

# On your radar

Key employment issues across Europe and beyond

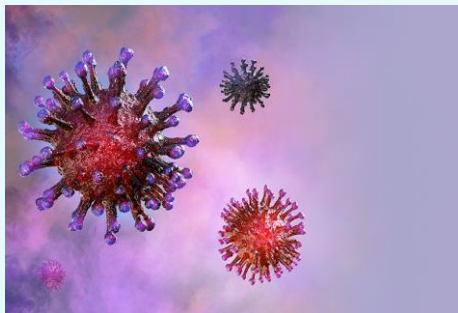


---

# Welcome

---

Welcome to the latest edition of *On your radar*, which is a story of two halves...



First, we take the opportunity to look back at developments during 2020, in many cases highlighting those that you may have missed given the pandemic. As you would expect, COVID-19 related changes dominated the global employment law landscape generally, as many countries introduced support schemes and measures to limit/prevent pandemic dismissals. While some examples of COVID-19 measures are highlighted here, you can visit [\*International legal & commercial implications of Coronavirus \(COVID-19\)\* \(cms.law\)](#) for a greater wealth of insights.

Second, each jurisdiction also looks ahead, flagging some key areas to be aware of during 2021, where employers need to keep up to date with a wide range of developments, with a wider focus than COVID-19. Progressive policies that enhance employee rights and diversity are clear themes. In Spain they are extending the scope of companies covered by equality plans and in Switzerland from the start of this year workers will be entitled to leave paid by the employer to care for family members or life partners. The pandemic's impact will, meantime, leave a permanent mark on the world of work, and other changes in Germany, Russia and Colombia for example, attention turns to regulation of home work.



As always, we hope you find *On your radar* interesting and informative. Please speak to your usual CMS Employment contact if you would like to explore any of the issues raised.

---

# Index

---

Please click on the country below to take you to that section.

[Belgium](#)[Germany](#)[Slovakia](#)[Bulgaria](#)[Italy](#)[Slovenia](#)[Chile](#)[Monaco](#)[Spain](#)[China](#)[Peru](#)[Switzerland](#)[Colombia](#)[Poland](#)[The Netherlands](#)[Croatia](#)[Portugal](#)[Turkey](#)[Czech Republic](#)[Russia](#)[Ukraine](#)[France](#)[Singapore](#)[United Kingdom](#)



# On your radar | Key employment issues across Europe and beyond Belgium

## 2020 Looking back



### Employer's contribution to home-workplace transportation costs

From 1 July 2020 the 5km minimum limit before an employer can contribute to the costs of public transport (other than by train) is abolished.



### Surveillance cameras and the Data Protection Authority

For cameras installed before 25 May 2018, when filming third parties, the Data Protection Authority provided a two-year transition period during which employers can formalise their situation and make the declaration to the local police via an electronic form (declarationcamera.be). This formality had to be completed before 25 May 2020.



### Posting of workers to Belgium

New rules came into force in June 2020 modifying the Act dated 5 March 2002. This Act only changes the remuneration and working conditions to be followed by a foreign employer who temporarily posts their workers to Belgium for the performance of a contract for the provision of services.

### COVID-19 Suspension of the notice period

From 22 June 2020 the notice period was suspended during a period of economic unemployment. There is however no suspension in the following circumstances: (i) the notice period expired **before** 22 June 2020 (no retrospective effect); (ii) the notice period is still running on 22 June 2020 but started **before** 1 March 2020 (the notice period keeps running even after 22 June 2020); (iii) the notice period is still on 22 June 2020 and started **on** or **after** 1 March 2020 (period until 22 June 2020: no suspension/period from the 22 June 2020: suspension).



## Looking ahead to 2021

### "Cash for car" allocation is no longer available in 2021

The Constitutional Court ruled that there is an unjustified treatment difference between workers who do not receive a mobility allowance (and whose remuneration is fully subject to social security contributions and tax) and workers who receive an allowance (which is privileged in social and tax terms). Therefore the "cash for car" regime will cease to apply after 31 December 2020.

### Non-recurrent benefits linked to performance

The system of non-recurring benefits allows the employer to grant an incentive bonus on the basis of collective objectives. Up to a certain amount, this bonus benefits from attractive social and tax treatment. For 2021, the tax ceiling is set at EUR 2,998 for the social aspect.

### Public holidays in 2021 are published

In 2021, the holidays of Labour Day (Saturday, 1 May), Assumption Day (Sunday, August 15) and Christmas Day (Saturday, 25 December) will probably have to be replaced by a regular day of activity. Replacement days (*i.e.* days on which the company is normally active) must be posted on the company's premises before 15 December 2020.

### Exemption from basic employer contributions for the first employee recruited

The reference period was set from 16 January 2020 until 31 December 2020. Based on the Government's agreement we are anticipating that in 2021 this period will be extended. In addition, an evaluation of the reduction in the target group for the first recruitment will take place in 2021. This may lead to a modification of the measure.



# On your radar | Key employment issues across Europe and beyond

## Bulgaria

### 2020 Looking back



#### State of emergency / emergency epidemic situation measures

During a state of emergency or an emergency epidemic situation, the employer may either (i) assign remote work to its employees unilaterally; (ii) cease work in the enterprise for the said period either at its own discretion or because of a mandatory government order; (iii) establish part-time working hours in the enterprise; or (iv) unilaterally instruct employees to use paid annual leave. In any case, except for point (iii), the employees are still entitled to their full salary.

If the work of the whole enterprise, part of it, or of certain employees has been suspended by an order of the employer or a government body, the employer may send the affected employees on paid annual leave without their consent. The employers are entitled to force the employees to use up to one-half of their paid annual leave without the employees' consent – in all other cases – in which there is no order for suspension of work.

Employers who were ordered to close and continue to pay wages are entitled to government compensation of 60% of the gross salaries of the employees. The employers entitled to compensation fall under one of the following categories: certain retailers; various types of passenger transportation companies; hotels, restaurants and bars; cinemas; travel agencies; commercial fairs, cultural activities, sports activities; and private preschool education centres.



### Looking ahead to 2021

#### Important amendments to the Labour Code

The most important amendments to the Labour Code, adopted on 18 December 2020, are as follows:

- Trade unions and employers are now allowed to negotiate a higher amount of permitted overtime at an industry level of up to 300 hours per year (an increase from 150 hours per year);
- In cases of cumulative working hours, the employer determines a period lasting from 1 to 4 months. For certain activities, the period is extended to 12 months through collective bargaining by industry or branch;
- The Labour Code now applies to foreign-based employers in relation to their employees who have their place of employment or are posted in Bulgaria, irrespective of their nationality, and to Bulgarian employers, who hire foreign employees abroad;
- The mandatory minimum work experience for using paid annual leave is reduced from 8 to 4 months;
- An additional sanction ranging from BGN 15,000 to BGN 20,000 is added to employers who have repeatedly not declared an employment relationship with their employees; and
- The sanction for systemic infringements related to undeclared employment and for non-payment of salary and compensation to employees, increases from BGN 20,000 to BGN 30,000.





# On your radar | Key employment issues across Europe and beyond

## Chile

### 2020 Looking back



#### Teleworking regulation

The Teleworking law which came into force in April 2020 established the conditions for this type of agreement, in addition to setting out the basic safety measures that employers must comply with where they have employees working remotely.



#### Extension of protection against dismissal following childbirth and maternity leave during the COVID-19 pandemic

The protection which applies to employees following childbirth and maternity leave where the dismissal happened during the State of Emergency which was declared on 18 March 2020 (or within its subsequent extensions), will be extended until the further expiration of the State of Emergency.



#### Suspension from work and grounds for dismissal

Employees cannot be dismissed on the grounds of company needs while their employment relationship is suspended due to the effect of COVID-19. Additionally, no employee's contract can be terminated due to force majeure during the pandemic, whether their contract is suspended or not.



### Looking ahead to 2021

#### Amendments to the law on the rights of persons with disabilities

From 1 November 2022, companies with 100 or more employees must have personnel certified in inclusion and disability in their Human Resources departments.

#### Universal childcare

There is a bill that aims to guarantee the universal right to childcare for children of working mothers and fathers under two years of age, which will be financed through a solidarity fund. Currently this benefit exists only for female employees who work in companies that have more than 20 female employees.

#### Reduction in working hours

There is a bill that seeks to reduce the working week from 45 to 40 hours.



# On your radar | Key employment issues across Europe and beyond China

## 2020 Looking back



### Flexible staffing

The PRC Government has published several policies encouraging flexible staffing arrangements, such as self-employment and part-time jobs to cope with the employment pressures triggered by the COVID-19 epidemic during 2020. Relevant supporting measures and guidelines are also being developed.



### Provision of social insurance for employees who are hired by companies not located in Beijing

On 30 June 2020, Beijing issued a notification that HR agencies are not allowed to pay social insurance contributions for employees in Beijing who are hired by companies which are not registered in Beijing. Many companies have needed to adjust their social insurance arrangements for these employees or set up branches there.



### Social insurance premium to be collected by the Tax authority

In November 2020 more than 15 provinces announced that social insurance premiums would be levied by the tax authorities instead of the social insurance funds. Since the tax authorities hold the remuneration information of the employees, therefore, in the future, companies are unlikely to be able to pay social insurance premiums lower than the statutory requirements.



## Looking ahead to 2021

### Digital employment contract

Under PRC law, an employment contract shall be in written form. According to the new Civil Code which will take effect from 1 January 2021, a digital form that meets relevant requirements shall be deemed as a written form. This means that an employer may sign a digital employment contract with its employees.

### Sexual harassment

According to the Civil Code, not only the female employees but also the male employees are protected from sexual harassment in the workplace. The Civil Code also contains guidelines on the responsibilities of an employer towards sexual harassment in the workplace.

### Personal Information

Personal information protection is broadened and generalised under the Civil Code. When an employer handles the personal information of its employees, in the process of collection, store, use, process, transfer, provision or making public, it shall follow the principles of legitimacy, rightfulness and necessity. Over-handling is not allowed. Except if the statutory laws or administrative regulations provide otherwise, the employer shall obtain the consent of the employees expressly indicating the purpose, method and scope of handling the personal information, publish relevant rules and comply with the statutory requirements or mutual agreement.



# On your radar | Key employment issues across Europe and beyond

## Colombia

### 2020 Looking back



#### Special protection for employees who are about to comply with requirements to get an old age pension (Private funds)

In 2020, the Constitutional Court established that employees affiliated to a private pension fund that have accumulated more than 1150 weeks of pension contributions are not entitled to this special protection given the fact that they have already complied with the requirements to receive a minimum old age pension.



#### Approaches to the implementation of home office

Before the pandemic, working from home was not expressly regulated in Colombia, instead Law 1221 of 2018 established the concept of “telework” as a formal and permanent way of work. However, with the need to promote work from home, the Ministry of Labour allowed employers to apply home office rules as an exceptional and temporary measure, without all the formalities of Telework.



#### Implementation of virtual tools to employment litigation

Decree 806 of 2020 allowed judicial hearings to be performed through virtual platforms and documents such as the claim form and notifications can be sent through email or text message. This has made the procedures faster and has reduced judicial congestion.



#### Relevant Supreme Court decisions regarding pensions

In regards to death pension, it stated that there’s no need for the survivor spouse to prove a minimum cohabitation of 5 years, given the fact that this requirement only applies if a retired person who was already receiving a pension dies, but it does not apply in cases where an employee dies but did not have a pension. The special pension for parents with disabled children which was only established for people affiliated to the public pensions fund, has been extended to the employees affiliated to private pension funds.



### Looking ahead to 2021

#### Shared parental leave

Congress is analysing a Bill which will establish shared parental leave which consists of giving fathers more leave following the birth of a child. Taking into account the example from European countries, this Bill’s goal is to encourage fathers to get more involved with their parental obligations instead of putting all responsibilities exclusively on the mother.

#### Reduction of work schedule

Recently the Senate has approved a Bill to reduce the number of weekly working hours from 48 to 40 hours per week. The bill must be approved by the Chamber of Representatives in order to become Law.

#### Full disconnection during resting times

Congress has approved the first debate of a Bill aimed at regulating the employee’s right to fully disconnect during rest periods. If the employer tries to contact the employee via email or WhatsApp during a rest time, the employee has the right to reply only during working hours.

#### Home Office formal regulations Bill

The Ministry of Labour submitted a bill which will regulate a “home office.” At the moment only “telework” is expressly regulated, however, it seems that it is still seen as something “temporary” and in cases where the arrangement is permanent the applicable concept would be “telework”.

#### Practical application of the special social security contributions for employees who earn less than a minimum wage

Decree 1174 of 2020 regulates the ability to make social security contributions for employees who earn less than the monthly minimum. From February 2021, the Social Security operators must have activated the option to pay contributions with a base lower than the minimum wage.





# On your radar | Key employment issues across Europe and beyond

## Croatia

### 2020 Looking back



#### Exceptions on the obligation to conduct risk assessments for employees working remotely

New rules came into force in January, and providing certain conditions are met, it is not always necessary to conduct a risk assessment at a temporary place of work, such as the employee's home.



#### Government support for preserving jobs, including short-time work

Two Government measures intended to help entrepreneurs keep jobs have been implemented. Through these measures, short-time work has been implemented for the first time in Croatia.

#### Ministry's opinion on the possibility of imposing working from home by the employer

The Ministry of Labour and Pensions System has issued an opinion that an employer can "order" employees to work from home, but only during the pandemic. However, this standpoint is not corroborated by law and it is doubtful whether it can indeed be implemented without harmful consequences for employers.



### Looking ahead to 2021

#### Amendments to the Employment Act

Social partners are currently discussing the amendments to the Employment Act, which mostly refer to remote work and associated costs that need to be reimbursed to employees.

#### Foreign workers in Croatia

Amendments to the Foreigner's Act and the Act on EEA citizens came into force on 1 January 2021. Some of the most important developments include the abolition of quotas (and the introduction of the market status test), as well as the regulation of so called "digital nomads" working in Croatia.

#### Status of UK citizens in Croatia

Discussions concerning the regulation of UK nationals who stay and work after 31 December 2020 finally came to an end. Work / stay permits will not be necessary for UK nationals who held a valid residence certificate on 31 December 2020. They, however, need to re-register and obtain a new, specific residence card.



# On your radar | Key employment issues across Europe and beyond

## Czech Republic

### 2020 Looking back



#### Delivery of employment documentation

If it is not possible for the employer to deliver important employment documents such as the notice of termination of employment or a warning letter to the workplace, employers are no longer obliged to attempt to deliver these documents at the employee's home. Instead, they can immediately mail the document via regular post.



#### Transfer of undertakings

The legal conditions where an automatic transfer of employment (transfer of undertakings - TUPE) apply has been substantially changed. Until July 2020 TUPE was easily triggered on any transfer of an employer's activities to another employer. New regulations have been aligned with EU law which lay down stricter conditions that need to be met in order for the automatic transfer principle to be triggered.



#### Equal remuneration of comparable employees

According to the Czech Supreme Court, employees performing work for an employer under the same working conditions are entitled to equal remuneration regardless of the region where the work is performed. Regional socio-economic circumstances cannot be the reason for overriding the equal remuneration principle. Therefore, employees working in small towns must receive the same remuneration as comparable employees working for that employer in the capital city where the costs of living are higher.



### Looking ahead to 2021

#### Annual leave calculation

New rules for calculating annual leave will apply in 2021. Annual leave will be calculated in hours instead of in weeks. The minimum statutory annual leave entitlement will remain unchanged. The former regulation, however, established inequality between employees with different lengths of shifts whereas the new regulation will set out equal conditions for all employees.

#### Job share

The possibility of a new flexible arrangement for the distribution of working hours will be introduced into the Labour Code enabling part-time employees to share the same position. Employers will be able to agree to the basic rules on the distribution of working hours, while the individual employees in the shared position will need to agree on the distribution of individual shifts.

#### State aid for employers

The coronavirus crisis has revealed the necessity of laws implementing state aid schemes for employers during external crises. As of mid-December 2020, the government has not yet decided on the exact terms of the new scheme, however, it is expected to be approved in 2021. The new legislation will replace the current Antivirus program – a provisional state aid scheme for employers which was hurriedly introduced in spring 2020 as an immediate reaction to the COVID-19 crisis.



# On your radar | Key employment issues across Europe and beyond France

## 2020 Looking back



### Cross-border posting of workers

Since 30 July 2020, new rules apply to:

- the business expenses of posted workers,
- the prior notification of posting,
- the procedure for extending the application of the hard core of labour provisions after 12 months
- the conditions under the services may be temporary stopped (due to non-compliance).



### Temporary extension of short time working

To face the COVID-19 crisis, the Government has extended the short time working regime, which allows the employer to reduce employee's working time and to have the unworked hours paid by the State: the changes have mainly concerned the duration of the state aid, the scope of eligibility, and the amount of the allowance paid by the State.



### Employee savings unlocked in case of domestic violence

Since 7 June 2020, an employee may ask for the funds placed in an employee saving scheme to be released when it is clear that the employee is a victim of domestic violence.



### Creation of a bereavement leave when a child dies

Since 1 July 2020, any employee who loses a child under 25, benefits from a bereavement leave of 7 days instead of 5 before. The statute also creates a mourning leave of 8 days to be taken during the year following the funeral.



## Looking ahead to 2021

### A new tool to help negotiating work from home

In order to implement working from home, the social partners have concluded, on 26 November 2020, a national and interprofessional agreement which mainly aims at supporting negotiation and is essentially nonbinding, except for the obligation for the employer to bear business expenses associated with remote work.

### Development of a new form of short time work in the long run

Since 31 July 2020 companies facing a durable reduction of activity may benefit from a special regime of short time work during a period of 24 months during 36 consecutive months. This regime may be implemented either by a company agreement or by a unilateral document, if an industry collective agreement provides for it. This new regime should develop in 2021.

### New rules for unemployment insurance

New rules should be enforceable as of 1 April 2021 (conditions to open rights, calculation of the reference salary and degressive allocations for highest salaries).

### Extension of paternity leave

From 1 July 2021, paternity leave is extended to 25 days, 4 of which must be taken at the birth of the child. The birth leave of 3 days is also binding and must be taken on the day of birth or the day after. It is forbidden to employ the employee during the period of birth leave and during the first four days of paternity leave.



# On your radar | Key employment issues across Europe and beyond

## Germany

### 2020 Looking back



#### Sick leave by telephone

For a limited period until 31 December 2020, patients suffering from mild respiratory diseases may be given sick leave by telephone for up to 7 calendar days. A one-time extension is possible. In this case, the physicians must personally satisfy themselves of the patient's condition by means of a detailed telephone interview.



#### Same pay for same work at the same place

Implementing the amended Posted Workers Directive 96/71/EC, German law now ensures that foreign employees posted for work in Germany receive the same salary as German employees. Further, it is clear that health and safety rules extend to the workers' accommodation.



#### Mass redundancies – invalid termination of employment

An individual notice of termination issued by the employer can be invalid due to the lack of informing the correct locally competent employment agency (See: German Federal Labour Court, BAG – 6 AZR 146/19). Courts define the local competence independently from the employment agency's own competence decision. By way of precaution employers should consult any employment agency that is potentially competent.



### Looking ahead to 2021

#### Home Office

The German Federal Ministry of Labour is pushing for a legal entitlement to a "home office" law whereas the chancellery would prefer more flexible solutions to ensure that mobile working will be possible in the future without red tape. The current draft also provides for a right of non-availability for employees to be able to switch off from technology after working hours.

#### Working Time

Employers will have a legal obligation to record working time. There may be exceptions for certain groups of employees. The draft law envisages sanctions for violations. No date has been fixed for implementation.

#### Wage Taxation

Income tax will be reduced from January 2021. This applies to income up to EUR 62,127 per year and the personal "solidarity surcharge" will not be imposed any longer – only higher incomes will continue with this surcharge (this was initially created in 1991 to cover German reunification costs).

#### Short-Time Work – Duration

Subsidised short-time work is limited to a period of 12 months maximum, however short-time work that has started in 2020 can run until 31 December 2021.



# On your radar | Key employment issues across Europe and beyond

## Italy

### 2020 Looking back



#### Simplified smart working

Since February 2020, companies have been able to ask employees to carry out “smart working” or agile working (“*lavoro agile*”) while the state of emergency is in place (this has now been extended to 30 April 2021). The employer does not have to enter into an agreement in writing, but they are required to comply with mandatory provisions (such as working hours, the right to disconnect, the use of technology, and the exercise of organisational control etc.). Smart working can therefore be put in place by a simplified procedure.



#### Workplace safety protocols

A “Joint Protocol for regulating the measures designed to counter and contain the spread of Covid-19 in workplaces”. This Protocol contains guidelines to make it easier for companies to make and increase precautions within their organisation. Failure to implement safety measures that do not provide adequate levels of protection will result in the suspension of the company’s activities until the appropriate security conditions are restored.



#### Ban on dismissals

The ban on collective dismissals and dismissals where there is a justified objective reason has been in force since February 2020.



The only exceptions to the ban are in cases where misconduct is the reason for dismissal, or the definitive cessation of the company’s activity or bankruptcy, as well as voluntary redundancies with the agreement of trade unions.

#### Social safety nets

The Government provided new social safety nets, aimed at helping companies to save employment relationships across the whole national territory.



### Looking ahead to 2021

#### Ordinary Wage Guarantee Fund, Ordinary Allowance and Exceptional Wage Guarantee Fund

Employers who need to suspend or reduce work activity because of COVID-19 can apply for an allowance/subsidy from the Ordinary Wage Guarantee Fund, Ordinary Allowance and Exceptional Wage Guarantee Fund for a maximum duration of 12 weeks between 1 January and 31 June 2021.

#### Exemption from payment of contributions

Private employers are also granted an exemption from the payment of social security contributions for a further maximum period of eight weeks, provided applications are made before 31 March 2021.

#### Collective and individual dismissal for objective reasons

An employer is prohibited from initiating a collective redundancy procedure until 31 March 2021 and any procedures which started after 23 February 2020 remain suspended, except in cases of dismissal for misconduct, or the definitive cessation of the company’s activity, bankruptcy, or where there is a collective company agreement.

#### Fixed term contracts

Until 31 March 2021 fixed-term employment contracts can be renewed or extended only once without indicating any reason, for a maximum period of 12 months (without prejudice to the maximum overall duration of 24 months).



# On your radar | Key employment issues across Europe and beyond

## Monaco

### 2020 Looking back



#### **Monegasque Highest Court judgment on jurisdiction to challenge elections of employee delegates.**

A challenge to the revocation of staff representatives by way of a petition has been found not to be for the jurisdiction of the "Peace Judge" (competent on staff representatives elections), nor of the Highest Court (competent for appeals to the Peace Judge decision) in appeal. The Highest jurisdiction has confirmed that the Tribunal of First Instance would be competent. As such, the decision which is now final, impliedly confirms that revocation does not require an election, but can be effective even though expressed by a majority of employees through a simple petition.



#### **Government promotion of Digital Principality Law**

In the very last days of December 2019, Monaco adopted the Digital Principality law n°1.482, enacting a stimulating framework for its economy to attract new companies with a legal framework within which they will be able to develop and create new digital services, such as the reduction in size of pay slips, electronic archiving, sending a registered letter by electronic means, and concluding a contract by electronic means with the same legal value as a paper contract.



#### **Law instituting a family benefits plan for self-employed workers**

This law amends the 1982 law that established a social benefit system for self-employed workers, without giving them a right to family benefits. This law gives them a right to family benefits, based on existing provisions for the benefit of employees.



### Looking ahead to 2021

#### **Law n° 1501 relating to assistance for access or return to employment**

The purpose of this law is to provide special assistance to certain categories of job seekers and the allocation of public assistance to Monegasques nationals or 10-year residents, over the age of 16 and registered in the Labour Directorate, who are not eligible to receive conventional unemployment benefits. The first measure concerns "*assistance for access to employment*", in the context of an active search for a first job. The second measure concerns "*assistance for returning to work*", for eligible persons who are, temporarily and involuntarily deprived of their employment. These assistance measures are meant to be subsidiary to the conventional unemployment benefits and hence depend on more flexible conditions of access.

#### **Law n° 1502 relating to assisting the Monegasque family and social assistance**

The goal of this law is to create a new social assistance program called "minimum income". This new aid is intended for persons of Monegasque nationality, over 18, not entitled to unemployment benefits or from public aid paid by the Labour Directorate. Moreover, the allocation of the minimum income is subject to effective and regular socio-educational monitoring.





# On your radar | Key employment issues across Europe and beyond

## Monaco

### 2020 Looking back



#### 2020 Data protection authority report on 2019 activity:

##### - Strict guidelines for video surveillance at the workplace

Several employers have been sanctioned and immediately deactivated the video surveillance system they had illegally installed because it enabled them to film workstations without justification, as well as checking arrival times of employees because employees had not received prior information. Cameras shall not film private areas available to employees, but work areas, entrance and exit doors, storerooms, storage, cash registers and outside areas may be filmed.

##### - Criminal and civil sentences

Where a claimant had been unable to obtain his personal clocking in/out data, the former employer was sentenced to EUR 18K in fines and EUR 15K in damages.



### Looking ahead to 2021

#### Bill on concerted organisation of working time

This draft would be a "*temporary and additional tool to avoid economic layoffs*". Employers are entitled to adapt the working time of employees according to the company's activity, if it agrees not to impose any economic layoffs. In return, employees would work less during low season and more during the high season, for the same salary. Working time arrangements will remain limited in terms of the working hours accumulated in a period (i.e. not over 48 hours a week, and not over 10 hours a day).



# On your radar | Key employment issues across LATAM

## Peru

### 2020 Looking back



#### Temporary suspension of work authorised by the Ministry of Labour

In March, the Government declared a state of national emergency in response to the COVID-19 pandemic, and ordered the suspension of most of the country's economic activities, but forced employers to continue paying wages to their employees, even if they did not go to work. It was not necessary to prohibit dismissals because since 2000, Peru has a strict labour stability regime that prohibits the dismissal of employees except in very specific cases, such as the commission of serious misconduct or other exceptional situations.

To alleviate the negative effect of this measure, companies that were seriously affected by the emergency situation could make a request to the Ministry of Labour to suspend the work of their employees without paying their salary for up to 3 months, which was later extended for a further 3 months, although the suspension was not able to be extended after January 2021. However, the Ministry has not approved many of the requests submitted, thus affecting many employers.

#### Return of contributions to pension funds

The Congress of the Republic has approved two laws that authorise workers in certain circumstances to request the return of contributions they have made to their pension funds in order to be able to enjoy a retirement pension when they retire from employment. These laws oblige both the State pension fund (ONP) and the private companies that manage the pension funds to make the return that has been ordered by law.



### Looking ahead to 2021

#### Challenging the laws on refunding contributions to pension funds

Since the Executive considers that Congress has not respected the Constitution by approving the laws on the return of contributions to pension funds, the Executive has sued Congress before the Constitutional Court. The intention of the Executive is that the Court will declare the unconstitutionality of such laws. In the opinion of most specialists consulted on this matter, such laws would be inconvenient for the economic future of the country, especially in the case of the state fund, among other reasons because the government claims that the state does not have the necessary funds to return all the contributions that could be requested.

It is estimated that the Constitutional Court will rule on this matter in the first months of 2021. It is expected that it will declare these laws to be unconstitutional because according to the Constitution, congressmen cannot have initiatives for spending from the public treasury.

#### Possibility of issuing rules of a populist nature in the first semester of 2021

Many journalists and opinion leaders consider that several of the initiatives promoted by the current Congress of the Republic are really populist and therefore economically inconvenient, such as the return of pension funds or the repeal of the agrarian regime.



# On your radar | Key employment issues across LATAM

## Peru

### 2020 Looking back



#### Repeal of the Law on the Special Regime for the Agricultural Sector

In December 2020, the Law for the Promotion of the Agrarian Sector, which was in force in the country since 2000, was repealed. In the opinion of most Peruvian economists, this law had allowed full employment in the regions of the country where this regime was applied, in addition to having substantially increased the volume of the country's exports. Its repeal is the result of a political decision by Congress since it has been the subject of multiple debates and discussions of political and ideological nature.

The repealed legal regime basically allowed employers to hire fixed-term personnel without many requirements, unlike the rest of the employers in Peru, which are subject to absolute labour stability that prevents them from easily terminating employment contracts. In addition, it allowed them to pay fewer labour benefits to their personnel as well as lower taxes and social security contributions, these differences having been reduced over time. The last modification, in July 2020, practically equalised the amount of legal benefits and increased contributions and taxes, but maintained the company's power to hire personnel with greater flexibility than under the common system.



### Looking ahead to 2021

Opinion leaders consider that the reason for the attitude of the current congressmen is the extraordinary brevity of their positions, since for certain circumstances and political reasons, they began in January 2020 and will only continue until July 2021, without any of them having the legal possibility of being reelected in the elections scheduled for April 2021.

Therefore, it is likely that in the first semester of 2021 the Congress will seek to pass laws that, in labour matters, may affect employers established in the country.

Among these new laws, it is important to consider the new Agrarian Regime Law, approved in a hasty manner and without further debate, and published on 31 December, by which, although certain tax benefits are maintained, the cost of labour under this regime has been increased above the levels of other activities. In addition, it has opened up the possibility for workers to successively or simultaneously conduct collective bargaining with their employers at the company level and also at the activity level. This change is now applicable not only for the agrarian regime but for any other activity.



# On your radar | Key employment issues across Europe and beyond

## Poland

### 2020 Looking back



#### Pandemic-related solutions

Due to COVID-19, the Polish government introduced several temporary solutions to help employers cope with the reality of the pandemic. The main changes concerned:

- **subsidies for companies impacted by a drop in economic turnover** - their main purpose was to keep the workplaces as such, and so the company benefiting from the subsidies could not terminate employment contracts for reasons not related to the employee during the period of receiving the subsidy.
- **remote work** - the company can instruct an employee to work remotely, if the employee has the skills, the technology and the space in their home to perform such work and if the type of work permits it. The company provides tools and materials for the remote work and logistical support. The company can withdraw the instruction to work remotely at any time.
- **social fund** – the regulations suspended the obligation to establish or operate the social fund and the obligation to pay the basic contributions / holiday leave benefits. Only the companies impacted by a drop in economic turnover were allowed to use it.



#### Changes to the Act on Employee Secondment

As of 4 September 2020, the minimum working conditions of seconded employees have been extended to include amongst other things, remuneration, Health and Safety at Work, and working time norms. On these terms, the company can second employees to Poland for no longer than 12 months. It is possible to extend the secondment period on these same terms, up to 18 months, based on a justified notification submitted to the State Labour Inspection. Following a period of 12 months (or 18 months), the seconded employee has the right to appropriate employment conditions, almost the same as for Polish employees. Employers should also remember about the reporting obligation to the State Labour Inspection on secondments and updating the declaration which has been submitted.



### Looking ahead to 2021

#### Increase in the statutory minimum salary

From 1 January 2021 the minimum statutory monthly wage was increased from PLN 2,600 to PLN 2,800 gross (for FTE). The minimum hourly rate for contractors was raised from PLN 17,00 to PLN 18,30. The new amount of the statutory monthly wage impacts the amounts of other statutory benefits, e.g. statutory severance pay due to redundancy is now capped at PLN 42,000.

#### New reporting obligation for contracts for specific work

As of 1 January 2021, each company that hires individuals for contracts for specific work ('umowa o dzieło' in Polish) is required to report newly signed contracts to the Social Security Authority (ZUS). The aim of this change is to make it easier for the authorities to identify companies that misuse contracts for specific work to avoid paying contributions (those contracts are exempted from social security premiums). If the Social Security Authority finds a contract for specific work inappropriate in a given case, it may reclassify the contract and apply social security contributions (up to a period of 5 years back), together with interest and, possibly, a penalty.

#### Remote work

The provisions re. remote work that were introduced in 2020 are only of a temporary character. Therefore, the government started working on the permanent regulation on remote work. No specific details are known at this stage yet.

#### Sobriety tests

The government plans to allow employers to conduct sobriety tests. It is said that the sobriety tests are to be allowed in cases where there is a suspicion over the sobriety of a specific employee or on a wider scale.



# On your radar | Key employment issues across Europe and beyond

## Portugal

### 2020 Looking back



#### Trial Period

In 2020 the length of the trial period for employment contracts that have an undetermined duration was changed. Currently, the trial period for such contracts is 90 days or 180 days. As such, the period of 90 days will apply to a general category of employees and the period of 180 days to employees who: perform functions which require trust; or involve highly complex functions; or employees who are looking for a first job or are unemployed for a long duration of time.



#### Bank Hours

The individual bank hours regime is no longer in force. Currently, the law only allows group bank hours, which establish an increase of a maximum of a two hour in the normal daily work period, for a group of employees, if it is implemented by a referendum and with the approval of 65% of the employees.



#### Extraordinary support provided to companies in business crisis for maintaining employment contracts

**Simplified Lay-off:** Extraordinary financial support can be provided per employee, for the payment of salary during a temporary reduction of the working hours or the suspension of the employment contract. This can also include paid vocational training provided by IEFP.



**Support for the normalisation of the company activity:** Given by IEFP, this measure is only for companies which have benefitted from the above measures, when they resume their economic activity (EUR 635 or EUR 1270, depending on the way of payment);

**Support for Progressive Recovery:** financial support is granted to the employer for the maintenance of jobs, in a temporary reduction of the normal working period, for all or some of its employees, exclusively for the payment of the compensation of the employees covered by such measure.



The employer **cannot terminate** employment contracts by means of a collective dismissal, individual redundancy of the role, or dismissal for unsuitability, nor may it initiate the respective procedures, during all of the above measures, as well as 60 days following the termination.

### Looking ahead to 2021

#### Flexibility of working hours

This pandemic measure will continue in force until March 2021: Companies with 50 or more employees, in the metropolitan areas of Lisbon and Porto, must organise their employees in groups, so that they may enter and exit from the workplace, in different hours, with a limit of one hour between the groups. The companies must promote work in a teleworking regime, as well as in permanent work teams. As a consequence, the employer may change employee's working hours, with a maximum limit of one hour, and respecting a prior notice of 5 days given to the employee.

#### Minimum national salary

It is expected there will be an increase in the minimum national remuneration, from EUR 635 in 2020 to EUR 750 by 2023.

Currently the minimum national remuneration for the year 2021 is in the amount of EUR 665.

#### Simplified support for “micro companies”

“Micro companies” (companies which employ less than 250 employees) which have a drop in turnover of more than 25%, will receive two minimum national wage payments per employee, paid in two parts, during the first semester of 2021. To benefit from this measure the companies cannot carry out a collective dismissal or an individual redundancy of the role, within two months, after receiving this support.

#### VAT

Companies with an annual decrease or drop in turnover of 25% can pay the monthly VAT, in 3 or 6 instalments without interests.

#### Support for Progressive Recovery

Extension of this measure (“2020 looking back”) until the end of the first half of 2021 (waiting to be approved by Decree).



# On your radar | Key employment issues across Europe and beyond Russia

## 2020 Looking back



### Changes on severance pay

Amendments came into force on 13 August 2020 which clarify the procedure for making severance payments to employees dismissed due to the company's liquidation or due to staff redundancy.

The amendments also establish certain deadlines which the parties (employer and employee, correspondingly) should comply with when applying for / making particular payments.



The employer has a right to make a one-off compensation payment for the second and third months during the period of searching for employment from the day of dismissal instead of paying compensation for the relevant periods in instalments following confirmation of actual unemployment.



It has also been clarified that the relevant payments to employees in the event of a company's liquidation must be made in any case before the completion of the liquidation procedures (i.e., before an entry on termination is made in the Unified State Register of Legal Entities).



## Looking ahead to 2021

### Changes to remote work

From 1 January 2021 the concept of remote work, that was *de-facto* introduced at the beginning of the COVID-19 pandemic without being regulated by labour legislation, shall be equated with the pre-existing concept of distance work.

Establishing distance (remote) work is allowed under the parties' agreement both on a permanent and temporary basis. A temporary distance work could be continuous for a period determined by the parties (but for no more than six months) or periodic when the employee alternates between work from the office and at a distance.

To conclude, amend or terminate an employment contract in electronic form, an employee can use an enhanced unqualified e-signature. Other electronic documents can be exchanged between distant employees and employers with the use of other types of e-signature or in another form provided that such form is specified in an employment contract or an employer's internal document (policy) or in a collective bargaining agreement (should the latter exist in the company) and allows evidence that the parties have received documents electronically.





# On your radar | Key employment issues across Europe and beyond Singapore

## 2020 Looking back



### Amendments to Work Injury Compensation Act

The Work Injury Compensation Bill was passed on 3 September 2020 to increase statutory compensation limits for death, permanent incapacity and other medical expenses for employees.

### Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment ("Tripartite Advisory")

The Tripartite Advisory was updated in March 2020 to urge employers to consider retrenchment (i.e. redundancies) as the last resort in the midst of the COVID-19 pandemic. The Tripartite Advisory also sets out guidelines on other alternatives employers can consider, such as training and redeployment, flexible work schedule and temporary layoff of employees.

### Jobs Support Scheme ("JSS")

The JSS was introduced to support employers in retaining their local employees during the pandemic. Under the JSS, the Government co-funds between 25% - 75% of the first SGD 4,600 of gross monthly wages paid to each local employee over a 10-month period (October 2019 to August 2020) and 10% - 50% of the same in the subsequent 7-month period (September 2019 to March 2021).

### Minimum qualifying salaries for foreign employees

In September 2020, the minimum qualifying salary for Employment Pass ("EP") applications was increased from SGD 3,900 to SGD 4,500. For EP applications in the financial services sector, this limit was further increased to SGD 5,000 effective from 1 December 2020.

### New job advertisement requirements

From October 2020 onwards, employers are required to advertise new roles on the MyCareersFuture.sg portal as a prerequisite for S-Pass and EP applications.



## Looking ahead to 2021

### National Wages Council's 2020/2021 Guidelines

Under the National Wages Council's guidelines, employers should consider the following measures to sustain businesses and save jobs:-

- Reduce non-wage costs and manage excess manpower;
- Use Government support to offset business and wages costs, and press on with business and workforce transformation;
- Trim wage costs;
- Ensure retrenchment (i.e. redundancies) is a last resort and it is carried out in a responsible manner.

### Increase in minimum qualifying salaries for renewal of Employment Passes

In order to give more time for employers to adjust to the new threshold, the increase in qualifying salaries for EP renewal applications (as opposed to new EP applications) will only take effect from May 2021.

### Safe management measures at workplace

The Manpower Ministry implemented safe management measures to be followed in workplaces from September 2020 onwards. These measures include: (i) making work-from-home a default mode of working; (ii) staggering start times and imposing flexible work hours; (iii) making shift or split team arrangements; (iv) ensuring minimal socialising in workplaces; (v) demarcating safe physical distances; and (vi) regular temperature checking and respiratory symptoms of on-site employees. These measures will continue to evolve as Singapore enters into Phase 3 of its circuit breaker on 28 Dec 2020.

### Higher Central Provident Fund ("CPF") contribution rates for older workers

From January 2021, the CPF contribution rates will increase for employees aged between 55 years and 70 years in line with the raising of the statutory retirement and re-employment age in Singapore.



# On your radar | Key employment issues across Europe and beyond

## Slovakia

### 2020 Looking back



#### Cross-border transfer of employees

The implementation of the EU Directive brought several changes. The key changes relate to wages, regulations governing weekend work, and working conditions for "special categories of employees". The law also regulates the acceptable living, travel and dietary conditions for posted employees.



#### Sport vouchers

Employer may contribute to the costs of employees' children's sports activities upon fulfilment of statutory conditions. The employee must apply for the allowance which is limited to 55% of the eligible expenditure, up to a maximum of EUR 275 per calendar year. As an incentive for the employer to provide these contributions, there is an exemption from the payment of taxes and levies.



#### Holiday for parents

Employees under the age of 33 can also enjoy five weeks of holiday, if they are responsible for taking care of a child permanently.

#### Protection of employees against termination

During the emergency situation other categories of employees are protected against notice of termination in the same way as the employees on sick-leave. This includes employees who are in quarantine or ordered to "isolate"; employees who, in person and for the whole day, are nursing a sick family member or are taking care of another person as specified in particular laws. Other specific changes due to the COVID-19 related emergency situation are also effective in Slovakia (e.g., home office regime, announcing the holiday and working time schedule, etc.).



### Looking ahead to 2021

#### Minimum wage

In case the minimum wage is not agreed during the negotiations with the trade unions, the minimum wage will correspond to approximately 57% of the average nominal monthly wage of an employee (published by the Statistical Office of the Slovak Republic) for the calendar year two years preceding the calendar year in which the amount of the monthly minimum wage is determined. The calculation of minimum wage entitlement will also be changed in 2021.

#### Calculation of wage allowances

As of 1 January 2021, the mechanism for calculation of wage allowances which are connected to the minimum wage will be changed. The amount of these wage benefits shall not be determined by the percentage of the hourly minimum wage anymore, but as a fixed amount. This change will affect allowances for night work, work over weekends, and on-call duty.

#### Amendment to the Labour Code?

The Slovak Parliament has discussed several changes to the Slovak Labour Code, in particular a change to the provisions regulating home office working, e.g., the duties on employers to prevent employees feeling isolated, to reimburse employees for the increased expense of using their own equipment and also the right of an employee to disconnect. This amendment will also regulate other provisions, including the possibility of employees choosing between the cash and meal voucher and a new definition of an employee who takes care of a child. This amendment should be effective as of 1 March 2021.



# On your radar | Key employment issues across Europe and beyond

## Slovenia

### 2020 Looking back



#### Intervention measures

Due to the pandemic situation, the focus of the legislator was on introducing intervention measures. The most important government measures for preserving jobs are:

- partial reimbursement of employee salary compensation for a temporary lay-off;
- partial subsidising of shortened full-time working;
- reimbursement of employees' salary compensation due to quarantine or inability to perform work due to force majeure (childcare);
- short-term sick leave up to three consecutive days without a certificate of justified sick leave; and
- employer's payments of employee's tests for SARS-CoV-2 do not constitute a benefit-in-kind.



### Looking ahead to 2021

#### Amendments to the Employment Relationship Act

In the year ahead due to the increased demand for working from home we anticipate seeing changes to the regulation of this issue.

#### Transnational Provision of Services

Slovenia has not yet implemented Directive (EU) 2018/957 of the European Parliament and the amending Directive 96/71/EC concerning the posting of workers, even though the deadline for implementation was in June 2020. Therefore, changes to the Transnational Provision of Services Act will be necessary to comply with EU law.

#### EU Whistleblower Directive?

The Directive regulates the explicit protection of a broad range of whistleblowers who report a violation of EU law. As the Directive should be implemented by Member States by December 2021 and Slovenia does not have a comprehensive framework of regulation in this area, a new act is expected. The proposal is not available yet, but even if it differs in detail, it should reflect the Directive's overriding aim: to ensure a baseline level of protection for whistleblowers across the EU.



# On your radar | Key employment issues across Europe and beyond Spain

## 2020 Looking back



### Restriction on COVID-19 related dismissals

Dismissals related to COVID-19 cannot be used to justify the termination of employment until 31 January 2021.

### Paternity leave

During 2019 the duration of paternity leave was eight weeks, but since the beginning of 2020 this was increased to twelve weeks.



### Remote working

A new regulation came into force in September in relation to remote working. These regulations apply to all employees who provide services remotely on a regular basis – i.e., providing services online at least 30% of their working time in a reference period of 3 months. These special regulations do not apply to employees who do not provide remote services on a regular basis, as well as those who provide services remotely as a precautionary measure as result of COVID-19. Remote working is voluntary and reversible for the employee and for the company.



### ERTE (Furlough)

New types of furlough have been established as result of COVID-19 and the procedures for applying for them have been made more flexible.



### Increase in the minimum professional salary

The minimum inter-professional salary has increased to EUR 950 (14 instalments).



## Looking ahead to 2021

### Paternity leave

The duration of paternity leave will be sixteen weeks.

### Outsourcing

New regulations are expected to limit subcontracting to specialised services.

### CBA (Collective Bargaining Agreement)

A labour reform is expected which will reverse the priority application of company agreements over sectorial agreements. This will mean that sectorial agreements will have priority over company agreements.

### Equalities plans

Companies with more than 150 employees should already have an equality plan. From March 2022, those with more than 50 employees should have one. From March 2021, companies with more than 100 employees must have one.

### Salary register

This register has existed since March 2019, but from April 2021 there are certain new aspects: (i) access to the salary register by employees without legal representation and (ii) the layout of information within the salary register should include information by gender, by professional groups, professional categories or job titles.

### Increase in the minimum professional salary

The Spanish Ministry of Labour and Social Economy has proposed an increase in the minimum professional salary reaching the sum of EUR 1,000 (14 instalments).



# On your radar | Key employment issues across Europe and beyond Switzerland

## 2020 Looking back



### Working time

Since 1 November 2020 return journeys made on Swiss territory in the context of business trips abroad are considered as full working time.

### Gender pay gap analysis

Since 1 July 2020, employers with 100 or more employees (including part-time and hourly employees) are required to conduct an internal gender pay gap analysis every four years and communicate the results to the employees.



### Whistleblowing

The Parliament rejected a legislative reform improving the situation of whistleblowers in the private sector. In the public sector, new regulations to protect whistleblowers are published.



### Unemployment

On 1 January 2020, the threshold of the sectorial unemployment rate above which vacancies must be first communicated exclusively to unemployment offices for 5 days has been lowered to 5%.

### Gender equality: sexual harassment

According to the Federal Supreme Court in a decision of 21 October 2020, the personal injury inherent in a sexual harassment case must be of a certain objective seriousness in order for the victim to be entitled to compensation for moral harm. As a general rule, a violation of personality caused by sexist remarks and jokes does not have this degree of seriousness.



## Looking ahead to 2021

### Paternity leave

From January 2021, fathers will be entitled to 10 days of paid leave, to be taken within 6 months after the birth of their child.

### Occupational pension plans

From 1 January 2021, a worker over the age of 58 who is dismissed can opt to stay affiliated and insured with his pension fund until his retirement.

### Caring for a child

From 1 July 2021, there will be up to 14 weeks paid special leave for the worker whose child is seriously ill due to an illness or accident.

### Caring for family or life partner

From 1 January 2021 workers will be entitled to leave paid by the employer to care for family members or life partners.

### Withholding tax regulation

As of 1 January 2021, the withholding tax regime will be modified in several ways. Workers who are subject to withholding tax may elect to be taxed under the ordinary procedure.



# On your radar | Key employment issues across Europe and beyond

## The Netherlands

### 2020 Looking back



#### Compensation of severance (transition payment)

When an employee has been ill for 104 weeks and cannot return to work, the employment agreement can be terminated, and a severance payment is due. Employers can apply for compensation for the severance which is paid under these circumstances.



#### On-call workers entitled to employment agreement

As of 1 January 2020, after 12 months, on-call workers should be offered an employment agreement. This offer may be refused. As of 1 July 2021, this refusal must be given not later than one month after the offer was made. If accepted, the employment agreement ultimately starts on the first day of the 15th month.



#### Compensation scheme employers COVID-19

As of April 2020, due to COVID-19, the short-time working scheme was replaced with a new subsidy scheme. An employer is entitled to compensation of 80% of the wage sums in cases of 100% loss of revenue. The subsidy scheme, NOW, has been extended multiple times since and additional conditions have been included such as a prohibition on paying dividends, bonuses to board members, and buying back their own shares.



#### Parental leave for partners

As of 1 July 2020, a partner can apply for five weeks of leave after the birth of a child. This leave is compensated (by a capped amount) by the government and must be taken within six months after the birth. To be eligible for this leave, the partner must first take a (fully paid) leave equal to the relevant working hours in one week, within the first month after the birth.



### Looking ahead to 2021

#### Payroll workers entitled to adequate pension scheme

As of 1 January 2021, payroll workers are entitled to what is called, but not defined, as an adequate pension scheme. The hiring entity must provide for such a scheme.

#### Responsibility for compliance with NOW

As of a certain financial threshold (EUR 125,000), the employer must provide a statement from an accountant about compliance with NOW when applying for the definitive subsidy. The employer remains fully responsible for compliance with NOW, despite the involvement of an accountant. The court refused the claim of an employer in December 2020 for damages due to mistakes made by the accountant when filing for the NOW subsidy.

#### Changes to international employment

On 17 December 2020, amendments to the Foreign Nationals Employment Act were proposed, to be implemented in 2021. A significant amendment is the extension of term work permits (between 1 to 3 years). In 2021 new rules will apply for start-ups and the hiring of essential staff members (non-EU/EER) without a work permit.

#### Confirmation of cancellation of bonuses for board members

As of NOW2, a prohibition applies to pay bonuses to the board, or pay dividends or buying back their own shares in combination with the NOW subsidy. The definition of board is quite broad and not limited to appointed directors. In cases of non-compliance, all of the subsidy must be repaid. To prove compliance afterwards, employers should ensure that there is a written confirmation to all board members explaining why, and that bonuses (including LTI/STI) will not be paid. This applies for bonuses over 2020 and in some cases also over 2021.





# On your radar | Key employment issues across Europe and beyond Turkey

## 2020 Looking back



### Restrictions on dismissals

Due to the impact of COVID-19, the government has restricted dismissals unless for cause. However, a unilateral right was granted to put employees on unpaid leave, which was not possible before.



Mutual dismissals were not included in the scope of the restrictions, so employers should be able to terminate employees by mutual agreement if they comply with the relevant conditions.

### Incentives

Various incentives were introduced to encourage employment and avoid excessive unemployment due to the impact of COVID-19 on the economy.



For example, if an employer rehires an employee who was previously laid off, certain costs for that employee are covered by public funds.

### Occupational diseases

It has been explicitly announced that health workers who have contracted COVID-19 will be considered to have contracted the disease in the course of their occupation and will therefore be eligible for certain relief from public funds.



## Looking ahead to 2021

### Reform of labour law

There have already been certain attempts by the government to fundamentally change the current labour law. For example, the severance payment regime (whereby the conditions for entitlement to severance pay would be significantly changed and employers would be obliged to pay contributions into a public fund instead of paying workers directly).

While the proposed changes to the severance pay regime have met with strict opposition, especially from the trade unions, and were therefore put on hold a few months ago, it is possible that discussions on the severance pay regime will resume in 2021.

Similarly, we also expect the rules regarding the conclusion of fixed-term contracts to be relaxed for certain workers (in certain age groups).

### End of restrictions on dismissals

We expect the restrictions on dismissals to end on 30 June 2021 at the latest.



# On your radar | Key employment issues across Europe and beyond Ukraine

## 2020 Looking back



### Launching the regulation of distance work and working from home

In response to the COVID-19 challenges, the Ukrainian Parliament amended the labour laws which regulate distance work and working from home in March 2020. It passed at first reading the law establishing the detailed legal framework for the regimes of distance work and working from home adjusting the outdated legislation to the actual needs of both employees and employers.



### New type of paid holidays for employees

The Ukrainian Parliament passed at first reading the law introducing paid holidays for 14 calendar days for a relative of a new-born child, to include: (i) a husband of the child's mother, (ii) a child's father (if he cohabits with the child's mother), (iii) a child's relative of full legal age (if the child's mother or father is a single parent).



### Transfer of employment history record into an electronic form

Currently, the employment history of an employee is documented in an employment record book to be kept by employers and submitted by employees when applying to a new job. In turn, the Ukrainian Parliament passed at first reading the law setting a transition period of 5 years during which the employers and employees should switch to recording such employment history by means of a special state electronic register.



## Looking ahead to 2021

### Increase in the mandatory minimum salary

From 1 January 2021 the minimum statutory monthly wage will be increased from UAH 5,000 (approx. EUR 150) to UAH 6,000 (approx. EUR 180). Since the size of the financial penalty imposed on an employer for a breach of the employment legislation is linked to the minimum wage, the level of penalties are also expected to increase.

### Introducing an administrative liability for workplace mobbing

A draft law has been proposed aimed at protecting employees from behaviour that constitutes psychological and economic abuse which is applied towards them in the workplace.



# On your radar | Key employment issues across Europe and beyond

## United Kingdom

### 2020 Looking back



#### Written particulars of employment

New rules came into force in April on providing a written statement (in effect, the basic contract of employment) which now must be given before the start of employment, with additional information to be included in the statement. In addition it should be given to workers and not just employees.



#### Period for calculating holiday for those with variable pay

The reference period changed from 12 weeks to 52 weeks where an employee's pay varies. This does not affect salaried workers where there is no variation in pay. For some businesses this will involve changes to holiday pay calculations.



#### Agency Worker Regulations - abolition of the "Swedish derogation"

Agency workers who are employed by an agency now have the right to equal pay with a directly employed comparator after 12 weeks.

#### Taxation of termination payments

The rules for income tax and employer NICs have been aligned so that employer NICs are payable on termination payments above GBP 30,000. This adds an additional 13.8% of cost to each GBP 1 that forms part of an ex gratia settlement payment above that initial GBP 30,000.



#### Parental bereavement and pay

As from 6 April 2020 2 weeks parental bereavement leave and pay is available after the death of a child or stillbirths (from defined as stillbirth after 24 weeks of pregnancy). Family leave policies should be amended to reflect changes.



### Looking ahead to 2021

#### April - IR35 changes

The changes will apply to large and medium-sized private-sector businesses and affect their tax liability for hiring contractors. After April the responsibility for determining a contractor's status and operating PAYE and NICs will move from the intermediary to the end-user business.

#### Modern Slavery Act reporting regime

A government consultation has recommended that changes are made to the way in which businesses comply with the Modern Slavery Act. Overall it will be a more robust reporting process, with specific requirements to be met, a single reporting deadline and potentially enforcement measures for failure to comply. No date has been fixed for implementation.

#### Ethnicity Pay Gap Reporting Regime

We are anticipating that in 2021 we will see the government respond to the previous consultation on the introduction of ethnicity pay gap reporting. The consultation on the proposals closed in January 2019.

#### Misuse of Confidentiality Clauses

A consultation ran in 2019 with a government response outlining legislation to ensure that such clauses do not prevent disclosures to the police and others. Further details are expected in 2021.

#### Employment Bill?

Although this Bill was mentioned in the Queen's speech in December 2019 no further details have been forthcoming. The proposals included enhanced redundancy protection for new parents, right to request a stable contract, single enforcement body for employment rights, flexible working as default, enhanced leave for neonatal birth.



Law . Tax

**Your free online legal information service.**

A subscription service for legal articles  
on a variety of topics delivered by email.  
**[cms-lawnow.com](http://cms-lawnow.com)**

-----

The information held in this publication is for general purposes and guidance only and does not purport to constitute legal or professional advice.

CMS Legal Services EEIG (CMS EEIG) is a European Economic Interest Grouping that coordinates an organisation of independent law firms. CMS EEIG provides no client services. Such services are solely provided by CMS EEIG's member firms in their respective jurisdictions. CMS EEIG and each of its member firms are separate and legally distinct entities, and no such entity has any authority to bind any other. CMS EEIG and each member firm are liable only for their own acts or omissions and not those of each other. The brand name "CMS" and the term "firm" are used to refer to some or all of the member firms or their offices.

**CMS locations:**

Aberdeen, Abu Dhabi, Algiers, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Berlin, Bogotá, Bratislava, Bristol, Brussels, Bucharest, Budapest, Casablanca, Cologne, Dubai, Duesseldorf, Edinburgh, Frankfurt, Funchal, Geneva, Glasgow, Hamburg, Hong Kong, Istanbul, Johannesburg, Kyiv, Leipzig, Lima, Lisbon, Ljubljana, London, Luanda, Luxembourg, Lyon, Madrid, Manchester, Mexico City, Milan, Mombasa, Monaco, Moscow, Munich, Muscat, Nairobi, Paris, Podgorica, Poznan, Prague, Reading, Riyadh, Rio de Janeiro, Rome, Santiago de Chile, Sarajevo, Seville, Shanghai, Sheffield, Singapore, Skopje, Sofia, Strasbourg, Stuttgart, Tirana, Utrecht, Vienna, Warsaw, Zagreb and Zurich.

-----

**[cms.law](http://cms.law)**