $8,250,000. These new criminal penalties will not apply if the conduct is accidental, unintentional, or based on a genuine mistake.

Austria

Federal Ministry of Labor and Economic Affairs Statement on Training and Education Costs to be Paid by the Employer

New Regulation or Official Guidance

Authors: Patricia Dasch, Associate, and Armin Popp, Attorney-at-Law – Littler Austria

In March 2024, a new provision of Section 11b AVRAG (Employment Contract Adjustment Act) went into effect requiring employers to pay the costs of employee training and education required for work under the employment contract due to statutory provisions or regulations, or the applicable collective bargaining agreement.

In a recently published statement, the Federal Ministry of Labor and Economic Affairs summarized its view on the interpretation of this provision. According to the statement, the new regulation is only applicable in cases where the training is essential for the performance of work under the employment contract and there are specific legal consequences for its omission, such as additional mandatory training requirements for chartered accountants. The new regulation excludes, in particular, training courses for the general expansion of knowledge, or to acquire professional training or additional qualifications for a future or any other potential job. Furthermore, the employer's obligation to pay for training does not preclude reimbursement of training costs by the employee upon termination of the employment relationship.

Calculation of the Notice Period in the Event of a Change in Seniority During the Termination Period

Legal Compliance

Authors: Patricia Dasch, Associate, and Armin Popp, Attorney-at-Law – Littler Austria

The notice periods to be observed are generally dependent on length of service and increase gradually with the completion of years of service in accordance with Section 20 of the Austrian Salaried Employees Act (AngG). The right to a longer notice period due to a longer period of service only applies if the employee has already completed the requisite years of service by the latest possible date to give notice of the intended termination date. This is not based on the date of the declaration of termination, but on the last possible date of termination. If the employee has already completed the relevant year of service, the longer notice period must be observed.

Belgium

Federal Learning Account Obligations Postponed

New Legislation Enacted

Author: Yne Machiels, Partner – Reliance | Littler

In the framework of the so-called Labor Deal, implemented at the end of 2022, new legislation required employers to register employee training in an online platform created by the Belgian government, the Federal Learning Account (FLA). For training after January 1, 2024, registration was initially scheduled to be due by the end of November 2024.

However, following the social elections and the changed political landscape, the political parties agreed to postpone the obligation to register training in the FLA until the end of March 2025. A total abolishment of this obligation is still possible, depending on the outcome of the ongoing negotiations between the political parties to form a new government.

Brazil

New Law Provides for the Inclusion of People with Autism in the Job Market

New Legislation Enacted

Authors: Marília Nascimento Minicucci, Shareholder, and Pâmela Almeida da Silva Gordo, Senior Associate – Chiode Minicucci Advogados

On October 4, 2024, Law No. 14,992/2024 went into effect, amending Law No. 13,667/2018 (the National Employment System (SINE) law) to establish measures regarding the inclusion of people with Autism Spectrum Disorder (ASD) in the job market. Among the measures, new provisions require the integration of the National Registration System for People with Autism Spectrum Disorder (referred to as SisTEA) database into the SINE to capture job vacancies and apprenticeship contracts. In addition, municipalities that join the SINE must promote initiatives for the inclusion of people with disabilities in the job market, including holding job fairs and raising awareness among employers about hiring people with disabilities.

List of Occupational Diseases Has Been Updated

New Regulation or Official Guidance

Authors: Marília Nascimento Minicucci, Shareholder, and Pâmela Almeida da Silva Gordo, Senior Associate – Chiode Minicucci Advogados

On November 5, 2024, the Ministry of Health enacted Ordinance No. 5674/2024, which updates the list of occupational diseases and serves as guidance for the implementation of monitoring and preventive measures by employers, aimed at promoting a safer work environment for employees. Among other things, the ordinance details the risks associated with factors such as exposure to toxic substances, high sound pressure, and work with ionizing radiation. It also adds diseases and details work-related risk factors.

Canada

Ontario Bill 190, Working for Workers Five Act, 2024 Receives Royal Assent

New Legislation Enacted

Authors: Rhonda B. Levy, Knowledge Management Counsel, and Monty Verlint, Partner – Littler LLP

On October 28, 2024, Ontario's Bill 190, Working for Workers Five Act, 2024 (Bill 190), received Royal Assent. Among other things, Bill 190 amends the Employment Standards Act, 2000, Occupational Health and Safety Act, and the Workplace Safety and Insurance Act, 1997. The amendments address sick leave, fines, advertised job postings, applicant interviews, telework performed in private residences, workplace harassment, joint health and safety committees, washroom facilities, postings of employee information, post-traumatic stress disorder (PTSD) benefits, among other areas.

For detailed information, visit Littler.com.

Ontario Appellate Court Provides Guidance to Employers on Drafting Employment Settlement Documents

Precedential Decision by Judiciary or Regulatory Agency

Authors: Rhonda B. Levy, Knowledge Management Counsel, and Monty Verlint, Partner – Littler LLP

In Preston v. Cervus Equipment Corporation, 2024 ONCA 804, the Court of Appeal for Ontario (OCA) found that Minutes of Settlement and a Release and Indemnity executed by an employee after he was terminated from his employment prevented him from suing for the value of his vested stock units. The case demonstrates how employers that settle wrongful dismissal claims can ensure that settlement documents release them from all possible claims arising from the employment relationship and its cessation.

For detailed information, visit Littler.com.

Ontario Court Upholds Provision Limiting Employee's Termination Rights to Minimums Under Employment Standards Legislation

Precedential Decision by Judiciary or Regulatory Agency

Authors: Rhonda B. Levy, Knowledge Management Counsel, and Monty Verlint, Partner – Littler LLP

In *Bertsch v. Datastealth Inc.*, 2024 ONSC 5593, the Ontario Superior Court of Justice dismissed an employee's claim for common law reasonable notice of termination on a Rule 21 motion. The court held this was an appropriate case for a Rule 21 motion and that the termination provision, which excluded the employee's entitlement to common law notice and limited his entitlement to the minimums under the Ontario Employment Standards Act, 2000, was clear and enforceable.

For detailed information, visit Littler.com.

Ontario, Canada Government Introduces Bill 229 - Working for Workers Six Act, 2024

Proposed Bill or Initiative

Authors: Rhonda B. Levy, Knowledge Management Counsel, and Monty Verlint, Partner – Littler LLP

On November 27, 2024, Ontario introduced Bill 229, Working for Workers Six Act, 2024 (Bill 229) for First Reading. If enacted, Bill 229 would amend the following:

- The Employment Standards Act, 2000 to add an unpaid child placement leave and an unpaid long-term illness leave for eligible employees;
- The Occupational Health and Safety Act, including by setting a minimum fine of CAD $500,000 for corporations convicted of a second or subsequent offense that results in the death or serious injury of one or more workers in a two-year period; and
- The Workplace Safety and Insurance Act, 1997, including by adding specific cancers to the diseases presumed to be occupational diseases that occur due to the nature of a worker's employment as a firefighter or fire investigator.

For detailed information, visit Littler.com.

China

China Extends National Public Holidays by Two Days Starting 2025

New Regulation or Official Guidance

Authors: Xi (Grace) Yang, Of Counsel, and Jerry Zhang, Associate – Littler

Starting January 1, 2025, China will extend its public holidays by two days annually, following revisions to the National Holidays and Memorial Days Regulations. The Spring Festival holiday will increase to eight days, beginning from Lunar New Year's Eve, while Labor Day will expand to five days, including make-up working days. Other holidays, such as the Qingming Festival, Dragon Boat Festival, Mid-Autumn Festival, and New Year's Day, generally range from one to three days, depending on the calendar. When National Day overlaps with the Mid-Autumn Festival, the holiday will extend to eight days.

Colombia

New Pension Reform Decree Enacted

New Order or Decree

Author: Juan José Cataño, Attorney-at-Law – Godoy Córdoba | Littler

A pension reform decree, which will take effect on July 1, 2025, introduced a new comprehensive social protection system for old age, disability, and death of common origin. The system makes a number of changes to the pension system, including the creation of a complementary individual savings component that will allow individuals to directly manage their retirement contributions.

The regulation specifies that certain workers whose income exceeds 2.3 times the minimum monthly wages (SMLMV) will be required to contribute a portion of their pension to Colpensiones, and the remainder may be contributed to a private savings institution, which they must choose within six months of the enactment of the law. This step is mandatory to ensure workers can access the benefits of the new pension system. A random assignment of a pension selection may be made for those who do not make their selection within the established timeframe.

Constitutional Court Publishes Ruling Regarding Collective Agreements

Precedential Decision by Judiciary or Regulatory Agency

Author: Juan José Cataño, Attorney-at-Law – Godoy Córdoba | Littler

The Constitutional Court declared Article 481 of the Colombian Labor Code, which allows collective bargaining with non-union employees, constitutional. The plaintiffs in the case claimed Article 481 violated Article 4 of ILO Convention 98 and Articles 2 and 3 of ILO Convention 154 because it allows the signing of collective agreements with non-unionized workers, sometimes harming unions when they represent less than one-third of a company's workers. The high court clarified that collective bargaining is not exclusive to unions and stated that, according to its case law, collective agreements signed with representatives of non-unionized workers fall within the framework of the right to collective bargaining. The court reiterated that the signing of collective agreements, in itself, does not violate the right of union association.

Supreme Court Upholds Dismissal for Sexual Harassment, Rejects Disability Claim

Precedential Decision by Judiciary or Regulatory Agency

Author: Juan José Cataño, Attorney-at-Law – Godoy Córdoba | Littler

The Supreme Court of Justice denied the appeal of a worker who challenged his dismissal, with just cause, for sexual harassment of a co-worker, claiming he was protected by his disability status. Noting that sexual harassment is a serious offense that undermines dignity and the work environment, the Court held that the employer was not required to seek permission from the Ministry of Labor to terminate the employment contract. There was no proof of a causal relationship between the worker's disability and the employer's decision to dismiss him, which was not a discriminatory act. The Court relied on international and national standards that prohibit violence and harassment in the workplace and require employers to adopt measures to prevent, investigate, and sanction such conduct.

Labor Reform is Approved by the House of Representatives

Proposed Bill or Initiative

Author: Juan José Cataño, Attorney-at-Law – Godoy Córdoba | Littler

The plenary of the House of Representatives approved the labor reform bill promoted by the government, and the proposal will now move to the Senate for its final two debates. In addition to provisions related to the promotion of sustainable work and marriage leave, notable new articles that have been incorporated into the bill include the following provisions:

- Night work, which qualifies for overtime, starts from 7 p.m. rather than 9 p.m.;
- Maximum worktime is eight hours per day or 42 hours per week;
- Employees are entitled to time off for medical appointments, school visits, and funerals; and
- Overtime is required for work on an employee's day of rest.

Croatia

Increase of Minimum Wage for 2025

New Order or Decree

Authors: Marija Gregoric, Partner, and Matija Skender, Senior Associate – Babic & Partners Law Firm

As of January 1, 2025, the basic national full-time minimum wage in Croatia is EUR 970, as provided by the Croatian government's Decree on the Minimum Wage Amount for 2025. The new national minimum wage is 15% higher than the minimum wage for 2024. Wage increases for overtime work, night work, difficult working conditions, work on Sundays, and work on bank holidays are not included in the amount of the minimum wage and, when applicable, must be calculated in addition to the minimum wage.

Regulation on Determination of Quotas for Hiring of Disabled Persons

New Regulation or Official Guidance

Authors: Marija Gregoric, Partner, and Matija Skender, Senior Associate – Babic & Partners Law Firm

Under Croatian law, employers with at least 20 employees must comply with regulations concerning quotas for hiring persons with disabilities. Qualifying employers are required to fulfill this obligation through one of the following: (1) direct employment, i.e., employing a specified number of persons with disabilities, calculated as a percentage of the total workforce; (2) business cooperation agreements, i.e., entering into agreements with self-employed persons with disabilities or with protective or integrative workshops; or (3) compensation payment, i.e., paying a prescribed monetary amount for failure to meet the prescribed quota.

The Regulation on the Determination of Quotas for Hiring Persons with Disabilities, recently enacted by the Ministry of Labor, sets a uniform hiring quota of 3% of the total workforce, regardless of the employer's industry. Employers that opt not to meet the hiring quota through direct employment, may either pay to the Croatian government an amount equal to at least 20% of the prescribed minimum wage for each position required under the quota, or conclude business cooperation agreements with a minimum value of 20% of the prescribed minimum wage per position required under the quota. The regulation also introduces monetary incentives for employers that hire persons with disabilities beyond the prescribed quota, encouraging more inclusive employment practices.

Employers are advised to review the regulation carefully and assess their workforce policies to ensure compliance, as well as to take advantage of potential incentives.

Draft Amendments to the Maternity and Parental Benefits Act

Proposed Bill or Initiative

Authors: Marija Gregoric, Partner, and Matija Skender, Senior Associate – Babic & Partners Law Firm

In late December 2024, the Croatian Ministry of Demography and Immigration submitted draft amendments to the Maternity and Parental Benefits Act (MPB Act) for public consultation. The primary goal of the MPB Act is to create a supportive environment for families and children, with particular emphasis on creating a sustainable work-life balance, enhancing the position of mothers in the labor market, and encouraging fathers to be more engaged in the early stages of child-rearing.

The draft amendments include the following notable proposed changes:

- Doubling the one-time financial support for a newborn child to approximately EUR 600;
- Increasing the monthly salary compensation cap during the first part of parental leave for employed and self-employed parents up to approximately EUR 3,000;
- Increasing compensation for unemployed beneficiaries and beneficiaries outside the labor system (unemployed mothers);
- Increasing benefits for parents of children with disabilities; and
- Doubling the duration of paid paternity leave and second adoptive parent leave to 20 (for the first and second child) or 30 working days (for twins, and a third and any subsequent child).

Collective Agreement for Trade

Legal Compliance

Authors: Marija Gregoric, Partner, and Matija Skender, Senior Associate – Babic & Partners Law Firm

On September 25, 2024, the Croatian Trade Union and the Croatian Employers' Association – Trade Association concluded a Collective Agreement (CA) for the trade sector. On October 30, 2024, under the authority provided in the Employment Act, the Minister of Labor extended the application of the CA to almost all employers in the retail/wholesale sector, effective as of November 1, 2024. The CA is expected to apply until November 1, 2027. At this point in time, there is still ambiguity as to whether the CA applies only to employers with retail/wholesale as their main registered activity, or to any employer engaged in such activities.

The CA applies to all employees, regardless of contract type (e.g., fixed-term, permanent, full-time, or part-time). It introduces enhanced employee rights, including higher minimum salaries based on job complexity, mandatory financial subsidies, mandatory annual gifts and jubilee awards, retirement severance pay, mandatory seniority-based extension of annual leave duration, minimum durations of paid and unpaid leave, etc. Under the core principle of Croatian employment law, employees benefit from the more favorable terms set in the CA even if their existing rights under employment contracts and employment rulebooks fall below the standards set in the CA.

Employers in the retail/wholesale sectors are advised to undertake an assessment of their internal employment landscape and potentially reconsider and restructure their compensation schemes to ensure compliance and avoid employment disputes.

Czech Republic

Changes in Labor Code and Taxation of Work Performance Agreements in Czechia

New Legislation Enacted

Authors: Tomáš Procházka, Partner and Head of Employment, and Kateřina Demová, Attorney-at-Law – Aegis Law

The so-called flexible amendment to the Labor Code, which proposes changes to notice periods for termination, probationary periods, fixed-term employment, parental employment conditions, wage delivery, and average earnings calculations, is expected to take effect on April 1, 2025.

The proposed changes to work performance agreements, which would have introduced higher insurance limits, have been cancelled. However, the existing tax benefits for all work performance agreements will remain in place starting January 1, 2025, with the threshold increasing to CZK 11,500. Reporting obligations for such agreements, introduced in July 2024, will continue.

Denmark

Bill Passed to Strengthen Initiatives Against Illegal Labor

New Legislation Enacted

Author: Bo Enevold Uhrenfeldt, Partner – Littler Denmark

On November 28, 2024, the Danish Parliament adopted a bill that strengthens legal protections against the use of illegal labor and prohibits hiring foreign workers without the necessary residence and work permit (or in breach of the permit) for lower wages and under unacceptable conditions.

The bill provides that, as of January 1, 2025, the Danish Agency for International Recruitment and Integration, in connection with its own ongoing inspections of companies, may request identification from company employees. The bill also requires that foreign service providers ensure that each person employed by the company can present valid identification to the Danish Working Environment Authority. Failure to do so may result in a fine. Effective January 1, 2026, foreign service providers must also upload a copy of the service agreement, as well as employment contracts and residence and work permits, when reporting the employment of foreign nationals to the Register of Foreign Service Providers (RUT).

Supreme Court Ruling on the Scope of an Employer's Duty to Accommodate

Precedential Decision by Judiciary or Regulatory Agency

Author: Bo Enevold Uhrenfeldt, Partner – Littler Denmark

On December 3, 2024, the Danish Supreme Court issued a ruling on the scope of the employer's obligation to reassign employees with disabilities as part of the duty to accommodate under Section 2a of the Danish Anti-Discrimination Act.

The ruling establishes that, before dismissing a disabled employee, the employer is required to consider whether the employee can be transferred to another vacant position within the company for which the employee is qualified, suitable, and available, and that does not impose an unreasonable burden on the employer. Relevant positions may include work of a different nature than the work previously performed by the employee as well as positions in a different part of the company.

Denmark is Complying with the Directive on Minimum Wages in the European Union

Legal Compliance

Author: Bo Enevold Uhrenfeldt, Partner – Littler Denmark

In October 2022, the EU Directive on minimum wages was adopted with required compliance by November 15, 2024. On January 18, 2023, the Danish government filed a claim against the European Parliament and the Council seeking annulment of the Directive.

On November 14, 2024, the Danish Ministry of Employment and its Implementation Committee published an assessment of the Directive and its implementation under Danish law. The assessment concluded that Denmark already complies with the EU Directive and that the Directive therefore has no impact on the rules in Denmark. However, the assessment stated that the Danish Ministry of Employment must comply with certain formal requirements, including submitting data and information to the European Commission every two years, with details on the coverage of collective bargaining agreements and the minimum wage rates.

Denmark is still waiting for the European Court of Justice to rule on the requested annulment of the EU Directive on minimum wages. The decision is expected in the first half of 2025.

Egypt

Establishment of the Supreme Council for Social Dialogue in Labor

New Order or Decree

Authors: Alia Monieb, Partner and Head of Employment, and Nada Khaled, Associate – Adsero - Ragy Soliman and Partners

On September 25, 2024, the Egyptian Cabinet approved the establishment of the Supreme Council for Social Dialogue in Labor. The primary objectives of the Council are to formulate national policies, cultivate a conducive work environment that promotes consultation, collaboration, and exchange of information among relevant parties, and provide input on proposed legislation pertaining to labor issues.

The Council will be chaired by the Ministry of Labor and will include representatives from other ministries, employers, and trade organizations. In addition, the Council's sessions are to be attended by representatives from the National Council for Women, National Council for Persons with Disabilities, National Council for Motherhood and Childhood, National Council for Human Rights, and National Council for Wages.

New Social Insurance Salary for 2025

New Regulation or Official Guidance

Authors: Alia Monieb, Partner and Head of Employment, and Nada Khaled, Associate – Adsero - Ragy Soliman and Partners

On December 3, 2024, the Social Insurance Authority (the SIA) issued an important publication reminding employers to submit the updated social insurance Form No. (2), effective January 1, 2025, to avoid any potential penalties under the applicable regulations. In addition to salary adjustments, the SIA introduced a new reporting obligation for employers with more than 100 insured employees. These employers are now required to submit a spreadsheet with specific data for each socially insured employee. This data must be uploaded onto a CD or flash drive and submitted along with the updated Form No. (2).

On December 22, 2024, the SIA issued another notice outlining the new social insurance salary limits for 2025. The new minimum salary is set at EGP 2,300, while the maximum salary is EGP 14,500.

Updates to the New Draft Labor Law

Proposed Bill or Initiative

Authors: Alia Monieb, Partner and Head of Employment, and Nada Khaled, Associate – Adsero - Ragy Soliman and Partners

The Egyptian government is actively working to finalize the draft of a new labor law (the Draft Law) to replace the current Labor Law No. 12 of 2003, which has been under discussion in Parliament for several years.

The latest draft, currently being presented and reviewed by the Prime Minister, includes suggested revisions following several discussions within the Parliament over the past months. The Draft Law introduces several revisions to key provisions of the Labor Law, particularly pertaining to maternity and childcare leaves, approval and withdrawal of resignations, and annual leave of disabled employees. In addition, the Draft Law introduces new provisions to combat workplace harassment, restrictions on child labor consistent with the ILO Convention No. 182 of 1999, and new non-traditional work arrangements, such as remote work, digital platform work, part-time jobs, flexible hours, and job sharing.

Finland

Legislation to Facilitate Local Bargaining Approved by President

New Legislation Enacted

Authors: Samuel Kääriäinen, Partner, and Severi Nordlund, Associate – Dottir Attorneys Ltd

On December 19, 2024, the President approved amendments to legislation to enhance local bargaining opportunities, effective January 1, 2025. The amendments include provisions allowing company-level collective agreements to deviate from labor laws, even in non-unionized workplaces or where no shop steward is elected. The amendments also eliminate restrictions on local bargaining under universally binding collective agreements and introduce oversight measures, such as requiring agreements to be submitted to labor protection authorities, with penalties for non-compliance. Worker representation in bargaining must reflect employee interests, preventing the use of "yellow contracts" where representation is nominal or employer influenced. Additionally, the amendments provide for trust representatives to act as bargaining counterparts when no shop steward is elected, and mandate employer support to improve their bargaining readiness.

Supreme Court Decides Employer Discriminated Against Hearing-Impaired Employee by Terminating Contract During Probationary Period

Precedential Decision by Judiciary or Regulatory Agency

Authors: Samuel Kääriäinen, Partner, and Severi Nordlund, Associate – Dottir Attorneys Ltd

The Supreme Court ruled that an employer acted discriminatorily by terminating an employee with a hearing impairment during the probationary period without exploring reasonable accommodations. The employer argued that the termination was due to the employee allegedly concealing his hearing impairment, leading to a loss of trust. However, the court emphasized that the employer should have assessed whether adjustments could have been made to enable the employee to perform his duties, before ending the employment. As a result, the Supreme Court ordered the employer to pay compensation under the Employment Contracts Act for the unjustified termination of the employment contract, as well as additional compensation for discrimination under the Non-Discrimination Act.

Supreme Court Rules Employer Breached Equal Treatment Obligation by Paying New Hires Less Than Transferred Employees

Precedential Decision by Judiciary or Regulatory Agency

Authors: Samuel Kääriäinen, Partner, and Severi Nordlund, Associate – Dottir Attorneys Ltd

The Supreme Court addressed the equal treatment of employees in a case in which a company became part of a group through a share acquisition. After the acquisition, the company hired two new employees and paid them lower salaries than employees who had transferred to the company as part of the acquisition, with their terms of employment remaining unchanged. The new employees' salaries aligned with the wages typically paid within the group for similar work. The Court ruled that equal pay must be assessed at the employer level, not at the group level, and found no valid justification for paying the new employees less than the transferred employees for the same or equivalent work. The company was deemed to have violated the principle of equal treatment under the Employment Contracts Act.

Supreme Court Rules Employer Not Obligated to Compensate Employees for Pension Cuts Resulting from Legislative Changes

Precedential Decision by Judiciary or Regulatory Agency

Authors: Samuel Kääriäinen, Partner, and Severi Nordlund, Associate – Dottir Attorneys Ltd

In 1995, a state enterprise was incorporated, and a pension fund was established to manage both statutory and supplementary pensions for employees. Legislative reforms in 2017 introduced a higher retirement age and reductions for early retirement, leading to corresponding amendments in the pension fund's rules, without compensating employees for pension cuts caused by the legislative reforms. Although supplementary pension benefits outlined in the incorporation agreement had been applied consistently for 22 years, the Supreme Court ruled that the agreement did not guarantee a fixed overall pension level unaffected by legislative changes. Consequently, the employer was not obligated to compensate employees for the pension cuts resulting from these legislative changes.

Government's Proposed Amendments to the Co-operation Act Aim to Reduce Administrative Burden on Small Businesses

Proposed Bill or Initiative

Authors: Samuel Kääriäinen, Partner, and Severi Nordlund, Associate – Dottir Attorneys Ltd

The Finnish government has proposed amendments to the Co-operation Act to reduce administrative burden on small businesses. The changes would raise the law's applicability threshold from companies with 20 regular employees to companies with 50 regular employees while retaining certain obligations for companies with 20–49 employees. For these smaller companies, the obligation of continuous dialogue between the employer and employees would remain but with significantly reduced procedural requirements. The proposal also aims to shorten the duration of change negotiations to streamline processes. If adopted, the amendments would take effect on July 1, 2025.

France

French Supreme Court Rules Private Emails Cannot Be Used as Evidence for Dismissal

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

According to articles 8 of the Convention for the Protection of Human Rights, 9 of the Civil Code and L. 1121-1 of the Labor Code, an employee is entitled to privacy at work, including privacy of personal correspondence. An employer cannot use the content of personal messages sent and received by an employee on a workplace computer to penalize the employee without violating this fundamental right. In the case before the French Supreme Court, an employee was dismissed in part because of comments made during a private conversation with three individuals using the business messaging system on the company computer. In its decision, the Supreme Court stated that a reason drawn from the personal life of an employee cannot justify a disciplinary dismissal, unless it constitutes a breach of an obligation in the employment contract. Accordingly, the Court held that the dismissal was null and void.

Court Rules on Limitation Period for Claims Resulting from a Non-Compete Clause

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

According to the French Supreme Court, the damage caused by an unlawful non-competition or non-solicitation clause, which is analyzed as a non-compete clause, does not occur until it is implemented, and the limitations period for an action for damages caused by an unlawful non-compete begins to run at that time. As such, the limitation period for an action for failure to pay the financial consideration for the non-compete begins on the date on which the consideration became payable.

A Bonus Paid Without Any Requirement Can Become Part of an Employee's Contractual Package, According to French Supreme Court

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

In a case that wound its way through the French courts, an employee was paid a seniority bonus for 20 years. When the employer suddenly stopped paying the bonus, the employee filed a claim for payment. The Court of Appeal rejected the employee's claim, ruling that the employee did not meet the conditions for payment of the bonus. The bonus received by the employee was neither an acquired right nor a custom, but an error on the part of the employer. The court therefore ruled that the employer was entitled to cancel the bonus.

The French Supreme Court overruled the Court of Appeal finding that the systematic receipt of the seniority bonus, which was paid irrespective of any contractual conditions governing its award, had become an element of the employee's contractual compensation, which the employer could not cancel without the employee's agreement.

French Supreme Court Upholds Dismissal for Abuse of the Freedom of Speech

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

An employee performing the role of advisor to the chairman was dismissed for misconduct, notably for having insulted the company and its managers by text messages sent on his work cell phone. He filed a claim challenging his dismissal. The Court of Appeal ruled that the employee had abused his freedom of expression, justifying his dismissal.

The French Supreme Court upheld the decision. Employees enjoy freedom of expression both inside and outside the company, the court stated, except in the case of abuse from insulting, defamatory, or excessive comments. In this case, the employee had referred to a member of the company by a denigrating name. In addition, he made fun of the name of the director. The Court ruled that the employee had abused his freedom of expression, and it was irrelevant that his comments had been broadcast in a restricted manner.

Court Decision on Senior Executive and Working Time

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

According to article L. 3111–2 of the Labor Code, senior executives *(cadre dirigeant)* have a great deal of independence in the organization of their schedules, are empowered to make decisions in a largely autonomous manner, and are compensated at the highest levels in establishment. Only executives involved in the management of the company fall into this category.

The Court of Appeal in this case dismissed an employee's claim for overtime, finding the employer hired the employee as a senior executive, ineligible for overtime. In accordance with the employee's employment contract, the employee had been hired as a senior manager, received the highest salary from the establishment. The regional director delegated to him responsibility for organizing the implementation of the store's economic, advertising and information policy, and he had the right to hire and recruit staff, and complete autonomy in organizing his own time. However, the French Supreme Court held that the Court of Appeal did not ascertain whether, in the exercise of his functions, the employee participated in the management of the company, and therefore its decision lacked a legal basis.

French Administrative Supreme Court Evaluates Requirement to Accommodate a Protected Employee

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

This case involved an employer's application to the Labor Inspectorate for authorization to dismiss a protected employee. The inspectorate denied the application and the employer appealed to the Minister of Labor, who rejected the appeal. The employer then appealed to the Administrative Court, which granted the request finding the employer had demonstrated the employee's professional inadequacy, and annulling the decision by the Minister of Labor.

The French administrative supreme court (*Conseil d'état*) overturned the ruling. It stated that the employer was required to ensure the employee's adaptation to his job, if necessary, by assigning him with other tasks likely to be better suited to his professional abilities. It noted that the lower court had not investigated whether the employer had complied with this obligation and therefore ruled that the appeal judgment should be set aside.

Germany

The Fourth Bureaucracy Reduction Act Simplifies HR Processes and Reduces Outdated Paperwork

New Legislation Enacted

Author: Carolin Hartmann, Senior Associate – Littler Germany

On October 29, 2024, the Fourth Bureaucracy Reduction Act (BEG IV) was announced. The most relevant change concerns the Evidence Act (NachwG), which requires employers to provide information on essential terms and conditions of employment, such as compensation, place of work, and holidays. Effective January 1, 2025, it is no longer necessary to provide employees with a wet ink signed document containing this information. Instead, the information can be provided digitally, subject to some requirements as well as some exceptions.

Additional provisions, also effective January 1, 2025, include a waiver of form requirements for clauses containing a condition precedent that the employment relationship will end without termination notice on reaching the statutory retirement age. In addition, agreements on the transfer of staff between temporary employment agencies and employers as well as applications for caregiver leave may be submitted by email, and reference letters may be provided in electronic form (QES) with the employee's consent. As of May 1, 2025, applications for parental leave, part-time work during parental leave, and employer rejections of part-time work applications may be issued and submitted by email.

Headsets for Employee Communication Require Approval of the Works Council

Precedential Decision by Judiciary or Regulatory Agency

Author: Dr. Stefanie Reiche, Counsel – Littler Germany

According to a Federal Labor Court decision (*Bundesarbeitsgericht*, decision of July 16, 2024, Ref. 1 ABR 16/23) published in November 2024, a clothing retailer needed the approval of the Works Council (WC) to introduce a headset system for employee communication.

When a WC is elected, so-called social matters defined in Sec. 87 German Works Constitution Act (BetrVG) are subject to the WC's consent. Social matters include, among other things, the introduction of technical devices capable of monitoring employee behavior or performance (optical, mechanical, electronic), regardless of the employer's intent.

In this case, the employer had reached an agreement with the General WC, at the company level, to introduce headsets for internal communication in the stores. In the system used by the company, all employees in a store form a "conference" and the conversations are not recorded nor is the person who uses the headset identified. The court held that this headset system is subject to co-determination by the WC. Even if the devices are not assigned to a specific employee, the court found the store managers can listen in on the conversations at any time and may recognize the voices, which puts employees under constant pressure of surveillance.

WC consent applies to all IT systems that log user data. Since discussions with the WC on this issue are often quite complex, we recommend concluding an IT framework agreement.

Federal Labor Court Mandates Equal Overtime Pay Rules for Part-Time and Full-Time Employees

Precedential Decision by Judiciary or Regulatory Agency

Author: Lucas Gropengiesser, Associate – Littler Germany

In Germany, approximately 30% of employees work part-time, underscoring the importance of a recent decision by the Federal Labor Court (decision dated December 5, 2024, Ref. No. 8 AZR 370/20), which ruled that part-time employees must be treated the same as full-time employees with regard to overtime pay. This decision, which was initially issued in the context of a union collective bargaining agreement, also has implications for individual contracts and company-level agreements. The court ruled that part-time workers can no longer be denied overtime pay until their hours exceed those of full-time workers, as this was considered discriminatory.

Overtime policies must now apply equally to all employees, regardless of the number of hours worked, and any differences in treatment must be clearly justified. Employers should review and update existing agreements to ensure compliance with the new ruling, particularly in companies with many part-time employees.

Federal Labor Court to Rule on Prerequisites for Terminating Employees with Disabilities During Probation

Precedential Decision by Judiciary or Regulatory Agency

Author: Philipp Schulte, Senior Associate – Littler Germany

German employers generally face uncertainty when terminating the employment of disabled employees during their probationary period. Both the Cologne Labor Court (judgment confirmed by the appellate court Higher Regional Labor of Cologne, decision dated September 12, 2024 (Ref No. 6 SLa 76/24) and the Freiburg Labor Court (appeal pending) have ruled that employers are required to conduct a so-called "prevention procedure" (*Präventionsverfahren*) prior to terminating employees with a disability. This requires involvement of external parties to assess whether any measures can be taken to accommodate employees' disability to prevent termination of employment.

However, the Higher Regional Labor Court of Thueringen issued a dissenting judgement (decision dated June 4, 2024 – Ref No. 1 Sa 201/23) effectively confirming established case law that there are no such formal requirements during the probationary period. Consequently, both decisions of the appellate courts have now been re-appealed and accepted for decision by the Federal Labor Court (Cologne: October 28, 2024 - Ref No. 2 AZR 271/24; Thueringen: November 4, 2024 - Ref No. 2 AZR 178/24).

A decision by the Federal Labor Court is expected to be issued in mid-2025. Until then, employers are well-advised to consult with legal counsel before terminating employment of a disabled employee during the employee's probation period.

New Draft of a German Employee Data Act

Proposed Bill or Initiative

Authors: Christina Stogov, Senior Associate, and Rajko Herrmann, Partner – Littler Germany

On October 8, 2024, the German government unveiled a new draft of an employee data protection law, influenced by the ECJ ruling in Case C-34/21. While the draft seeks to clarify legal standards for employers and employees, political uncertainty, and upcoming elections in 2025 make its enactment unlikely in its current form. The proposed law introduces stricter information obligations for employers especially if AI is used in the workplace and expands employee rights for information and co-determination rights of the work councils. It also includes a controversial ban on using evidence in employment disputes and addresses data processing during recruitment, as well as group-wide data sharing between affiliated companies. A revised version of the law is expected in 2025-2026 to modernize employee data protection.

Hungary

Employees Entitled to Paid Election Leave

New Legislation Enacted

Author: Zoltán Csernus, Attorney-at-Law – VJT & Partners Law Firm

According to new legislation in Hungary, employees who have worked more than eight hours, including overtime work, on the day of a parliamentary election, European Parliament election, municipal election or plebiscite, are entitled to a maximum of two hours of paid time off to vote.

Time Period for Use of Paternal Leave Extended

New Legislation Enacted

Author: Zoltán Csernus, Attorney-at-Law – VJT & Partners Law Firm

A Labor Code amendment provides that as of January 1, 2025, fathers are entitled to use the 10 days of paternal leave within four months (instead of two months) from the birth of their child.

Leave Protections Apply to Employees in Lead Positions

New Legislation Enacted

Author: Zoltán Csernus, Attorney-at-Law – VJT & Partners Law Firm

Effective January 1, 2025, employees in lead positions, including chief executive officers (CEOs), their deputy, and key employees earning salaries at least seven times higher than the minimum wage, may not be terminated during paternal leave. With this amendment, all types of leave during which the termination of employment is prohibited, such as pregnancy leave, maternal leave, parental leave, and unpaid childcare leave also apply to employees in leading positions.

Hungarian Minimum Wage for 2025

New Order or Decree

Author: Zoltán Csernus, Attorney-at-Law – VJT & Partners Law Firm

The Hungarian government passed a decree on the rules of negotiation between the government, employers, and trade unions on minimum wage. These negotiations will take place each year to establish the amount of the minimum wage for the next year. As a result of these negotiations, the government passed a decree on the statutory minimum wage for 2025, which is HUF 290,800 (approximately EUR 700). For job positions requiring at least secondary school, the statutory minimum wage is HUF 348,800 (approximately EUR 840).

India

Gratuities Cannot Be Withheld for Criminal Allegations Unless the Employee is Convicted by a Court

Precedential Decision by Judiciary or Regulatory Agency

Authors: Vikram Shroff, Partner and Head of Employment, and Nipasha Mahanta, Associate – AZB & Partners

In *Punjab National Bank v. Niraj Gupta* (2024 SCC OnLine Del 4763), the Delhi High Court held that any order for forfeiture of a gratuity could not be issued until the employee was convicted by a court of competent jurisdiction for an act that constitutes an offense involving "moral turpitude," per section 4(6)(b)(ii) of the Payment of Gratuity Act 1972 (POGA).

Following a sexual harassment complaint, the employer in this case initiated a preliminary investigation after which the employer's Internal Complaints Committee (ICC) found the employee guilty of sexual harassment. Consequently, the employer required the employee to forfeit his gratuity due to acts of "moral turpitude" under POGA. The court held that while the termination of the employee conformed with the employer's internal regulations, the forfeiture of the gratuity was not in accordance with POGA. Conduct involving moral turpitude is not sufficient for forfeiture of a gratuity. The act must be punishable under law, which is not for the employer to determine, and forfeiture of the gratuity is only permissible if the employee is convicted for the misconduct for which they were terminated.

Failure to Obtain License by Contractor Agency Insufficient to Establish Employer/Employee Relationship with the Principal Employer

Precedential Decision by Judiciary or Regulatory Agency

Authors: Vikram Shroff, Partner and Head of Employment, and Nipasha Mahanta, Associate – AZB & Partners

In *Jatin Rajkonwar and Ors v. Union of India* (WP(C) /3871/2020), the Guwahati High Court ruled that the absence of a license for the contractor agency while engaging contract workers for the principal employer is not sufficient to show that there was any employer-employee relationship with the principal employer.

The contractor workers' argument was that the respondent contractor agency did not have a contractor's license during the relevant years and the contract was only a veil to conceal the fact that the petitioners were in fact employees of the respondent/principal employer, which was the Oil and Natural Gas Corporation (ONGC). The court found that although the contractor agency was not licensed during the relevant time period, it was responsible for paying the contract workers' wages and was the direct employer of the contract workers for all relevant years. Further, the contract workers were neither directly hired by ONGC nor did ONGC pay their wages. Therefore, the court held that the requirements for an employer-employee relationship with ONCG were not met, and the petitioners' claim was not sustainable.

Resignation Can Be Withdrawn Until Acceptance Is Complete

Precedential Decision by Judiciary or Regulatory Agency

Authors: Vikram Shroff, Partner and Head of Employment, and Nipasha Mahanta, Associate – AZB & Partners

In *SD Manohara v. Konkan Railway Corporation* (2024 SCC OnLine SC 2546), the Supreme Court of India reiterated the principle that valid acceptance of an employment resignation must be communicated by the employer to the employee along with details such as the employment termination date.

The appellant employee in the case tendered his resignation on December 5, 2013, effective one month later, although he continued to remain employed. He subsequently withdrew his resignation on May 26, 2014. The respondent employer claimed that the resignation was accepted on April 15, 2014, and that the appellant's subsequent withdrawal of resignation cannot be considered post acceptance.

The appellant contested the employer's claim, stating that the resignation never went into effect as there was no clear evidence that the employer's alleged acceptance of his resignation on April 15, 2014, was communicated to him. Further, any internal communication lacked crucial details like reference to the resignation letter or resignation date, and therefore was not a valid resignation acceptance. The court also opined that continuation of service by the employee beyond the resignation date, and the employer's approval of the employee's casual leaves as well as the employer's requests that the employee report back to work due to unauthorized absence, indicated an ongoing employment relationship.

The Supreme Court concluded that in absence of a valid acceptance of resignation, withdrawal of resignation is valid and accordingly directed reinstatement of the appellant.

Unauthorized Absence for Long Periods Amounts to Abandonment of Service

Precedential Decision by Judiciary or Regulatory Agency

Authors: Vikram Shroff, Partner and Head of Employment, and Nipasha Mahanta, Associate – AZB & Partners

In *Life Insurance Corporation of India v. Om Prakash* (2024 SCC OnLine SC 3315, Civil Appeal No.(s) 4393/2010), the Supreme Court of India held that, in cases of long unauthorized absences of an employee, an employer's reasonable efforts to communicate were sufficient to terminate employment without an inquiry.

In this case, the employee had been absent from work without any communication with his employer for more than 90 days. The employer served three notices to the respondent's permanent address followed by a show cause notice, which remained unanswered by the employee. The company subsequently terminated employment, and the employee then filed suit. The High Court of Himachal Pradesh found the termination was unsustainable on the ground that the employer did not conduct a formal inquiry before terminating the employee.

The Supreme Court found that the High Court overlooked the fact that the respondent had secured alternative employment during his absence, a fact the employee suppressed before the High Court, and from which it could be inferred by the employer that the employee had abandoned his job. The Supreme Court also noted that the High Court overlooked the fact that the employee abandoned his job without informing his employer of his whereabouts, making a formal inquiry impossible. On these grounds, the Supreme Court of India held that the termination of employment by the employer was justified, and it set aside the High Court order.

Uttar Pradesh Permits IT/ITeS Establishments to Engage Employees for up to 12 Hours Daily

New Regulation or Official Guidance

Authors: Vikram Shroff, Partner and Head of Employment, and Nipasha Mahanta, Associate – AZB & Partners

On September 26, 2024, the state government of Uttar Pradesh granted an exemption to IT and IT-enabled services (ITeS) industries from Sections 6 & 7 of the Uttar Pradesh Dookan Aur Vanijya Adhishthan Adiniyam 1962 (UP Shops Act) for two years. These provisions prescribe daily and weekly working hour limits, overtime pay requirement, as well as spread over and rest interval requirements. The exemption is subject to compliance with the following conditions:

- Employees must not be required to work for more than 12 hours in a day, including rest periods.
- Every employee must be provided at least 30 minutes rest after five hours of continuous work.
- Employees' work must not spread over more than 12 hours in a day.
- Employees working in excess of 48 hours in a week must be paid overtime wages at twice the ordinary rate of wages.
- An employee's total number of overtime hours must not exceed 125 in any three-consecutive month period.
- Every employee must be provided a weekly day off.
- Employees working on a public holiday must be provided a compensatory holiday.
- Adequate security arrangements must be made for female employees working on night shifts.

Indonesia

Employment Terminations in Indonesia Require Court Decision

Precedential Decision by Judiciary or Regulatory Agency

Authors: Syahdan Z. Aziz, Partner, and Indrawan Dwi Yuriutomo, Senior Associate – SSEK Law Firm

Indonesia's Constitutional Court has issued a significant decision amending provisions of the Manpower Law. Due to the changes resulting from the Constitutional Court decision, under Article 151 paragraph 4 of the Manpower Law, employment termination requires a court decision that is legally binding. Further, under Article 157A paragraph 3 of the Manpower Law, employees must continue to work and receive wages until there is a court decision on their termination that is legally binding. The Court's amendments to the Manpower Law are set to have a substantial impact on Indonesia's labor and employment landscape, both legally and practically. Companies will need to pay close attention to these amendments when managing their employees and handling related matters.

Employing Foreign Workers in Indonesia

Legal Compliance

Authors: Syahdan Z. Aziz, Partner – SSEK Law Firm

By regulation, employers in Indonesia must have a foreign worker utilization plan (RPTKA), approved by the Ministry of Manpower (MoM), which serves as a work permit for foreign workers, and allows employers to employ foreign workers in certain positions for a certain time period. . However, an approved RPTKA does not automatically grant employers the right to employ foreign workers. Previously, employers were required to obtain a RPTKA and a notification approved and issued by the Minister of Manpower before employing foreign workers. The notification requirement has been removed and a new step added – the RPTKA appropriateness assessment. Employing foreign workers without first fulfilling these requirements will subject the company to administrative sanctions in the form of postponement of service, temporary suspension of the work permit application, revocation of notification, or other sanctions under prevailing laws and regulations.

Ireland

New Legislation Restricting the Use of NDAs in Employment Equality Claims Comes into Law

New Legislation Enacted

Authors: Niall Pelly, Partner, and Lisa Collins, Associate – GQ | Littler

The Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024 imposes significant restrictions on employers implementing non-disclosure agreements (NDAs) with employees. Under the Act, NDAs that relate to information concerning an allegation or any action taken by an employee related to discrimination, harassment, sexual harassment, or victimization are now void, subject to two exceptions.

First, the prohibition does not apply when the NDA is included as part of a settlement following a Workplace Relations Commission mediation. Second, NDAs are permissible if the following criteria are met:

- The employee requests the NDA;
- The employee obtains independent legal advice, in writing, from a legal practitioner paid by the employer, before entering the NDA;
- The NDA is in clear and easily understood language, in a format that is easily accessible;
- The NDA is of unlimited duration, unless an employee elects otherwise; and
- A provision is included stating that the NDA does not prohibit the employee from making relevant disclosures to certain individuals, including, for example, the Gardaí.

Under this exception, employees also have a 14-day cooling off period within which to withdraw from the NDA.

Automatic Retirement Savings System Enrollment Legislation to Go Into Effect in 2025

New Legislation Enacted

Authors: Niall Pelly, Partner, and Lisa Collins, Associate – GQ | Littler

The Automatic Enrollment Retirement Savings System Act 2024, which is expected to go into effect on September 30, 2025, is a new occupational pension system that will introduce mandatory retirement savings requirements for the first time in Ireland. The main provisions of the Act are:

- Auto-enrollment in a new state-run retirement savings system will be required for employees between 23 and 60 years old who earn more than €20,000 per annum from all employment.
- Employees will be exempt from being automatically enrolled if they (or the employer on their behalf) are paying contributions into a qualifying occupational pension plan, Personal Retirement Savings Account, trust retirement annuity contract, or Pan European Pension Plan.

Employers should ensure that they understand what auto-enrollment will mean for their business and employees, and decide how the business would like to provide retirement benefits to employees.

Updated Code of Practice on Determining Employment Status Published

New Regulation or Official Guidance

Authors: Niall Pelly, Partner, and Lisa Collins, Associate – GQ | Littler

The Department of Social Protection, the Office of the Revenue Commissioners and the Workplace Relations Commission (WRC) have jointly reviewed and updated the Code of Practice in light of the Supreme Court decision in *The Revenue Commissioners v. Karshan (Midlands) Ltd TA Domino's Pizza* [2023] IESC 24.

The Code considers the different factors to be considered when determining if a worker is an employee or an independent contractor, with reference to the five-step test established by the Supreme Court in *Karshan*. The Code lists typical characteristics the WRC will consider when determining status as a preliminary matter in a claim.

Italy

New Law Decree to Address the Abuse of Unjustified Absences in Order to Claim NASPI Benefits

New Order or Decree

Authors: Carlo Majer, Partner, and Giorgia Imperatori, Senior Associate – Littler Italy

Employee resignations are typically submitted through an online procedure or, in certain cases, before the territorial Labor Inspectorate. Resigning does not entitle the employee to NASPI (unemployment benefits). To circumvent this rule and claim NASPI despite voluntarily ending the employment relationship, some employees choose to take unjustified absences. This forces the employer to dismiss them following a disciplinary procedure, thereby requiring the employer to make a NASPI contribution.

A recent Law Decree approved by the Italian Parliament, which is awaiting publication in the Official Gazette, introduces new regulations to address unjustified absenteeism and prevent this kind of abuse. Under the new rules, if an employee's absence exceeds the period specified in the applicable national collective labor agreement (or, in the absence of such a provision, 15 days), the employer must notify the territorial office of the National Labor Inspectorate. The Inspectorate will then have the authority to assess the legitimacy of the employer's report on the employee's absence.

According to the decree, if the Inspectorate deems the absence unjustified, the employment relationship will be considered terminated due to the employee's resignation. Consequently, the employer will not be required to provide NASPI contributions, and the employee will not be entitled to NASPI benefits. However, these provisions will not apply if the employee can demonstrate that the absence was due to force majeure or a circumstance attributable to the employer that prevented the employee from notifying the employer of their absence in a timely manner.

The "DDL Lavoro" (Labor Law Bill) Changes to Labor Administration Thresholds

New Order or Decree

Authors: Carlo Majer, Partner, and Elena Piccinelli, Associate – Littler Italy

In December, the Senate approved a new Labor Law Bill also known as the "DDL Lavoro."

Article 31, second paragraph, of Legislative Decree 81/2015 stipulates that: "the number of employees hired under a fixed-term contract or fixed-term administration contracts may not exceed a total of 30 percent of the number of permanent employees hired by the user."

The DDL Lavoro (n.1532-bis A) introduced an important exception. In certain cases involving employees with certain characteristics or hired for certain needs (i.e., performance of seasonal activities or specific shows, start-ups, replacement of absent employees, employees over 50 years old) are excluded from the above computation.

Ministry of Labor Published Public Notice on Fund for Employee Skills Enhancements

New Order or Decree

Authors: Carlo Majer, Partner, and Martina Vianello, Associate – Littler Italy

On December 5, 2024, the Ministry of Labor and Social Policy, approved and published the public notice "New Skills Fund 3 - Skills for Innovations" (Directorial Decree No. 439 of December 5, 2024). The fund is aimed at helping companies increase the skills employees have so they can respond to the accelerating demand for digitization, environmental sustainability, energy efficiency, and innovation more generally. The notice is aimed at private employers, including those with public participation, who have signed collective agreements to change working hours for training to increase the skills of their staff. Bonuses are provided to employers for training newly hired staff. The cost of the "New Skills Fund 3" totals 731€, which can be supplemented by other sources of funding.

Applications for grants can be submitted on the MyANPAL online service platform from February 10, 2025, to April 10, 2025.

New Law Decree Regulates the Duration of the Probation Period for Fixed-term Contracts

New Order or Decree

Authors: Carlo Majer, Partner, and Debhora Scarano, Associate – Littler Italy

A recent Law Decree approved by the Italian Parliament, which is awaiting publication in the Official Gazette, introduces new regulations regarding the probation period for fixed-term contracts, establishing uniform criteria for their duration.

The Law Decree stipulates that, unless more favorable provisions are outlined in National Collective Bargaining Agreements, the duration of the probation period for fixed-term employment contracts is one day of work for every 15 calendar days, starting from the date the employment relationship begins. In any case, the duration of the probation period cannot be shorter than two days or longer than 15 days for employment contracts of no more than six months, and the probation period cannot be shorter than two days or longer than 30 days for contracts of more than six months but less than 12 months.

Court Determines Any Adverse Change in the Employment Relationship Must Be Signed in a Protected Venue

Precedential Decision by Judiciary or Regulatory Agency

Authors: Carlo Majer, Partner, and Alessandra Pisati, Associate – Littler Italy

In Case 26320/2024, the Supreme Court affirmed that, to be valid, any adverse modification to the employment relationship must be signed by the employer and employee in one of the protected venues provided for in the fourth paragraph of Article 2113 of the Civil Code. In this particular case, the Supreme Court held that, to be valid, an agreement in which an executive accepted a reduction in pay needed to be formalized in one of the protected venues, regardless of the fact that the pay reduction did not involve a change in duties.

Kingdom of Saudi Arabia

Regulation on Temporary Work Visas and Temporary Work for Hajj and Umrah Services

New Order or Decree

Authors: Sara Khoja, Partner, and Sarit Thomas, Knowledge Management Counsel – Clyde & Co.

The Council of Ministers issued Decision No. 271/1446 on the Approval of the Regulation for Temporary Work Visas and Temporary Work for Hajj and Umrah Services.

Key provisions of the regulation include:

- The Ministry of Human Resources and Social Development (MHRSD) and relevant authorities set eligibility and job criteria for a temporary work visa.
- The visa is valid for one year, with a 90-day stay limit (reduced from 180 days), extendable once. Unused visas are automatically cancelled.
- Applications must include a signed work contract and medical insurance, submitted through Saudi representatives abroad.
- For a temporary work visa for Hajj and Umrah, the MHRSD specifies eligible professions and hiring countries. Only approved establishments may apply for the visas. Worker data, including the employment contracts and insurance, are required.
- A SAR 2,000 financial guarantee is refundable upon proof of the worker's departure.
- Workers can only enter and stay during pilgrimage season dates. The Hajj/Umrah visas cannot be used for other purposes.
- Violators face penalties under the Labor Law.
- Misuse of Hajj/Umrah visas may result in fines of up to SAR 50,000, bans of up to five years, or both.
- Additional fines include SAR 15,000 for false information and SAR 5,000 for other breaches.

Saudization Rates Increase in Four Private-Sector Healthcare Professions

New Regulation or Official Guidance

Authors: Sara Khoja, Partner, and Sarit Thomas, Knowledge Management Counsel – Clyde & Co.

Saudi Arabia has announced significant increases to Saudization rates (the percentage of Saudi nationals employed in a company compared to its total workforce) for four private-sector healthcare professions as part of its ongoing strategy to enhance national workforce participation. Effective April 17, 2025, hospitals and large healthcare facilities in Al Khobar, Dammam, Jeddah, Madinah, Makkah, and Riyadh must comply with the new Saudization rates: medical laboratories (70%, up from 60%), physiotherapy (80%, up from 60%), radiology (65%, up from 60%), and therapeutic nutrition (80%, up from 60%). By October 17, 2025, these requirements will extend to all healthcare facilities nationwide. The joint initiative by the Ministry of Human Resources and Social Development and the Ministry of Health includes support measures to assist employers in recruiting and training Saudi nationals. Employers will need to adjust hiring and retention strategies to meet these targets. This move follows earlier Saudization increases in the consulting sector (40%) and for private-sector engineers (25%) introduced in 2024.

Work Visa Applicants Must Verify Educational Qualifications

New Regulation or Official Guidance

Authors: Sara Khoja, Partner, and Sarit Thomas, Knowledge Management Counsel – Clyde & Co.

Saudi Arabia's Qualification Verification Program (QVP) now mandates that work visa applicants from all industries verify their educational qualifications for their designated occupations before entering the country. This marks a significant expansion from its previous application to select fields like aviation, construction, health, media, and tourism. Additionally, the QVP now applies to a broader range of nationalities, including applicants from countries such as the United States, United Kingdom, Germany, China, and Australia, among others. Applicants must obtain a Professional Accreditation Certificate through the QVP portal, with Saudi authorities increasingly requesting compliance by previously unaffected nationalities.

Malaysia

Provisions Relating to the Minimum Wage Will Also Apply to Employees Under an Apprenticeship Contract

New Legislation Enacted

Author: Adryenne Lim, Associate – Skrine

On December 19, 2024, the Malaysian Parliament passed the National Wages Consultative Council (Amendment) Act 2024 amending the definition of "contract of service" to adopt the definition provided in the Employment Act 1955. The effect of the amendment is that the provisions relating to the minimum wage will now be applicable to employees under an apprenticeship contract, who will now be entitled to minimum wage.

Minimum Wage Raised to RM 1,700 with Phased Implementation

New Order or Decree

Author: Adryenne Lim, Associate – Skrine

In accordance with the Minimum Wages Order 2024 published on April 12, 2024, the new minimum wage will take effect on two different dates, depending on the type of employer, as follows:

- Effective February 1, 2025, (1) employers that employ five or more employees; and (2) employers that carry out a professional activity classified under the Malaysia Standard Classification of Occupations (MASCO) as published officially by the Ministry of Human Resources, regardless of the number of employees employed.
- Effective August 1, 2025, all other employers not mentioned above.

Pursuing a Minority Oppression Action Does Not Bar an Employee from Filing an Unjust Dismissal Claim

Precedential Decision by Judiciary or Regulatory Agency

Author: Adryenne Lim, Associate – Skrine

In *Woon Kim Choy v. Acexide Technology Sdn Bhd & Anor and Another Appeal* [2025], 1 MLRA 495, the Court of Appeal addressed the issue of whether a shareholder, who was also an employee, who initiates a minority shareholder claim is barred from pursuing an unjust employment dismissal claim.

The Court held that there is no direct correlation between a minority shareholder action and the relief of compensation in lieu of reinstatement sought in an unjust dismissal claim. The claim of unjust dismissal arises by virtue of a contract of employment, whether oral or written. A minority oppression action on the other hand is premised on one's capacity as a minority shareholder. Therefore, a dismissed employee may proceed with an unjust dismissal claim irrespective of their involvement in a minority shareholder action.

Government Announced Proposed Gig Workers' Economy Bill

Proposed Bill or Initiative

Author: Adryenne Lim, Associate – Skrine

In December 2024, the government announced that it will be introducing a Gig Workers' Economy Bill, with the Deputy Prime Minister stating that the bill's key provisions will include establishing a safety net for gig workers. It is uncertain what protections or benefits might be extended to gig workers, what obligations might be imposed on employers, or how the new regulations might impact hiring practices, costs, or existing employment structures. The development of the bill is therefore important to monitor as there may be potential implications for employers.

Mexico

Digital Platform Employees Reform

New Legislation Enacted

Author: Monica Schiaffino, Shareholder – Littler

On December 24, 2024, a bill reforming the Federal Labor Law regulating work performed through digital platforms was published. It provides that a "digital platform employee" is one who provides personal, remunerated and subordinated services, through a digital platform, and who generates a monthly net income equivalent to at least one general monthly minimum wage. People who do not generate at least a minimum wage at the end of each month, will be considered "independent platform workers," instead of employees.

The salary for digital platform employees for work performed includes the prorated amount of the weekly rest day, vacations, vacation premium, Christmas bonus and overtime, so it is not necessary to include an extra amount for these benefits. The Ministry of Labor will issue general provisions to determine how the payments for these services should be calculated. The bill also includes additional rights and obligations of digital platform employees, such as providing them with individual employment agreements that may be signed digitally, implementation of an algorithmic work management policy that informs employees of the elements used for decision making that may affect the employment relationship, pay on at least a weekly basis for these workers, and implementing records to measure time worked and waiting times, among other special provisions. The bill also states that digital platform employees will have the right to participate in the employer's profits when the effective time worked exceeds 288 hours per year. This reform will become effective 180 days after the date of publication (December 24, 2024).

Increased Minimum Wage

New Order or Decree

Authors: Monica Schiaffino, Shareholder, and Valeria Cutipa, Associate – Littler

Effective January 1, 2025, Mexico's general minimum wage increased to MXN $278.80 per day, and to MXN $419.88 per day in the Free Economic Zone of the Northern Border, which is an overall increase of 12%. Companies must review and adjust their payroll practices to comply with the minimum wage increase, which could also affect benefits such as the savings fund and food coupons depending on how these benefits have been agreed upon with employees and unions.

Reform on Seating Obligations (Known as the Chair Law)

New Order or Decree

Author: Monica Schiaffino, Shareholder – Littler

A reform to the Federal Labor Law regarding seating obligations was published in the Official Gazette of the Federation on December 19, 2024. The amendment requires employers to provide chairs with backrests to employees or allow them to take periodic breaks. It also prohibits forcing employees to remain standing during their entire working day and/or prohibiting them from taking a seat periodically during the performance of their duties. This amendment also states that mandatory rest periods during the workday and rules regulating the use of chairs with backrests during the workday must be included in the internal labor regulations. No new mandatory rest time is established.

The amendment will become effective 180 calendar days after its date of publication (June 17, 2025) and it states that the Ministry of Labor has one month to issue standards that include applicable work risk factors. When this amendment becomes effective, employers will have 180 days to modify their internal regulations and submit them to the authority for approval, which will require the signatures of the employer-employee committee.

Reform to Federal Labor Law on Wage Gap

Proposed Bill or Initiative

Author: Monica Schiaffino, Shareholder – Littler

On December 16, 2024, a bill amending the Federal Labor Law was published, modifying Article 86 of the law to provide that actions will be taken by the government to eradicate unequal compensation practices. No further action or proposals have been made by the government, although more news on the matter is expected soon.

Morocco

An Employee's Voluntary Departure Must Be Proven by the Employer

Precedential Decision by Judiciary or Regulatory Agency

Author: Hind Belhachmi, Partner – Belhachmi Law Firm

In an October 22, 2024, ruling, the social court of Casablanca (Case No. 5316/1501/2024 – Judgment No. 7274) addressed the case of an employee who left the company without giving prior notice to the employer. The court held that the burden of proof to determine whether the employee's departure was voluntary rested with the employer, and in this specific instance, the employer was ordered to pay compensation for unfair dismissal. This judgment aligns with precedents set by the Court of Cassation, which have held that the employer must prove the employee's departure was voluntary in accordance with Article 63 of the Labor Code.

The challenge for employers lies in the absence of a legally defined procedure for such cases. Many employers rely merely on colleagues' testimonies to confirm the employee's voluntary departure. However, based on recent judicial decisions, it may be more prudent for the employer to send a formal notice through a bailiff, urging the employee to return to their job. If the employee does not comply or respond to the notice, the employer would be relieved from the burden of proving the employee's voluntary departure and would be spared from paying compensation for wrongful dismissal in a legal system highly protective of employees.

Mozambique

Compulsory Social Security Regulation Amendments

New Legislation Enacted

Authors: António Veloso, Partner, and Nuno Gouveia, Partner – Miranda Alliance - Pimenta & Associados

By means of Decree No. 56/2024, of July 30, 2024, the Council of Ministers approved specific changes to the Compulsory Social Security Regulation (enacted by Decree No 55/2017 of October 9, 2017) increasing the coverage periods for maternity and paternity benefits to align with the Labor Law provisions. Although enacted in July, these changes went into effect retroactively on February 22, 2024.

Regulation Regarding Obligations of Concessionaires within the Petroleum Industry

New Legislation Enacted

Authors: António Veloso, Partner, and Nuno Gouveia, Partner – Miranda Alliance - Pimenta & Associados

Ministerial Order No. 55/2024, which went into effect on July 5, 2024, approved obligations of concessionaires in the petroleum industry relating to Employment Programs, Education Programs, Association with Nationals, Preferential Procurement, Goods and Services Procurement and Conduct Adjustment. Among other employment-related obligations, concessionaires must hire and train a certain percentage of nationals as well as fund and provide, to national individuals, training programs at universities or other educational establishments.

Netherlands

New Rules on Child Employment

New Legislation Enacted

Authors: Michelle Engberts, Associate, and Wouter Heere, Associate – Clint | Littler

Amendments to the regulations on child employment (*Nadere regeling kinderarbeid)* went into effect on November 18, 2024. The following rules now apply to side jobs and holiday work for children aged 13 to 15 years:

- 13 and 14 year olds are allowed to work until 8 p.m. on non-school days, such as weekends, and during school holidays.
- 13 and 14 year olds are allowed to work on Sundays, under strict conditions. They have to be off at least five Sundays during a 16-week period. If they work on a Sunday, they must have Saturday off.
- 15 year olds can work until 8 p.m. on non-school days. During school holidays, they can work until 9 p.m.

These working times require: (1) the agreement of an employee representative body, and, where there is none, the agreement of the employee; and (2) the consent of the child's parent or caretaker. In addition, children under 16 are not allowed to work in areas where alcoholic drinks are served or can be served. They can work in other areas, such as kitchens and other areas, where there is no customer contact.

Increase in Statutory Maximum Transition Payment as of January 1, 2025

Legal Compliance

Authors: Michelle Engberts, Associate, and Wouter Heere, Associate – Clint | Littler

Effective January 1, 2025, the statutory maximum limit for the statutory transition payment (the amount due employees who are dismissed from employment) increased from EUR 94,000 to EUR 98,000. This means that from January 1, 2025, transition payments are capped at gross EUR 98,000 or one year's gross salary, whichever amount is the greater.

Increase in Statutory Minimum Hourly Wage from January 1, 2025

Legal Compliance

Authors: Michelle Engberts, Associate, and Wouter Heere, Associate – Clint | Littler

Effective January 1, 2025, the statutory minimum hourly wage increased from EUR 13.68 per hour to EUR 14.06 per hour for all employees aged 21 and over.

Nigeria

Guidelines for Retirement Benefits Following the National Minimum Wage (Amendment) Act 2024

New Order or Decree

Author: Ugonna Ogbuagu, Partner – AELEX

In compliance with the National Minimum Wage (Amendment) Act 2024, which increased the national minimum wage from NGN 30,000 to NGN 70,000 on November 27, 2024, the National Pension Commission (PenCom) issued a directive regarding the administration of retirement benefits under the Pension Reform Act 2014. The directive requires Pension Fund Administrators to adopt NGN 70,000 as the new minimum wage when processing retirement benefits. One key element of the directive allows retirees whose pensions are less than NGN 23,333.33 (one-third of the new minimum wage) to choose between withdrawing the outstanding balance in their Retirement Savings Account (RSA) as a lump sum or continuing to receive monthly or quarterly pension payments until the formal implementation of the Minimum Pension Guarantee (MPG).

The MPG, as established under the Pension Reform Act, is intended to provide retirees with a guaranteed minimum level of income to ensure a basic standard of living after retirement. However, as of now, the MPG has not been implemented. Consequently, retirees whose pensions fall below the threshold of NGN 23,333.33 and who are on the programmed withdrawal option may face limited financial support options. Without the MPG, there is no guaranteed minimum income for retirees in this category, leaving their financial stability dependent solely on the balances in their RSAs.

Penalties for Employers Neglecting Contribution Obligations under the Employees' Compensation Act

Precedential Decision by Judiciary or Regulatory Agency

Author: Ugonna Ogbuagu, Partner – AELEX

In its November 26, 2024, decision in *Nigeria Social Insurance Trust Fund Management Board v. Caritas University* (NICN/EN/37/2023), the National Industrial Court of Nigeria (NICN) reinforced the statutory obligations of employers under the Employees' Compensation Act (ECA) 2010. The case dealt with a university's non-compliance with the requirement to contribute 1% of its monthly payroll to the Employees' Compensation Fund (ECF), managed by the Nigeria Social Insurance Trust Fund (NSITF). The NICN reiterated the NSITF's right to access the university's premises to inspect payroll records under Sections 53 and 54 of the ECA. To enforce compliance, the NICN imposed a 10% penalty on the university for unpaid contributions and awarded post-judgment interest of 10% per annum until full payment is made. The Court also authorized NSITF officers to enter the university for payroll verification and awarded the NSITF NGN 300,000 in costs.

The NSITF continues to secure favorable decisions against defaulting employers, which serves as a reminder to employers of the significant legal and financial consequences of failing to adhere to statutory obligations under the ECA.

Norway

Supreme Court Clarifies Limits of Occupational Injury Insurance

Precedential Decision by Judiciary or Regulatory Agency

Author: Maria Skuggevik Slotnes, Senior Associate – Littler Norway

In a recent ruling (HR-2024-1982-A), the Norwegian Supreme Court determined that injuries sustained from fainting at work are not classified as occupational injuries if the individual falls onto a flat surface. This applies when the fall is not caused by a physical object, such as stairs, and when the person does not land on something that contributes to the injury. The underlying cause of the fainting is deemed irrelevant. In the case in question, an elevator technician experienced a fainting spell and fell onto a concrete floor at the workplace, leading to a prolonged sick leave. The incident did not qualify for occupational injury insurance, the Supreme Court held.

Work-Related Condition Worsening Recognized as Occupational Injury

Precedential Decision by Judiciary or Regulatory Agency

Author: Maria Skuggevik Slotnes, Senior Associate – Littler Norway

In another recent ruling (HR-2024-2272-A), the Supreme Court determined that the worsening of a pre-existing condition can qualify as an occupational injury if it results from a recognized work-related illness or injury. In this case, a former firefighter developed lymphoma, a recognized occupational disease, which forced him to stop using Simponi, a highly effective treatment for his ankylosing spondylitis (Bekhterev's disease). This led to a significant worsening of his spondylitis symptoms. The Court determined that the lymphoma was the main cause of this deterioration, as it disrupted a previously stable condition and fundamentally altered his health. Consequently, the worsening of his spondylitis was recognized as an occupational injury under Norwegian social security law.

Peru

New Law for the Modernization of the Pension System

New Legislation Enacted

Authors: César Gonzáles Hunt, Partner, and Amable Vasquez Baiocchi, Associate – Philippi Prietocarrizosa Ferrero DU & Uría

On September 24, 2024, Law No. 32123, the Law for the Modernization of the Pension System, was published. This law extends the protection of the pension system to all citizens, regardless of whether they have an employment relationship or previously participated in a pension system. The law introduces significant changes to the two existing pension systems, private pension systems and the national pension system, integrating them into a single regulatory body. However, this integration lacks a definitive systematization, an adequate level of coordination, and specific objectives. It is subject to regulation within 180 working days, which will be by July 18, 2025.

Increase in the Minimum Living Wage for 2025

New Order or Decree

Authors: César Gonzáles Hunt, Partner, and Amable Vasquez Baiocchi, Associate – Philippi Prietocarrizosa Ferrero DU & Uría

Supreme Decree 006-2024-TR, published on December 28, 2024, approves the increase in the Minimum Living Wage, which is PEN 1,130.00 effective January 1, 2025. This increase will have an impact on the family allowance, as well as the payment for interns and compensation for night shifts.

Increase to the Peruvian Tax Unit for 2025

New Order or Decree

Authors: César Gonzáles Hunt, Partner, and Amable Vasquez Baiocchi, Associate – Philippi Prietocarrizosa Ferrero DU & Uría

The Supreme Decree 260-2024-EF, published on December 27, 2024, approves the value of the Tax Unit (*Unidad Impositiva Tributaria*) for 2025, which will be of PEN 5,350.00 (Peruvian soles). This represents an increase of PEN 200.00 (4%) over the value of the Tax Unit for 2024, which has a direct impact, among other things, on the calculation of fines imposed by SUNAFIL (the Labor Inspection Authority) in case of detection of labor infractions. For example, an employer's failure to comply with a summons appointed by SUNAFIL is classified as a very serious infraction, and, in a company with 200 employees, it will mean an increase in the fine from PEN 73,027.00 in 2024 to PEN 75,863 in 2025.

Philippines

Implementing Rules of Act Protecting Workers in the Movie and Television Industry

New Legislation Enacted

Authors: Emerico O. de Guzman, Of Counsel, and Franchesca Abigail C. Gesmundo, Senior Associate – Angara Abello Concepcion Regala and Cruz Law Office

On September 30, 2024, the Department of Labor and Employment issued the Implementing Rules and Regulations of Republic Act No. 11996, "An Act Protecting the Welfare of Workers in the Movie and Television Industry." Among its key features are:

- Mandating a maximum 14-hour workday;
- Providing separate maximum hours of work for minors, depending on the age bracket to which they belong;
- Requiring a minimum rest period of 10 hours between the end of work on one day and the beginning of work on the next;
- Notification and pay rules for cancelled shoots; and
- Other benefits to be provided to workers, such as basic necessities, transportation, and insurance.

Violation of these laws are penalized with fines of up to PHP 500,000.00.

Magna Carta for Filipino Seafarers

New Legislation Enacted

Authors: Emerico O. de Guzman, Of Counsel, and Franchesca Abigail C. Gesmundo, Senior Associate – Angara Abello Concepcion Regala and Cruz Law Office

On September 23, 2024, the Magna Carta of Filipino Seafarers was signed into law and covers Filipino seafarers who work in any capacity on board a ship or vessel in international waters. Some key provisions of the law are:

- Codification of rights available to covered seafarers, such as the right to educational advancement and training and information, safe passage and travel, free legal representation, immediate medical attention and fair medical assessment, communication, and protections against discrimination, harassment, and bullying;
- Rules for the recruitment and placement of duly licensed manning agencies;
- Requiring employers to provide certain terms and conditions of employment;
- Requiring accommodations, recreational and sanitation facilities, and food and catering on ocean-going ships; and
- Requirements for termination of employment, repatriation, and dispute resolution.

Poland

Christmas Eve as a Public Holiday

New Legislation Enacted

Authors: Miłosz Awedyk, Partner, and Michał Fijak, Associate – PCS | Littler

On December 27, 2024, the President of the Republic of Poland signed a new law providing that Christmas Eve (December 24) will be a public holiday starting in 2025. The new law also included a number of minor regulations on, among other things, work on Sundays.

Labor Law Amendment Regarding Parental Leave

New Legislation Enacted

Authors: Miłosz Awedyk, Partner, and Maria Awedyk, Associate – PCS | Littler

On December 12, 2024, the President of the Republic of Poland signed an act amending the Labor Law to introduce into Polish law special regulations concerning leave for parents of premature babies and children hospitalized after birth. The amendment introduces supplementary maternity leave for parents of hospitalized children, providing additional weeks of leave depending on the length of hospitalization and the child's gestational age. In addition, parents taking leave will receive maternity benefits in the amount of 100% of the assessment base and will be covered by full employment protection during the leave. The amendment will go into effect in the first quarter of 2025.

Draft Act on Collective Labor Agreements

Proposed Bill or Initiative

Authors: Miłosz Awedyk, Partner, and Michał Fijak, Associate – PCS | Littler

The draft bill proposes a comprehensive regulation on the principles of concluding and recording collective labor agreements. The draft provides numerous changes, including the simplification of the process of registering collective labor agreements, both company and supra-company, the possibility of using the assistance of a mediator and of concluding a collective labor agreement for a specified period. The expected effect of the regulation will be the revival of negotiations and an increase in the scope of collective labor agreements. The proposed bill aims to balance the expectations of trade unions representing employees, as well as employers and their organizations.

Draft Law on Artificial Intelligence Systems

Proposed Bill or Initiative

Authors: Miłosz Awedyk, Partner, and Michał Fijak, Associate – PCS | Littler

A draft law on artificial intelligence aims to harmonize Polish law with Regulation (EU) 2024/1689 of the European Parliament and of the Council of June 13, 2024, and its amendments, establishing rules on artificial intelligence. The proposed draft aims, in particular, to establish appropriate inspection and certification bodies, and focuses on controlling the issuance of permits for the marketing or commissioning of high-risk AI systems and controlling the market for high-risk AI systems.

Portugal

2025 State Budget

New Legislation Enacted

Authors: Tiago Sequeira Mousinho, Associate, and Marta Coelho Valente – DCM | Littler

In November 2024, the State Budget for 2025 was approved. The following are among the most relevant provisions regarding labor and employment:

- The measures previously adopted for the personal income tax of young employees are expanded to include employees up to the age of 35.
- There are new ways of paying for overtime work.
- There are new provisions regarding salary increases, such as benefits granted when the employer company signs or updates a collective bargaining agreement in the last three years.
- The voluntary payment of productivity bonuses, performance bonuses, profit-sharing bonuses and balance-sheet bonuses will bring benefits in terms of personal income tax and social security.

Amendments to the Informal Caregiver Statute

New Legislation Enacted

Authors: Nuno Gouveia, Partner, and Paula Caldeira Dutschmann, Partner – Miranda Alliance - Miranda & Associados

The Informal Caregiver Statute was amended by Decree-Law No. 86/2024, of November 6, 2024, to implement measures that broaden and encourage access to this system and simplify the recognition process for caregivers. Among other measures, the amendment changes the concept of informal caregiver to allow those who have no family ties to the dependent person to be the main or non-main informal caregiver. If they are the main informal caregiver, they must live with the person being cared for. The amendment also eliminates the requirement to change their tax residence whenever the main informal caregiver has family ties with the dependent person.

New Minimum Monthly Wage for 2025

New Order or Decree

Authors: Tiago Sequeira Mousinho, Associate, and Marta Coelho Valente – DCM | Littler

Effective January 1, 2025, the guaranteed minimum monthly wage for mainland Portugal is €870.00 according to the Decree-Law No. 112/2024.

The minimum salary for Madeira and Azores is set by their own Regional Legislative Assemblies. Madeira's Legislative Assembly approved an increase in the minimum wage to €915.00 for 2025, and the Azores will see a 5% increase above the national level, bringing the minimum monthly wage in the region to €913.50 for 2025.

New Rules Around Employment Bonuses

New Regulation or Official Guidance

Authors: David Carvalho Martins, Partner and Head of Employment, and Marta Coelho Valente – DCM | Littler

In November 2024, the Portuguese Tax Authorities (PTA) published a legal document with binding information on the inclusion of bonuses in the "regular remuneration" excluded from IRS taxation of compensation on termination of the employment contract. The PTA stated that the bonus should not be considered regular remuneration for the purposes of the IRS Code, since this payment is not consideration for the work done by the employee, but rather is an incentive associated with their performance and the company's overall results. Therefore, bonuses should not be taken into account for the purposes of calculating the legal exemption limit for personal income tax when calculating compensation due on termination of the employment contract.

Republic of the Congo

Minimum Wage Increase

New Legislation Enacted

Authors: Nuno Gouveia, Partner and Head of Employment, and Océane Paprocki, Senior Associate – Miranda Alliance - Miranda & Associados

As per Decree No. 2024-2762 of 20 November 2024, effective January 1, 2025, the National Guaranteed Minimum Wage (*Salaire Minimum Interprofessionnel Garanti*, SMIG) is increased to XAF 70,400 (EUR 110) per month.

Romania

Labor Code Amendments

New Legislation Enacted

Author: Corina Radu, Partner – SCA Magda Volonciu & Associates

On November 17, 2024, Law No. 283/2024 made significant amendments to the Labor Code and other employment related laws implementing the general rules set by EU Directive 2022/2041 to promote collective bargaining on wages and increase the percentage of employees covered by collective bargaining agreements. Among other things, the amendments provide:

- A new concept of "work relationship," that includes activities outside of an individual employment agreement. As a result, new categories of workers are covered by the Code, mainly regarding the guaranteed minimum wage.
- A framework to improve the adequacy of minimum wages and workers' access to minimum wage protection. The law also provides a new wage setting mechanism by defining the concepts of salary, basic salary, gross minimum basic salary, and gross minimum basic salary per country guaranteed in payment.
- The gross minimum basic salary per country guaranteed in payment, corresponding to the normal work schedule, is set annually by Government decision and applies from January 1 of the following year, with periodic updating once a year, after consultation with the nationally representative trade union and employers' confederations.
- The level of the gross minimum basic salary per country guaranteed in payment must be established and updated on the basis of certain outlined procedures.
- Increased fines for noncompliance with the minimum gross basic salary or the minimum wage established by the applicable collective labor agreement.

Russia

Increase in the Minimum Wage

New Legislation Enacted

Authors: Mateusz Krajewski, Associate, and Marcin Sanetra, Partner – PCS | Littler

Effective January 1, 2025, the monthly minimum wage in Russia will increase by 16% from RUB 19,242 to RUB 22,400.

Increase in Fines for Violation of Migration Legislation

New Legislation Enacted

Authors: Mateusz Krajewski, Associate, and Marcin Sanetra, Partner – PCS | Littler

A new law that went into effect on November 23, 2024, increases the punishment for forging a document for illegal migration as well as the illegal employment of foreigners. The administrative fine for violations will range from RUB 5,000,000 to RUB 10,000,000.00. For a repeated violation, the fine increases to RUB 60,000,000.

Improved Workplace Conditions for Women and Mothers

Proposed Bill or Initiative

Authors: Mateusz Krajewski, Associate, and Marcin Sanetra, Partner – PCS | Littler

A new proposed bill aims to improve workplace conditions for women, particularly those with children, by introducing protection from discrimination and enhancing support for working mothers. It also aims to support working mothers with children under three (previously one and a half year olds) by allowing them to transfer to another position at the same salary.

Singapore

Implementation of the Platform Workers Bill

New Legislation Enacted

Author: Trent Sutton, Shareholder – Littler

On September 10, 2024, the Platform Workers Bill was passed, extending protections to platform workers. As of January 1, 2025, platform operators can now purchase work injury compensation insurance. Since November 1, 2024, platform operators can voluntarily notify the Ministry of Manpower of their status as platform operators, and eligible platform workers can opt in to increased Central Provident Fund (CPF) contributions or apply to register in Platform Work Associations.

Child Development Co-Savings Bill Provides Enhanced Parental Leave

New Legislation Enacted

Author: Trent Sutton, Shareholder – Littler

On November 13, 2024, the Singapore parliament passed amendments to the Child Development Co-Savings Act, enhancing the government-paid Paternity Leave benefit from two weeks to four weeks, effective April 1, 2025. There is also a new Shared Parental Leave program that allows parents to share up to 10 weeks of paid leave, implemented in phases starting April 1, 2025. Employees must give at least four weeks' notice before taking parental leave. Employers can no longer terminate fathers or adoptive parents on leave.

Guidelines on Flexible Work Arrangement Requests

New Order or Decree

Author: Trent Sutton, Shareholder – Littler

The Tripartite Guidelines on Flexible Work Arrangements (FWAs) went into effect on December 1, 2024. While not mandating employers provide FWAs, the guidelines require employers to establish a process to consider and respond to such requests. Employers must have a policy that sets out their processes in line with the guidelines.

South Africa

Effective Date of the Amendments to the Employment Equity Act Announced

New Legislation Enacted

Author: Tracy van der Colff, Partner and Head of Employment – OWP Partners

Amendments to the Employment Equity Act, 1998 (the EEA) went into effect on January 1, 2025. Some of the main objectives of the amendments are to:

- Reduce the regulatory burden for small employers (i.e., employers with less than 50 employees). Small employers are now excluded from having to comply with the affirmative action obligations in Chapter III of the EEA, irrespective of their annual turnover;
- Empower the Minister of Employment and Labor to regulate sector specific numerical employment equity targets. Final sectoral numerical targets have not yet been published;
- Promulgate Section 53 of the EEA, which requires employers intending to do business with the State to be in possession of a certificate confirming compliance with their EEA obligations; and
- Strengthen EEA compliance.

South Korea

Childcare Support and Maternity/Paternity Leaves

New Legislation Enacted

Authors: Hyunjae Park, Partner, and Johnny Hong, Associate – Kim & Chang

On October 22, 2024, new legislation was enacted increasing the amount of annual childcare, maternity, and paternity leaves available and amending provisions regarding reduced working hours for childcare and during pregnancy. The updates become effective February 23, 2025, except for the calculation of annual leave based on reduction of working hours for childcare leave and pregnancy, which became effective from October 22, 2024. Also, employees who took a childcare leave of absence and reduced working hours for a period of childcare and used them for the entire year before October 1, 2019, will also be eligible for benefits under the updated systems. The updates are summarized below:

- Childcare leave of absence for single parents or parents of a child with a severe disability: up to 18 months, which may be used for up to four separate periods.
- Paternity leave: 20 days of leave with 20 days of government support within 120 days after childbirth. The leave may be used in up to four separate periods.
- Reduced working hours for childcare for children 12 years old or younger: the reduction in working hours may be used for up to three years for periods of at last one month.
- Reduced working hours during pregnancy: the reduction in working hours may be used within the first 12 weeks or after 32 weeks of pregnancy. For a high-risk pregnancy such as having twins or other multiples, or during premature labor, reduced hours may be used during the entire pregnancy period with a doctor's certificate.
- Maternity leave: employees are entitled to 100 days of maternity leave per year.
- Fertility treatment leave: employees are entitled to six days of leave per year, including two paid leave days.

Work Permit (E-9 Visa) Expanded to Medium-Sized Companies in "Ppuri Industry"

New Regulation or Official Guidance

Authors: Hyunjae Park, Partner, and Johnny Hong, Associate – Kim & Chang

As of September 2024, mid-sized companies in the "ppuri industry" can use foreign workers via the E-9 visa regardless of the location of their headquarters. The term "ppuri industry" refers to businesses engaged in business through the use of "ppuri technology," which are underpinning processing technologies used in manufacturing, such as casting, molds, metal forming, welding, surface treatment and heat treatment, and next-generation processing technologies key to the future growth of the manufacturing industry, such as injection, press, precise machining, robot and sensor.

Spain

New Climate Protocols in the Aftermath of the Valencia Floods

New Legislation Enacted

Author: Victoria Villanueva Gimeno, Partner – Abdón Pedrajas | Littler

After the severe flash flooding that hit the Valencia area at the end of October 2024, the Government approved new measures on labor and risk prevention related to climate change and catastrophes. The new regulation amends the Workers' Statute to include a new paid leave, a so-called "climate leave," which provides workers with up to four days of leave due to the inability to access their workplace based on the recommendations, limitations, or travel prohibitions established by competent authorities, as well as when there is serious and imminent risk, including risk from a catastrophe or adverse meteorological phenomenon. After four days, companies may suspend employment contracts based on force majeure or extend the leave.

Workers' representatives must be informed of the measures to be taken by the company in cases of alert activation due to catastrophes and other adverse meteorological phenomena and, if necessary, workers will be able to stop work until the danger is removed.

Companies should work to design climate protocols adapted to their respective areas and activities.

Declaration of Unfairness of Disciplinary Dismissal for Failure to Hold Employee Hearing

Precedential Decision by Judiciary or Regulatory Agency

Author: Laura Revuelta Corro, Associate – Abdón Pedrajas | Littler

The Spanish Supreme Court has ruled (STS 1250/2024) that companies are required to hold a hearing prior to disciplinary dismissals of employees. This new requirement applies to dismissals after the date of the decision, November 18, 2024. Failure to comply will lead to an automatic declaration that the dismissal was unfair.

Annual Salary Register Must Not Contain Individualized Salary Data

Precedential Decision by Judiciary or Regulatory Agency

Author: Victoria Villanueva Gimeno, Partner, and Raquel Romero González, Associate – Abdón Pedrajas | Littler

All companies in Spain must have an annual salary register that includes the average salary values of their workforce, by sex, professional group or category, position or position of equal value, and level (Article 28.3 of the ET). In a case before the Spanish Supreme Court, unions challenged the decision of a company not to provide salary information when an employee was the only one in the professional group or category. On November 21, 2024, the Supreme Court held that the law does not require the inclusion of data in the salary register that would allow the compensation of an individual worker to be identified.

Travel Time from Employee's Home to the First Customer is Not Considered Work Time

Precedential Decision by Judiciary or Regulatory Agency

Author: Victoria Villanueva Gimeno, Partner – Abdón Pedrajas | Littler

In a November 27, 2024, decision, the Supreme Court clarified that, generally, time an employee spends travelling directly from their home to their first customer and from the last customer to their home is not considered working time and, therefore, is not compensable.

Activation of the RED Mechanism for the Motor Vehicle Manufacturing Sector

New Regulation or Official Guidance

Author: Victoria Villanueva Gimeno, Partner – Abdón Pedrajas | Littler

The activation of the RED mechanism (*Reducción de Empleo por Despidos*) for Employment Flexibility and Stabilization in the automotive sector aims to address the structural changes that require the retraining of workers in order to protect employment and guarantee the competitiveness of this strategic sector for the Spanish economy, particularly after the severe floods that affected the Ford factory and the companies that are part of its industrial park.

Under this RED mechanism, a company will be able to suspend employment contracts if it provides retraining to the suspended workers. The labor authorities must validate the plan, which must be aimed at improving the professional skills and employability of the workers in the face of changes in the production system related to the use of new technologies or the production of hybrid and electric vehicles. The application must include detailed information on the skills to be acquired, the training program, the training actions, or the number of hours of training, among other things. Applicant companies must maintain the jobs for two years and classify the work in a specific CNAE-09 code. In addition, at least 40% of their work in 2023 must have been generated from operations carried out directly with companies that join the RED mechanism.

Sweden

Two New Rulings from the Swedish Labor Court Regarding the Just Cause Requirement for Termination Due to Personal Reasons

Precedential Decision by Judiciary or Regulatory Agency

Author: Anna Jerndorf, Partner and Head of Employment – TM & Partners

In October 2024, the Swedish Labor Court made headlines with two landmark rulings regarding the "just cause" (*sakliga skäl)* requirement for termination based on personal reasons (AD 2024 No. 75 and AD 2024 No. 78). In both cases, the court concluded that the employer had just cause for termination. The court highlighted that the employers had attempted less severe measures to address the issues before resorting to termination. These efforts included implementing action plans to facilitate improvement, issuing warnings that ongoing performance issues could lead to dismissal, and allowing reasonable time for the employees to rectify their behavior. Although the outcomes might have been the same under the previous interpretation of the law, these cases are interesting as they are the first to interpret the revision made to the Swedish Employment Protection Act in 2022.

New Structure in the Swedish Work Environment Authority's Regulations

New Regulation or Official Guidance

Author: Anna Jerndorf, Partner and Head of Employment – TM & Partners

Effective January 1, 2025, the Swedish Work Environment Authority's regulations (*föreskrifter*) adopted a new structure. Although the content of the regulations will largely remain unchanged, employers are advised to review their policies to ensure all references are updated to align with the new structure. The changes primarily affect developers, designers, and construction work environment coordinators with new rules and additional requirements introduced to clarify their responsibilities and tasks, particularly during the initial stages of the construction process.

New Base Amounts for 2025

New Regulation or Official Guidance

Author: Anna Jerndorf, Partner and Head of Employment – TM & Partners

The Swedish Government has set new base amounts for 2025 as follows:

- The price base amount is SEK 58,800;
- The increased price base amount is SEK 60,000; and
- The income base amount is SEK 80,600.

Price base amounts (*prisbasbelopp*) are the reference for various financial limits and caps. It is used in the tax and social security systems, among others, and is often the basis for calculating benefits and allowances. It is also often used to calculate income, benefits, and contributions. The increased price base amount is used to calculate pensionable income and pension credits. It is calculated in the same way as the price base amount, but with a higher base figure.

The income base amount (*inkomstbasbelopp*), which is set annually by the Swedish Pension Authority, is used to calculate the maximum pensionable income and reflect the income trend in Sweden.

Major Labor Negotiations Ahead for Sweden in 2025

Trend

Author: Anna Jerndorf, Partner and Head of Employment – TM & Partners

Sweden has a strong tradition of unionization, with collective bargaining agreements playing a key role in setting wages and employment conditions in the labor market. These agreements typically span three years, with many agreements set to expire in the spring of 2025. The upcoming 2025 labor negotiations will encompass an unusually broad segment of the Swedish labor market. As a result, labor organizations are preparing for challenging discussions on issues like wage adjustments, working hours, etc. Stay tuned for updates in 2025.

Switzerland

Minimum Wage and Compensation Changes Effective January 1, 2025

New Legislation Enacted

Author: Ueli Sommer, Partner – Littler Switzerland

There is no nationwide minimum wage in Switzerland, but there are statutory minimum wages in some cantons (provinces). Effective in 2025, these minimum wages are as follows: In Jura CHF 21.40, Neuchatel CHF 21.31, Ticino CHF 20.00 - CHF 20.50, in Geneva CHF 24.48, and in Basle-City CHF 21.70. The minimum wages that the cities of Zurich and Winterthur wanted to introduce have not yet come into force due to pending legal proceedings. Collective labor agreements in certain economic sectors also include minimum wages.

The minimum child allowances and education allowances are increased to CHF 215 (child allowance) and to CHF 268 (education allowance). The actual amounts can be higher, depending on the canton. In addition, the minimum annual salary subject to compulsory insurance under the Federal Law on Occupational Pensions (BVG) is CHF 22,680 and the maximum annual salary subject to compulsory insurance is CHF 90,720.

Turkey

Minimum Wage for 2025

New Order or Decree

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Miray Güneşli Gümüştekin, Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership (BASEAK)

The monthly net minimum wage for 2025 will be TRY 22,104.67, and the monthly gross minimum wage will be TRY 26,005.50.

New Regulation Regarding Social Security Premium Deductions on Meal Allowances

New Regulation or Official Guidance

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Miray Güneşli Gümüştekin, Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership (BASEAK)

An amendment to the Social Insurance Transactions Regulation, published in the Official Gazette on December 2, 2024, introduced new rules regarding meal cards and allowances. Under the new regulations, if meals are not provided at the workplace or its premises, or if the employer does not arrange meal service with a restaurant, meal cards are divided into two categories: (1) cards usable exclusively at dining establishments; and (2) cards that can also be used for groceries or non-food purchases. For cards limited to dining establishments, the entire allowance is exempt from social security premium deductions. However, for cards that permit usage in markets or for non-food expenses, any amount exceeding the exemption limit set by the Social Security Institution will be subject to social security premium deductions.

Guidelines on Labor Market Competition Violations

New Regulation or Official Guidance

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Miray Güneşli Gümüştekin, Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership (BASEAK)

Guidelines on Competition Violations in Labor Markets were published in November 2024. The Guidelines focus on wage-fixing and non-poaching agreements within labor markets and underscore the potential anti-competitive effects of information exchanges not only with competing businesses but also with third parties such as market research firms and employment agencies. Information regarding wages, benefits, leave rights, rate increase, and other working conditions is considered competition-sensitive, and their exchange may lead to anti-competitive outcomes. Specific conditions must be met to ensure that such exchanges do not restrict competition.

Regulation of Work Permit Criteria for Foreign Employees

New Regulation or Official Guidance

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Miray Güneşli Gümüştekin, Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership (BASEAK)

On October 1, 2024, the Ministry of Labor and Social Security updated work permit evaluation criteria for foreign employees, tailored to sectors, professions, and job positions. Notable changes include the following:

- As of January 1, 2025, certain workplaces operating under the balance sheet principle must meet at least one of the following criteria: have paid-in capital of at least TRY 500,000, net sales of at least TRY 8,000,000, or exports of at least USD $150,000. For newly established workplaces, the paid-in capital must be at least TRY 500,000.
- Companies must employ five Turkish citizens per foreign employee unless last year's net sales were at least TRY 50,000,000.

- Higher wages are mandated for foreign employees based on roles like senior executives, pilots, other managers, engineers, architects, specialized employees, and household employees, with defined thresholds.
- Exemptions are regulated for specific sectors such as IT, aviation, healthcare, and sectors requiring advanced technology.

These regulations are designed to align Turkey's labor market with the demands of economic growth and a global workforce.

Regulation of Work Permit Exemption Under the International Workforce Law

New Regulation or Official Guidance

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Miray Güneşli Gümüştekin, Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership (BASEAK)

The amendment to the Implementation Regulation of the International Workforce Law, published in the Official Gazette on October 15, 2024, introduced several significant changes to the law. The list of foreigners exempt from work permits has been expanded to include foreign press members holding a permanent press card, provided they receive approval from the Presidential Communications Directorate. This exemption applies for the duration of their assignment. In addition, work permit exemption applications submitted from within Turkey must be made while the foreigner is legally present in the country. Previously, such applications had to be filed within thirty days of the foreigner's entry into Turkey.

United Kingdom

New Leave and Pay for Parents of Babies Requiring Neonatal Care

New Legislation Enacted

Author: Natasha Somi, Associate – GQ | Littler

The Neonatal Leave (Leave and Pay) Act is set to go into effect in April 2025. The Act will introduce up to 12 weeks of paid leave for parents of babies who require medical or palliative neonatal care for a minimum of seven consecutive days within the first 28 days after birth. The leave must be taken within the first 68 weeks of the baby's birth. The rate of statutory neonatal care pay, which must be paid by the employer, has not yet been set. The right to receive statutory neonatal care pay will require 26 weeks of service and average earnings of at least £123 per week, mirroring the requirements for statutory maternity leave pay. This new leave will be in addition to other statutory leave entitlements, such as maternity and paternity leave.

Review the law at parliament.uk/bills.

No Requirement for General Workforce Consultation in All Redundancy Situations

Precedential Decision by Judiciary or Regulatory Agency

Author: Alexandra Charlton-Jones, Associate – GQ | Littler

The Court of Appeal has confirmed that, where collective consultation obligations are not otherwise triggered, there is no requirement for non-unionized employers to conduct "general workforce consultation" in small-scale reductions in force (i.e., typically fewer than 19 people) for such dismissals to be deemed fair. The Court rejected the Employment Appeal Tribunal's ruling that "general workforce consultation" is a requirement when undertaking small-scale reductions in force.

The Court saw no justification for departing from the well-established principle that the adequacy of consultation should be considered on a case-by-case basis. In non-unionized workplaces, the appropriateness of any group meetings will depend on the circumstances. Accordingly, the Court restored the legal principal that only when statutory collective consultation is triggered will group consultation be required.

Referee Contracts Met Minimum Requirements for Contracts of Employment

Precedential Decision by Judiciary or Regulatory Agency

Author: Darcey Phillips, Paralegal – GQ | Littler

The Supreme Court considered whether the engagement terms for part-time football (soccer) referees could be classified as contracts of employment for tax purposes. The Court found that even though either party could, in theory, cancel the contract after a referee agreed to officiate a game, there was sufficient mutuality of obligation and control for the contract to potentially be a contract of employment for tax purposes. The case was sent back to a lower tax tribunal to decide if, on the facts, there was an employment contract. This ruling helps clarify that control and mutuality of obligation are prerequisites for an employment contract. However, the cumulative effect of all the contractual provisions and all the circumstances must also be addressed to decide if there is an employment contract.

Review the decision at supremecourt.uk/cases.

Proposed Sweeping Changes to UK Employment Rights

Proposed Bill or Initiative

Author: Dilshen Dahanayake, Associate – GQ | Littler

The Employment Rights Bill introduced to the UK parliament in October 2024 is expected to pass in the first half of 2025. The Bill is one of the major reforms promised by the new Labor government and, if passed, would make sweeping changes to UK employment law. These changes include, among other things:

- Making several key rights available from the first day employment, such as protection from unfair dismissal. Notably, probationary periods of potentially up to nine months will be permitted during which dismissal will be simpler. Other rights include statutory sick pay, paternity leave, and unpaid parental leave.
- Putting limits on the use of zero hour contracts and "fire and rehire" practices.
- Bolstering the current right to request flexible working by making it more difficult for employers to refuse a request, with a view to making flexible working the default where practicable.
- Reintroducing employer liability for harassment of employees by third parties, such as clients or customers.
- Creating new rights regarding trade unions and union membership, including new rights of access for unions to workplaces and making union recognition and industrial action easier.

The UK government anticipates that the majority of the changes will take effect no earlier than 2026, with changes to unfair dismissal no sooner than Fall 2026. Some simpler changes, such as those to statutory sick pay and paternity leave, may come into effect in 2025.

New Draft Legislation Proposing to Reform UK Data Protection Law

Proposed Bill or Initiative

Author: Deborah Margolis, Senior Counsel – GQ | Littler

On October 23, 2024, the Data (Use and Access) Bill was introduced into the House of Lords. The Bill includes a number of proposals which would deviate from the UK's General Data Protection Regulation (GDPR), including:

- Relaxation of the rules on automated decision-making for ordinary personal data, but not for special category data.
- Creation of a data protection test for transfers of personal data outside of the UK.
- A new lawful basis for processing personal data, a "recognized legitimate interest."

It is anticipated that the legislation will be passed in the first half of 2025.

Review the proposed bill at parliament.uk/bills.

United States

Employment Law Update: New Laws for 2025

New Legislation Enacted

Authors: Joy C. Rosenquist, Of Counsel, and Bruce J. Sarchet, Shareholder – Littler

States and some cities were especially active this year passing workplace legislation, many of which create new compliance obligations for employers. Littler's Workplace Policy Institute (WPI) has been tracking these laws as they worked their way through the legislative and regulatory processes before going into effect on January 1, 2025.

This publication is Littler's annual summary of these new laws and regulations. This article, which focuses on laws taking effect in or around January 1, 2025, is not intended to be an exhaustive discussion of every single new employment and labor law, does not include the host of new minimum wage laws, and is intended to be informative but not to constitute specific legal advice for any employer.

Read the full article on Littler.com.

Federal Court Strikes Down Rule Raising Salary Threshold for White Collar Overtime Exemptions

Precedential Decision by Judiciary or Regulatory Agency

Authors: James A. Paretti, Jr., Shareholder, and Maury Baskin, Shareholder – Littler

On November 15, 2024, a federal court in Texas vacated and set aside the U.S. Department of Labor (DOL)'s final regulation increasing the salary threshold for the "white collar" overtime exemption under the Fair Labor Standards Act (FLSA) on a nationwide basis. This means that the increase in the overtime threshold scheduled to go into effect on January 1, 2025, will not go into effect. The court also struck down the July 1, 2024, increase that previously went into effect, although this may have limited practical effect for many employers that may have already adjusted their payroll to comply with that increase. Finally, the court held that the final rule's automatic "escalator" provision, which would have increased the threshold every three years going forward, was also unlawful.

It is clear now that the January 1, 2025, increase will not go into effect as scheduled, and as a matter of law, the July 1, 2024, increase is nullified. Employers that previously adjusted the salaries or exemption status of employees who earned less than the salary threshold set by the now-invalidated July 1 increase are advised to consult with counsel before considering whether to rescind those changes on a going-forward basis. Employers should also remain aware that some states have salary thresholds that exceed the FLSA threshold, including Alaska, California, Colorado, Maine, New York, and Washington.

Read the full article on Littler.com.

DOL Issues Guidance on AI and Worker Well-Being Best Practices

New Regulation or Official Guidance

Authors: Alice H. Wang, Shareholder, and Bradford J. Kelley, Shareholder – Littler

On October 16, 2024, the U.S. Department of Labor (DOL) published Artificial Intelligence and Worker Well-Being: Principles and Best Practices for Developers and Employers. This document expands upon guidance released in May 2024 that focused on eight AI "Principles." The new guidance now includes "Best Practices" that are intended to be a roadmap for developers and employers to implement these eight Principles. The DOL envisions that the Principles and Best Practices, in combination, will enable developers and employers "to harness AI technologies for their business while ensuring workers benefit from the new opportunities and are shielded from potential harms."

This Littler article discusses the eight DOL AI principles and provides key takeaways for employers. While the DOL's latest guidance re-emphasizes that it is not binding on employers, employers should already be cognizant of the practices suggested in the document. As employers consider whether, and to what extent, they want to incorporate

AI into their business practices, they should also consider implementing guardrails that incorporate useable and practical elements of the DOL's Principles and Best Practices, with particular emphasis on engaging with workers on the use of AI, auditing AI systems used in employment decisions, considering how AI systems will enhance worker well-being, and reducing negative impacts on their workforce.

Read the full article on Littler.com.

New Administration Likely to Result in Increased I-9 Audits and Raids

Legal Compliance

Authors: George Michael Thompson, Associate, and Bruce Buchanan, Special Counsel – Littler

The new administration is likely to have a profound impact on immigration law and enforcement come January 20, 2025. As worksite enforcement and general immigration compliance issues were a primary focus of the Trump presidential campaign, employers can expect an increase in the enforcement of immigration compliance, particularly via ICE (Immigration & Customs Enforcement) I-9 audits and raids. Therefore, it is important to understand an employer's obligations regarding federal immigration compliance and recommended practices to follow in the event of an audit or raid.

This article provides insight into what policies and enforcement changes to expect as a result of the new Trump administration, based on President-elect Trump's first term in office. This article also suggests ways an employer can prepare for the changes coming in 2025.

Read the full article on Littler.com.

The Impact of the Presidential Election on Artificial Intelligence Regulations in the Workplace

Trend

Authors: Bradford J. Kelley, Shareholder, and James A. Paretti, Jr., Shareholder – Littler

As artificial intelligence (AI) continues to transform the workplace, lawmakers and agencies are grappling with how to regulate its use in employment settings, from hiring practices to employee monitoring. The next administration's approach to AI regulation will help shape the balance between innovation and worker protection and could lead to changes in how the U.S. Department of Labor (DOL), the U.S. Equal Employment Opportunity Commission (EEOC), and the National Labor Relations Board (NLRB) address AI's growing influence in the workplace, affecting compliance requirements for employers nationwide.

The Trump administration is expected to reverse most of the Biden administration's AI regulatory efforts regarding the workplace, especially any measures that might be viewed as stifling innovation or which purport to limit "free speech," or are overtly pro-union. The Trump administration may also be more likely to work with and engage tech companies in the development of any AI regulatory policies. At the federal agency level, the Trump administration could withdraw certain AI guidance documents issued during the Biden administration.

Read the full article on Littler.com.

Venezuela

Introduction of Biometric and Electronic Systems in Notaries and Registries in Venezuela

New Order or Decree

Author: Daniela Arevalo, Associate – Littler

Through Administrative Provision 525 published in the Official Gazette 42,987, on October 17, 2024, the Autonomous Service of Registries and Notaries (SAREN) of Venezuela, implemented biometric and electronic systems for the processing, registration and granting of documents in notarial and registry offices. This provision, effective immediately, marks a crucial change towards digital modernization in Venezuelan legal processes.

The purpose of this provision is to improve the accuracy and efficiency of the identity verification process of parties appearing before notaries and registrars, as established in Article 1. Through biometric analysis of the identification of users, the new system seeks to streamline notarial procedures and improve security.

Extension of Bar Against Dismissal

New Order or Decree

Author: Daniela Arevalo, Associate – Littler

On December 30, 2024, the President of the Republic, Nicolas Maduro, enacted Decree N° 5070 extending the special protection against dismissal (*inamovilidad*). The Decree provides that employees may not be dismissed, demoted, or transferred without just cause being previously approved by the Labor Inspector. The special protection covers employees from January 1, 2025, to December 31, 2026. The decree excludes managerial employees as well as temporary and occasional workers.

Platform Messages and Emails Are Valid Means to Prove Compensation Requirements

Precedential Decision by Judiciary or Regulatory Agency

Author: Daniela Arevalo, Associate – Littler

On October 9, 2024, the Social Cassation Chamber of the Supreme Court of Justice issued a decision, Judgment No. 470, holding that wage payment obligations in foreign currency can be demonstrated through WhatsApp messages and emails. The electronic messages in this case were certified by both the Scientific and Criminal Investigations Corps (CICPC) as well as by the Superintendency of Electronic Certification Services (SUSCERTE).

The Court also addressed the issue of payment of wages in foreign currency, reiterating that in accordance with the provisions of article 128 of the Law of the Central Bank of Venezuela, any payment incurred in foreign currency may be made with the equivalent in legal tender in the country, unless the creditor and debtor parties expressly agree that compliance with the obligation will be satisfied solely with foreign currency.

Decision on Quality of Life Bonus

Precedential Decision by Judiciary or Regulatory Agency

Author: Gabriela Arevalo, Associate – Littler

On November 13, 2024, the Social Chamber of the Supreme Court issued a decision N° 531, holding that payment of a quality of life bonus is not considered salary, and that the bonus should not be included in the calculation of severance pay.

Vietnam

New Law on Trade Unions

New Legislation Enacted

Authors: Bernadette Fahy, Special Counsel, and Tran Thi Kim Luyen, Senior Associate – APFL & Partners Legal Vietnam LLC

On November 27, 2024, the National Assembly of Vietnam passed Law No. 50/2024/QH15 on Trade Union 2024 (the Law on Trade Unions), introducing significant amendments to enhance the protection of workers' rights and align with international labor standards. Key changes include:

- Foreign nationals working in Vietnam under labor contracts of 12 months or more are now permitted to join and participate in trade union activities at the grassroots level. However, they are not eligible to establish a trade union or hold trade union representative positions, which remain restricted to Vietnamese citizens.
- The addition of prohibited acts to the Law on Trade Unions including, inter alia, not ensuring conditions for trade union activities, not paying trade union fees, and late payment or insufficient payment of trade union fees, or using trade union fees in violation of regulations.
- Clarification that discrimination includes, among other things, prohibiting employees from establishing, joining, or participating in trade union activities, unilateral termination of labor contracts, refusing to extend labor contracts, transferring union employees to other jobs, and providing false information to lower the prestige and honor of trade union officials.
- Exemptions, reductions, or temporary suspensions of trade union fee contributions (which is currently set at the rate of 2% of the wage fund used as the basis for contribution of compulsory social insurance premiums) for entities facing economic difficulties or force majeure circumstances. Further guidance on application procedures will be provided by the Government and Vietnam General Confederation of Labor.
- Clarification on the hierarchical structure of the Vietnam Trade Union, which consists of four levels.

The Law on Trade Unions will go into effect on July 1, 2025, and replace the Law on Trade Unions No. 12/2012/QH13.

New Regulations on Voluntary Occupational Accident Insurance for Employees Without Labor Contracts

New Order or Decree

Authors: Bernadette Fahy, Special Counsel, and Tran Thi Kim Luyen, Senior Associate – APFL & Partners Legal Vietnam LLC

On November 1, 2024, the Government of Vietnam issued Decree No. 143/2024/ND-CP, allowing workers, such as freelance and self-employed individuals, who have worked for 15 years or more without a labor contract and who are not subject to compulsory insurance plans, to participate in a voluntary insurance program (OAI) for occupational accidents if the following conditions are met:

- Having a work impairment of 5% or more caused by an occupational accident that occurred during the period of voluntary OAI participation;
- Not falling within one of the exclusions, such as when the accident occurs due to a personal conflict unrelated to work; the worker intentionally harms themself; or the worker uses narcotics or additive substances in violation of law.

The application, procedures for participation, benefits, and resolution of claims for voluntary OAI benefits are specified in the Decree, which took effect on January 1, 2025.

Notice of Public Holidays Schedule in 2025

New Order or Decree

Authors: Bernadette Fahy, Special Counsel, and Tran Thi Kim Luyen, Senior Associate – APFL & Partners Legal Vietnam LLC

On December 3, 2024, the Ministry of Labor, War Invalids and Social Affairs issued Notice No. 6150/TB-BLDTBXH to announce the schedule for a number of public holidays in 2025. The holidays applicable to employees in the private sector are follows:

- New Year's Day: January 1, 2025
- Lunar New Year:
  - For employees working from Monday to Friday, employers may choose one of the following options:
    - January 24 – January 30, 2025
    - January 27 – January 31, 2025
    - January 28 – February 3, 2025
  - The dates adjust slightly for employees working from Monday to Saturday.
- Hung Kings Commemoration Day: April 7, 2025
- Reunification Day: April 30, 2025
- International Labor Day: May 1, 2025
- National Day: The company may choose one of the following options:
  - September 1 – September 2, 2025
  - September 2 – September 3, 2025

Employers are required to notify employees of the schedule for Lunar New Year holidays and National Day at least 30 days in advance.

Draft Law on Personal Data Protection

Proposed Bill or Initiative

Authors: Bernadette Fahy, Special Counsel, and Tran Thi Kim Luyen, Senior Associate – APFL & Partners Legal Vietnam LLC

The Ministry of Public Security has proposed a Draft Law on Personal Data Protection. The Draft Law focuses on ensuring the lawful collection, processing, and storage of employee data while upholding principles of privacy and consent. Several key provisions related to labor relations are:

- Transparency in data requests: Employers are only allowed to request information that has been disclosed in job postings or provided in employee records.
- Consent and legal compliance: Employee data in employee records must be processed in compliance with laws and based on the explicit consent of the data subject (*i.e., the employees).*
- Data retention and deletion: Employee records are subject to a defined retention period that is consistent with the data processing purpose and must be deleted upon the expiration of the retention period.
- Global data updates: When updating employee data to global employee databases, entities collecting and processing personal data must prove the legality of the collecting and processing activities. Data subjects remain responsible for ensuring the accuracy of the information they provide.
- Obligations for foreign entities: Foreign companies that recruit and process personal data of Vietnamese employees residing and working in Vietnam must:
  - Comply with Vietnamese laws on personal data protection.

- Sign agreements/contracts with an investment entity in Vietnam regarding employees' personal data processing.
- Provide copies of personal data of Vietnamese employees currently residing and working in Vietnam to the local investment entity to ensure legal compliance when required.

The Draft Law is currently under review and we will provide further updates upon availability.

Zambia

Clarification on Payment of Severance Pay to Employees on Permanent Contracts

Precedential Decision by Judiciary or Regulatory Agency

Authors: Hope Ndao, Partner, and Peter Chomba, Senior Associate – Mulenga Mundashi Legal Practitioners

On December 10, 2024, the Court of Appeal issued a decision in *Kingfred Phiri v. Life Master Limited* (Appeal No. 24 of 2023) [2024] ZMCA 335 addressing critical aspects of severance pay eligibility under Section 54 of the Employment Code Act No. 3 2019. The Court highlighted that while fixed-term contracts have a defined expiration date, permanent and pensionable contracts are indefinite and typically only end upon retirement. The Court held that severance pay is not automatically available to employees on permanent contracts unless terminated by redundancy under Section 54(1)(d) of the Employment Code Act and clarified that exclusion from Section 54(3) (which specifies categories of employees not eligible for severance pay) does not automatically grant eligibility for severance. The Court reaffirmed that employees dismissed for disciplinary reasons are excluded from severance pay under Section 54. In interpreting the Act, the Court noted that severance pay is tied to specific termination scenarios, and dismissal for disciplinary reasons is not one of them.

This decision is intended to clear up the confusion caused by two contrasting judgments by the Court of Appeal which, in one case, held that severance pay is payable to employees on permanent contracts and in another held that it was not. A decision by the Supreme Court of Zambia is expected to settle the issues. Until there is a binding Supreme Court decision, the most recent Court of Appeal decision, holding that severance pay is not payable to employees on permanent contracts or employees who have been dismissed, will apply.

Termination of Employment on Operational Grounds

Precedential Decision by Judiciary or Regulatory Agency

Authors: Hope Ndao, Partner, and Peter Chomba, Senior Associate – Mulenga Mundashi Legal Practitioners

On November 28, 2024, in *Pius Chilufya Kasolo v. ZCCM Investments Holding Plc* (Appeal No. 185/2022) [2024] ZMCA 311, the Court of Appeal clarified the requirements to lawfully terminate an employment contract on operational grounds. The Court held that, for such termination to be valid, an employer must provide specific, valid commercial reasons, such as inability to pay an employee or restructuring, substantiated by clear and objective evidence. In this case, the respondent employer failed to meet these requirements, as there was no evidence of financial or structural challenges, and no substantiation of claims that the appellant employee was incapable of implementing the strategic plan he had developed. The Court held that termination of employment without fulfilling these requirements constitutes a breach of the law.

Clarification of the Role of the Court in Appeals from Employers' Disciplinary Tribunals

Precedential Decision by Judiciary or Regulatory Agency

Authors: Hope Ndao, Partner, and Peter Chomba, Senior Associate – Mulenga Mundashi Legal Practitioners

On November 28, 2024, in *Warren Chabala Chibale v. Mopani Copper Mines Plc* (Appeal No. 1/2023) [2024] ZMCA 306, the Court of Appeal emphasized that the role of the Court in wrongful dismissal proceedings is to determine whether the disciplinary tribunal had valid powers and exercised them lawfully, whether procedural fairness was followed and whether there were sufficient facts to support the decision made. The Court reaffirmed the principle that courts

should not review whether the decision of an employer's internal disciplinary tribunal is fair, just, or reasonable unless there is evidence of abuse of power or invalid exercise of power.

Legitimate Expectation on Renewal of Fixed-Term Contracts

Precedential Decision by Judiciary or Regulatory Agency

Authors: Hope Ndao, Partner, and Peter Chomba, Senior Associate – Mulenga Mundashi Legal Practitioners

On November 20, 2024, in *Maikisa Matthew Ilukena v. Patents and Company Registration Agency* (Appeal No. 34/2023) [2024] ZMCA 319, the Court of Appeal held that the respondent employee, who had a fixed-term contract that expired, could not claim a legitimate expectation for contract renewal in the absence of any assurance or representation by the employer. The Court underscored the sanctity of contracts, emphasizing that fixed-term contracts should be honored as written unless there is evidence of clear promises or conduct from the employer indicating an intention to renew them. The Court distinguished this case from others where legitimate expectation was recognized because the employees were allowed to work beyond their contract terms. The Court further held that a failure to give an employee the requisite notice for non-renewal of the fixed term contract did not create a legitimate expectation as to its renewal, but amounted to a breach of contract for which the employee was entitled to normal damages calculated based on the notice period.

Constructive Dismissal Cannot Be Based on Perceived Threats or Anticipated Events

Precedential Decision by Judiciary or Regulatory Agency

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On October 21, 2024, in *Walter Anderson v. ASF Zambia Hotel Holding Ltd* (COMP NO. IRCLK/642/2020) [2024] ZMHC 234, the High Court clarified the requirements for constructive dismissal. For such a claim to succeed, the breach must be actual and significant, and the resignation must be a direct response to that breach. The complainant in the case alleged constructive dismissal based on a suggested future event (i.e., being required to face individuals implicated in a report he authored during an inquiry). The Court rejected this claim, emphasizing that no hostile act or fundamental breach of contract had occurred and that constructive dismissal cannot be grounded on perceived threats or anticipated events; there must be concrete evidence of the employer's conduct that forces the resignation.