

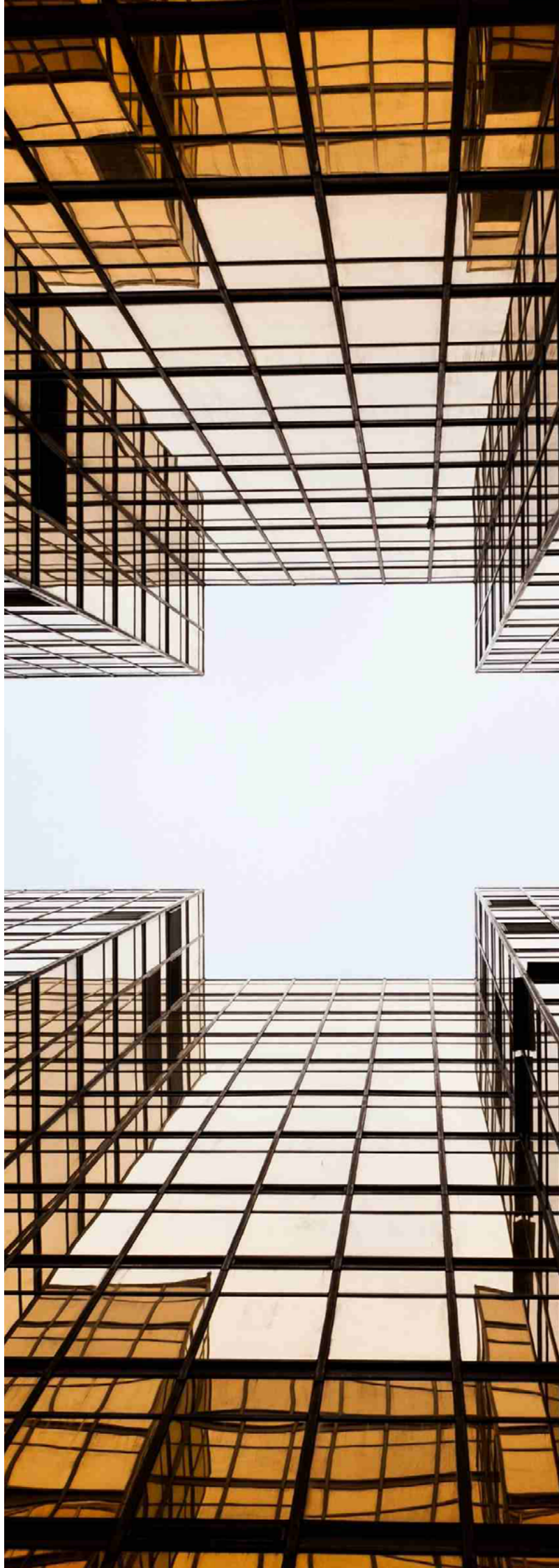
European  
**Employment**  
Insights

“

As Ireland prepares for the EU Pay Transparency Directive, employers face expanding gender pay gap reporting and pay transparency obligations.

”

**05**  
26



# Context

**Andersen Employment and Labor Service Line** is your go-to partner for navigating the complexities of local and international labor laws and customs. We help you steer clear of employee-related issues while staying competitive in the global economy.

Our team comprises specialist lawyers and tax advisors who proactively guide both domestic and international companies of all sizes, spanning various industries. With a presence in most European Countries, Andersen offers top-notch advice through local experts. We stand by your side throughout the entire employment relationship, from its establishment to termination, making us your trusted partner in all employment-related matters.

We invite you to read in-depth employment information in our monthly **Andersen Employment Insights** newsletter. This newsletter provides an overview of the latest developments in employment law, guidelines, case law and collective agreements from various countries.

Stay well informed and maintain your competitive edge with Andersen.



**Cord Vernunft**  
*European Employment and Labor Law Coordinator*  
[cord.vernunft@de.andersen.com](mailto:cord.vernunft@de.andersen.com)



**Magdalena Patryas**  
*European Employment and Labor Law Sub-coordinator*  
[magdalena.patryas@pl.andersen.com](mailto:magdalena.patryas@pl.andersen.com)

---

## Core values

---



**Best-in-class**  
We aim to be the benchmark for quality in our industry and the standard by which other firms are measured.



**Stewardship**  
We hire the best and the brightest and we invest in our people to ensure that legacy.



**Transparency**  
We value open communication, information sharing and inclusive decision making.



**Seamless**  
Our firm is constructed as a global firm. We share an interest in providing the highest level of client service regardless of location.



**Independence**  
Our platform allows us to objectively serve as our client's advocate; the only advice and solutions we offer are those that are in the best interest of our client.



### **European Guide to Support Employers *Non Compete Clauses***

This guide provides a clear, practical overview of non-compete and post-employment restriction regimes in 28 European countries. It is designed to support business-oriented decision-making rather than academic analysis.

[Read more](#)



### **European Guide to Support Employers *Dismissals Guide***

Each of the 30 countries has its country report, summarizing its individual and collective dismissal rules, formal requirements that must be observed, and the participation of employees representatives and state authorities.

[Read more](#)



### **European Guide to Support Employers *Employment of Managing Directors***

This comprehensive guide provides a detailed overview of regulations and conditions surrounding the employment and appointment of managing directors within limited liability companies (LLCs) in over 30 European countries.

[Read more](#)



### **European Guide to Support Employers *Remote Work in Europe***

Our guide sheds light on the current legal frameworks across 33 European countries, helping you develop effective remote work strategies tailored to your organization. Whether you're still weighing the pros and cons or already embracing remote work, this resource is invaluable.

[Read more](#)

## You may also be interested in:

### **European Employment Insights**

The guide provides an overview from over 20 European countries of recent legal developments, tips for navigating complex legal issues, and staying up to date on notable cases.

[February Issue](#)

[March Issue](#)

[April Issue](#)

# INDEX

<b>2</b>	Andersen Global		
<b>4</b>	Index		
<b>5</b>	European Partner Spotlight		
<b>8</b>	Belgium		
<b>10</b>	Bosnia and Herzegovina		
<b>12</b>	Croatia		
<b>14</b>	Cyprus		
<b>15</b>	Czech Republic	<b>28</b>	Moldova
<b>16</b>	Germany	<b>30</b>	Poland
<b>17</b>	Greece	<b>32</b>	Portugal
<b>19</b>	Hungary	<b>33</b>	Slovakia
<b>20</b>	Ireland	<b>35</b>	Slovenia
<b>22</b>	Italy	<b>37</b>	Spain
<b>25</b>	Lithuania	<b>38</b>	Switzerland
<b>27</b>	Malta	<b>40</b>	Ukraine

# Gender equality in Europe - from reporting obligations to strategic priority



**Francesca Capoferri**, Partner  
[francesca.capoferri@it.Andersen.com](mailto:francesca.capoferri@it.Andersen.com)  
**Andersen in Italy**  
 Member firm of Andersen Global

In this interview, Uberto Percivalle speaks with Francesca Capoferri (both from Andersen in Italy) about how gender equality is evolving from a cultural discussion into a measurable business and ESG priority. From pay transparency and women in leadership to cross-border compliance challenges, the conversation explores what the latest EU developments mean in practice for employers operating across Europe and why companies that act early may gain a genuine strategic advantage.

**Q:** Why should gender equality be on the radar of business leaders today?

**FC:** Gender equality has quietly moved from being a topic associated with corporate culture to something that sits at the core of business strategy. What has really changed is the level of transparency expected by regulators and markets, which increasingly rely on hard data rather than general commitments.

At EU level, the picture is still far from balanced. Women represent a large share of the workforce, yet they hold only about 35.2% of managerial positions across the EU. This gap is not just a social issue—it signals how effectively companies are developing leadership pipelines.

From a business standpoint, this matters because these indicators are now embedded in ESG assessments. Companies that can demonstrate progress - closing leadership gaps or improving representation over time—are often perceived as better managed and more forward-looking. Conversely, persistent imbalances can raise questions about governance quality and long-term sustainability.

**Q:** What practical changes will companies see under new EU ESG reporting rules?

**FC:** The most immediate impact of the EU ESG Regulation (Regulation (EU) 2024/3005) is the shift from narrative commitments to measurable outcomes. Companies are

Q&A

expected to disclose detailed workforce data and explain how it evolves.

Looking at EU benchmarks, the structural gaps are clear. The gender employment rate gap stands at around 10 percentage points, with roughly 70.8% of women employed compared to 80.8% of men. This kind of indicator is increasingly relevant in ESG reporting because it reflects access to opportunities, not just presence in the workforce.

Similarly, sector distribution and career progression data reveal imbalances. Women dominate certain sectors but remain underrepresented in higher-paid roles. ESG reporting forces companies to surface these dynamics internally and externally, making it harder to rely on generic diversity narratives.

In practice, organizations must build the capability to track these metrics consistently and explain trends over time—particularly where progress is slow or uneven.

**Q:** How will the new EU rules on women in leadership affect corporate governance?

**FC:** The EU push for gender balance in leadership is grounded in a clear statistical reality. Today, men still hold around **64% of management positions in the EU**.

This imbalance means that many companies are starting from a significant gap when working toward targets such as 40% representation of the underrepresented gender at board level. Achieving this is not a matter of isolated appointments - it requires structural change.

What is emerging is a more data-driven approach to governance. Companies are beginning to quantify their leadership pipelines, asking how many women are in senior feeder roles and how that compares to external benchmarks. For example, if only one-third of managerial roles are held

by women at EU level, organizations below that threshold are likely to face increasing scrutiny.

This shift is gradually transforming governance from a reactive process into a more strategic and forward-looking function.

**Q:** What should employers do now about pay transparency and equal pay?

**FC:** Pay transparency is one of the areas where EU data has been most consistent and most revealing. The **gender pay gap in the EU remains around 12%**, meaning women earn on average €88 for every €100 earned by men.

Even more striking, broader income measures show that women's annual earnings are significantly lower, to the point that they effectively need to work longer to match men's income over time.

For companies, this highlights a key risk area. Pay gaps are no longer abstract figures—they are becoming reportable, comparable and, increasingly, actionable. The implementation of the EU Pay Transparency Directive (2023/970) will require companies not only to disclose gaps but also to justify and correct them where unjustified.

In practical terms, this pushes organizations to move toward structured pay systems. Businesses that already monitor their internal gaps—often targeting gradual reductions of a few percentage points over time—are typically better positioned to respond to both regulatory requirements and employee expectations.

**Q:** What are the risks for companies operating across multiple EU countries?

**FC:** Cross-border operations amplify complexity because EU averages often mask significant national differences. For example, while the average gender pay gap is around

12%, some countries report gaps close to 18–19%, while others are near parity.

The same applies to employment and leadership metrics, which vary widely depending on local labor markets and cultural factors. This means that a company operating in multiple jurisdictions may face very different gender equality profiles across its entities.

From a business perspective, the challenge is managing this diversity while maintaining a coherent ESG narrative. Investors and stakeholders tend to look at consolidated data, but discrepancies at local level still need to be explained.

This is why many organizations are moving toward centralized frameworks supported by strong local data analysis, allowing them to reconcile consistency with regulatory and cultural differences.

**Q:** How can companies turn gender equality into a strategic advantage rather than just a compliance burden?

**FC:** What distinguishes leading organizations is their ability to move beyond compliance and use gender equality as a performance lever. EU data shows that inequalities are deeply structural—for instance, women make up 66% of part-time workers, which often limits career progression and earnings potential.

Companies that understand these structural dynamics can design more effective strategies. This might include addressing career interruptions, reviewing promotion criteria or rethinking flexible work policies in a way that does not penalize progression.

Over time, organizations that actively manage these factors tend to see measurable improvements—not only in diversity metrics but also in retention, engagement and overall organizational performance. In this

sense, gender equality becomes less about meeting external expectations and more about building a more efficient and resilient business model.

**Francesca Capoferri** is a Partner at Andersen in Italy, specializing in employment & labor law, industrial relations and HR advisory. She advises domestic and international clients on employment, organizational and ESG matters, including workforce management, corporate reorganization and governance processes.

# Belgium



## LAW

### New Belgian rules to limit notice periods in case of dismissal

Belgium is introducing an important change to its employment legislation. As from 1 June 2026, notice periods in case of dismissal by the employer will be subject to a statutory maximum. The reform, which was announced in the federal coalition agreement, has now been formally adopted.

Under the current system, notice periods increase according to an employee's seniority and can become particularly lengthy for employees with many years of service. While notice periods in case of resignation by employees have already been capped at 13 weeks since October 2023, no such limitation previously existed for dismissals initiated by employers.

The new legislation changes this by introducing a maximum notice period of 52 weeks. Notice periods will continue to evolve progressively based on seniority, but only up to this one-year limit. The maximum threshold is reached once an employee has accumulated 17 years of service. Beyond that point, additional seniority will no longer increase the applicable notice period. The reform does not apply retroactively.

Only employment contracts commencing on or after 1 June 2026 will fall within the scope of the new capped notice period rules.

Many companies use WhatsApp, Messenger, or Teams informally in daily operations. Make sure your internal GDPR policies clearly explain what employees and managers can and cannot share in these chats.



## LAW

### Employers liable for GDPR breaches in work-related WhatsApp groups

The Belgian Data Protection Authority (DPA) recently reminded employers that they can be held responsible for how employees use work-related WhatsApp groups.

The case concerned a student worker whose manager shared screenshots of their private WhatsApp conversation in a group chat with colleagues after the employee resigned. The screenshots showed both the employee's name and the content of the messages. The employee had not agreed to this.

The employer admitted that the messages should not have been shared. However, the DPA still held the employer responsible because, under the GDPR, employers remain accountable for how personal data is handled by their employees during work-related activities.

Even though the company already had GDPR policies, trainings, and internal guidance in place, the DPA found that there were no clear rules specifically dealing with the use of WhatsApp groups by managers. The employer received a warning and must now introduce more specific guidance for

managers on handling personal data in work-related chats.

Tip for employers: Many companies use WhatsApp, Messenger, or Teams informally in daily operations. Make sure your internal GDPR policies clearly explain what employees and managers can and cannot share in these chats.



**Leila Mstoian**, Partner

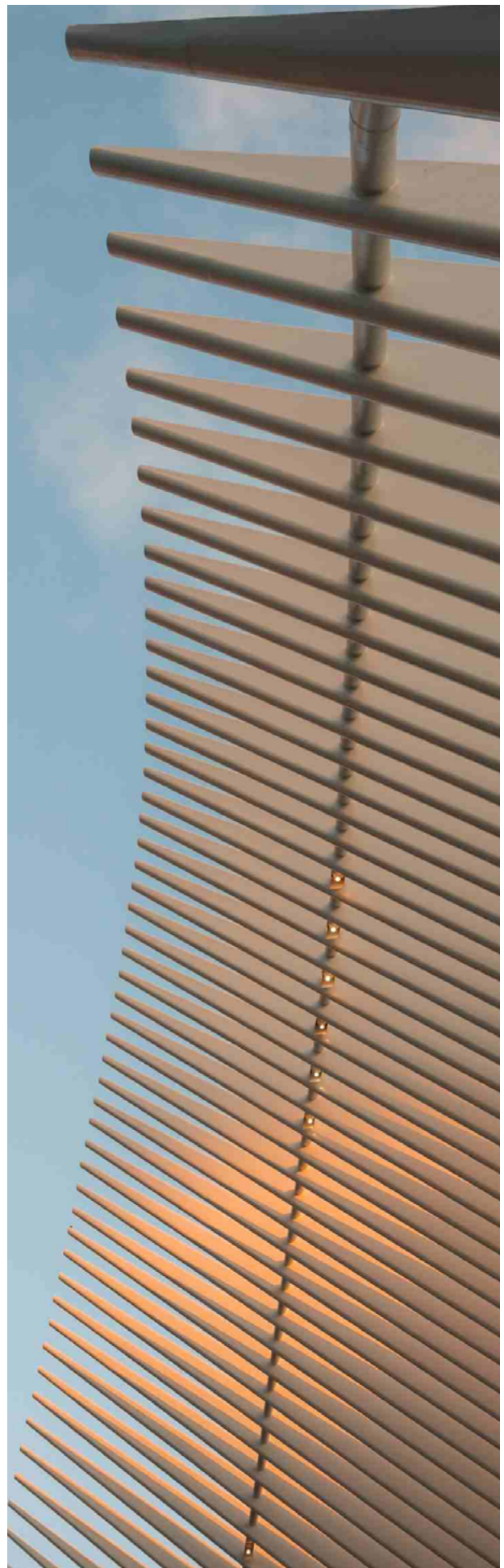
[leila.mstoian@be.andersen.com](mailto:leila.mstoian@be.andersen.com)

**Youssra Andaloussi**, Senior Associate

[youssra.andaloussi@be.Andersen.com](mailto:youssra.andaloussi@be.Andersen.com)

**Andersen in Belgium**

Member firm of Andersen Global



# Bosnia and Herzegovina

Reputationally damaging social media comments posted by an employee may justify dismissal, even if published outside working hours.



## COURT

### Termination of employment for social media misconduct

The Supreme Court of the Federation of Bosnia and Herzegovina dismissed the employee's revision against the lower courts' decisions in a case concerning termination of the employment agreement due to a serious breach of work duties manifested in posting inappropriate and reputationally damaging comments about the employer on its official LinkedIn profile.

The dispute concerned the employee's claim seeking annulment of the employer's decision to terminate his employment agreement, as well as the decision rejecting his internal request for protection of rights. The employee further requested reinstatement to his previous position, or to another suitable position corresponding to his qualifications and experience, and compensation of lost wages and social security contributions for the period following termination.

The employee had been employed as an IT operator within the employer's organizational structure. The termination followed a disciplinary procedure initiated after the employee posted a comment from his personal profile on the employer's official LinkedIn page. In the comment, the employee criticized the employer's internal practices, referring to alleged nepotism, poor management structure, lack of professional challenges, and limited opportunities for intellectual development. The employer considered the comment inappropriate and damaging to its reputation, particularly as it was posted under an official publication intended for promotional purposes.

The employer classified this conduct as a serious breach of work duties under its internal regulations and code of conduct, which required employees to refrain from public statements that could harm the employer's reputation. The employee had previously received a written warning for similar conduct, which was taken into account in assessing the gravity of the violation. Consequently, the employer terminated the employment relationship.

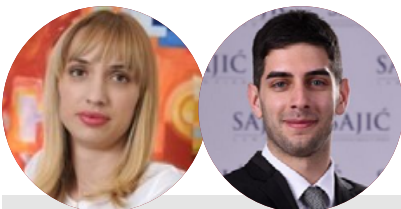
The lower courts dismissed the employee's claim, concluding that the dismissal was lawful and justified. They found that the employee's statements exceeded permissible criticism and were not protected under the right to freedom of expression, as such rights are subject to limitations, including the protection of the reputation and rights of others. The courts emphasized that the statements were not supported by evidence and were aimed at discrediting the employer rather than contributing to constructive dialogue.

On revision, the employee argued that the courts improperly reclassified the legal

qualification of the alleged breach and that his conduct, occurring outside working hours, should not constitute grounds for termination. The higher court rejected these arguments, holding that courts are bound by the factual description of the conduct but not by its legal qualification, and may subsume the conduct under the appropriate legal provision. It further clarified that employee liability is not limited to conduct during working hours if the conduct is connected to the employment relationship.

The court also upheld the employer's position that the repeated nature of the conduct, despite warning, justified a loss of trust, making continuation of the employment relationship untenable. As a result, the dismissal was deemed lawful, and the employee's claims for reinstatement and compensation were rejected.

**Decision of the Supreme Court of the Federation BiH no. 65 0 Rs 895539 25 Rev, dated January 6th, 2026**



**Sanja Djukic**, Senior Partner

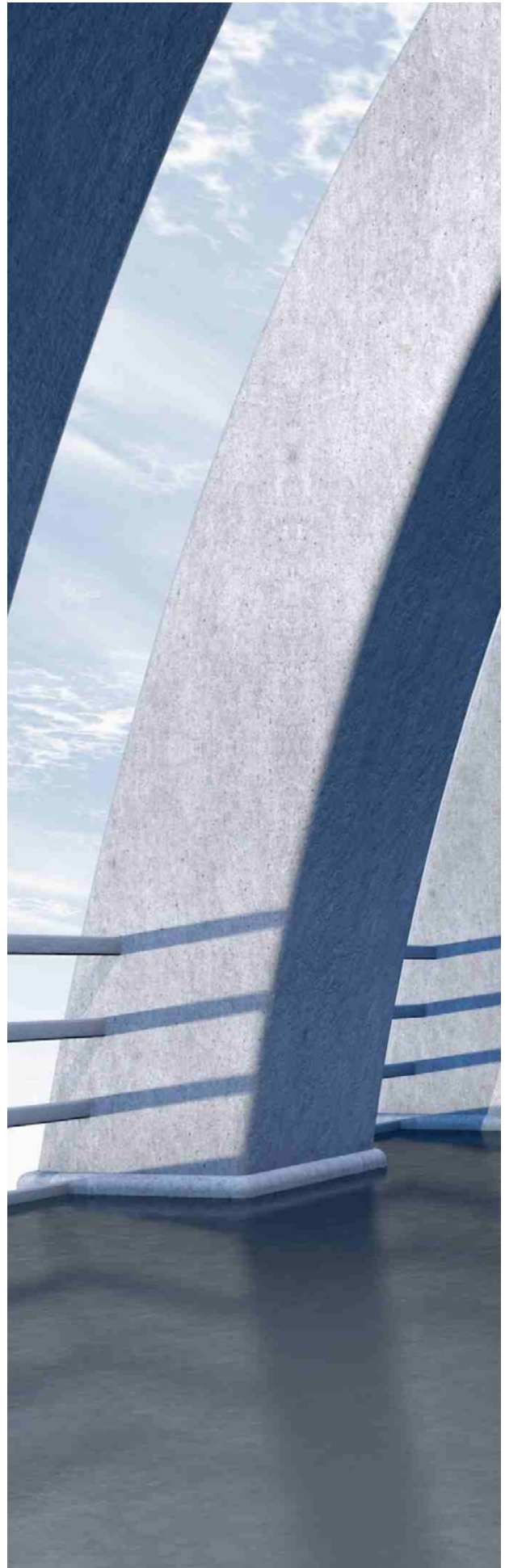
sanja@afsajic.com

**Igor Letica**, Senior Associate

igor@afsajic.com

**Law Firm Sajić**

Member firm of Andersen Global



# Croatia



**Stricter employer requirements, expanded digital procedures and new rules affecting foreign workers' mobility and residence rights proposed in Croatia.**



## LAW

### Upcoming amendments to the Foreigners Act

One of the biggest challenges in the current application of the Foreigners Act has been the lengthy process of issuing residence and work permits (DBR). Although legal deadlines exist, in practice both employers and foreign workers have often faced significant delays. The proposed amendments aim to improve this by requiring police administrations to decide on applications as quickly as possible, and no later than within 90 days, with a possible extension of 30 additional days in more complex cases (except for seasonal work).

A strong focus is also being placed on further digitalization. The broader use of the e-Građani system is expected, enabling direct electronic communication between competent authorities and employers,

including temporary employment agencies. This should help address the current lack of transparency and limited access to information on application status.

Significant changes are also proposed in relation to the Croatian Employment Service (HZZ) opinion process, i.e. the labor market test (TTR). Employers will need to demonstrate that they actively carry out a registered activity that is directly linked to the job position for which they are hiring a foreign worker. Financial requirements will become stricter as well: instead of reviewing a six-month period, authorities will assess a 12-month period, with a minimum inflow of EUR 100,000 for legal entities and EUR 40,000 for natural persons. At the same time, the requirement for continuous monthly turnover is expected to be removed, providing some relief.

As an additional control mechanism, a new rule is being introduced whereby an employer's bank account must not have been blocked for more than 30 consecutive days within the last six months. Furthermore, the mandatory share of domestic workers is increased—to 20% for occupations subject to the labor market test and to 10% for shortage occupations.

An important change concerns territorial restrictions. It is proposed that a foreign worker may only work within the jurisdiction of the police administration where the labor market test was conducted. To mitigate this limitation, employers will be allowed to request labor market tests for multiple police administrations at the same time.

In terms of integration, foreign nationals who have resided in Croatia for at least one year on the basis of a work and residence permit issued following an HZZ opinion (with certain exceptions) will be required to pass a basic

Croatian language exam (A1.1 level, Latin script).

A positive development relates to worker security: losing a job will no longer automatically result in the loss of residence rights. Foreign workers will be allowed to remain unemployed for up to three months within the validity period of their permit, while those who have lived in Croatia for more than two years will be granted up to six months. The possibility of changing employers is also being liberalized. Instead of being limited to the same occupation, workers will be able to switch to a different employer—and even a different role—under simplified conditions after a certain period.

However, the key issue remains implementation. Employers already point out that statutory deadlines are often not respected and that obtaining information on application status is difficult. Without more efficient administration and a transparent tracking system, even well-designed legislative changes may have only limited impact in practice.



**Ivan Matic**, Partner

[ivan.matic@kallay-partneri.hr](mailto:ivan.matic@kallay-partneri.hr)

**Kallay & Partners, Ltd.**

Member firm of Andersen Global



# Cyprus



## GUIDELINES

### Notification of essential employment terms by 31/07/2026

To enhance transparency and compliance with labor regulations, employers are obliged to upload certain particulars pertinent to the employment of new recruits, as well as existing employees, not later than 31/07/2026.

In particular, the notification of the following terms of employment for private sector employees by e-mail to the Department of Labor Relations is now rendered mandatory:

- the identities of the parties to the employment relationship,
- the registered office of the employer and place of work of the employee, the description of the work and title of the employee,
- the employment start date and end date (for fixed-term employment relationships), the duration and conditions of any probationary period,
- the paid annual leave entitlement and the procedures for allocating and determining such leave,
- the remuneration (including the initial basic amount and any other component elements) and the frequency and method of payment of such remuneration,
- the length of the standard working day or week and stipulation if the work pattern is entirely or mostly predictable.



## LAW

### Statutory probation period for managers

The statutory maximum probation period for employees in the private sector occupying managerial positions can validly be more than six months (being the ceiling for employees occupying non-managerial positions). Entrenchment provisions apply only for employment contracts concerning management personnel which can validly provide for a probation period exceeding six months provided that:

- the term of probation does not exceed a maximum of two years; and,
- both parties to the employment contract consent to such extended probation term at the commencement of the employment. Overall, the notion of a probation term in an employment contract governed by Cyprus law remains optional, with its validity, relevance and enforcement requiring the contractual consent of both parties to an employment contract.



**Nick Tsilimidis, Counsel**

legal@cy.Andersen.com

**Andersen in Cyprus**

Member firm of Andersen Global

# Czech Republic



## COURT

### Workplace is defined by real performance

The Supreme Court addressed a dispute concerning the validity of delivery of employment documents to the director of a public theater. The claimant challenged both his removal and subsequent termination, arguing that delivery was ineffective because it did not occur at his primary office located in the theater building.

The courts relied on factual findings showing that the director regularly performed duties not only at the theater, but also at the founder's seat (city hall), including attending meetings and handling operational matters. On this basis, the Supreme Court confirmed that the concept of "workplace" under labor law is not limited to a formally assigned office or building but includes any location where the employer carries out its activities through employees.

By analogy, in a private sector setting, a branch director who routinely performs duties at the parent company's headquarters must be regarded as having that location as part of their workplace. The decision also remains in effect after major amendment of the Labor Code of 2023, given that personal delivery at the workplace is still considered to be the primary method of serving documents,

despite the current option of service via electronic means.

## Decision of the Supreme Court of 22 October 2025, No. 21 Cdo 2419/2025



## COURT

### Short decision period for acceptance of alternative employment be sufficient?

The same case further concerned the employer's obligation to offer alternative employment following removal from a managerial position. The director of the public theater was offered positions of head of opera and stage technician, which he refused, afterwards arguing that the reason was he only had 40 minutes to decide. While in factual findings it was proven that there were informal talks on the proposed positions at least one day in advance, the courts established that he was also fully familiar with the role of head of opera, as he had effectively performed a significant portion of its duties, given that the position had been vacant for nearly a year. On this basis, the Supreme Court concluded that the time provided was not unreasonably short. The adequacy of such a timeframe depends on the employee's prior knowledge and ability to assess the offer.

[READ MORE](#)



**Michal Dobiáš**, Senior Associate

michal.dobias@rutlands.cz

**Rutland & partners**

Collaborating firm of Andersen Global

# Germany



## LAW

### Business trips in Germany – who pays what?

There is no legal definition of the term “business trip” in Germany. Business trips generally refer to activities performed outside the contractually agreed place of work and upon employer’s instruction. The contractual provision regarding the place of work is therefore decisive. Trips to more distant company locations may also qualify as business trips. Cost coverage is generally governed by travel expense policies, collective bargaining agreements, or employment contracts. In the absence of such provisions, employees are entitled to reimbursement of expenses pursuant to § 670 of the German Civil Code (Bürgerliches Gesetzbuch). Under this principle, the employer must bear the necessary costs incurred in the performance of work, in particular travel and accommodation costs.

In contrast, there is generally no legal entitlement to reimbursement of meal expenses when traveling, as these are considered part of the employee’s personal living expenses. Reimbursement is only possible if this is expressly provided for in contractual or collective bargaining agreements or arises from company practice. Cost coverage is typically governed by travel expense policies, collective bargaining agreements, or meal allowances originate in tax law and do not constitute a mandatory employer benefit. Employers may reimburse them tax-free, otherwise,

employees may include them in their annual tax return as income-related expenses. While transportation and accommodation costs are generally covered, meal expenses often remain a source of dispute without clear rules.



## COURT

### Return of a company car by a laid-off employee

The Federal Labor Court has ruled that general release clauses (“garden leave”) in standard employment contracts are invalid. They are subject to review under the provisions governing general terms and conditions pursuant to § 307 of the German Civil Code (Bürgerliches Gesetzbuch) and unreasonably disadvantage employees, as they preclude their constitutionally protected interest in actual employment and prevent a necessary balancing of interests. While the Federal Labor Court confirmed the invalidity of the clause, it clarified that this does not automatically establish a claim to render active services. The interests of both parties must be weighed. In addition, the Court ruled that if a company car had been granted to the employee and claimed back due to the release from work, the employer must pay a financial compensation to the employee.

### The ruling of Federal Labor Court of 22 May 2025, 5 SLa 249/25.



**Kathrin Pietras, Partner**

kathrin.pietras@de.Andersen.com

**Andersen in Germany**

Member firm of Andersen Global

# Greece



**Greek courts have confirmed broader contractual discretion for employers in relation to managerial employees, while emphasizing that such clauses remain subject to judicial review and the principles of good faith.**



## COURT

### Unilateral changes to employment terms for managerial employees in Greece

Clauses allowing the employer to unilaterally determine or modify the terms of the employment contract are, in principle, permissible, if they are clearly defined and agreed in advance. Where such clauses specify the scope and limits of the employer's discretion, any adjustment made within those limits is considered a contractually agreed variation rather than a unilateral detrimental change. However, such clauses are subject to strict judicial scrutiny. Their validity depends on compliance with the principle of good faith, the maintenance of a fair contractual balance, and the prohibition of abusive exercise of rights.

As confirmed by the Supreme Court's decision, greater contractual flexibility is afforded to employers in the unilateral determination of employment terms through

such clauses in the case of managerial employees occupying upper levels within the hierarchy and receiving high remuneration. Nevertheless, even in such cases, both the validity of the clause and its specific application remain subject to judicial review in accordance with the above criteria.

### Supreme Court of Greece, Decision No. 1556/2025.



## COLLECTIVE AGREEMENTS

### Sectoral collective labor agreement for the tourism and food service sector

On 17 March 2026, a sectoral collective labor agreement was concluded in the tourism and food service sector, effective from 1 April 2026 until 31 March 2028. Its scope is particularly broad, covering restaurants, cafés, bars, as well as any other related activities involving the preparation and provision of food and beverages, while also setting out economic activity codes falling within its scope, without the list being exhaustive.

The agreement establishes minimum monthly salary levels depending on the employee's specialization, covering key positions such as waiters, cooks and auxiliary staff. It also provides for various allowances, including marriage, seasonal employment, tourism education and long-service allowances. Of particular importance is the provision introducing, under certain conditions, an obligation to rehire seasonal employees in the following season. The agreement further includes provisions on remuneration for work performed on Sundays and public holidays, break entitlements, as well as clarifications regarding the classification of an employee as a managerial employee.

The agreement has not yet been declared generally binding and, therefore, is currently applicable only to employers and employees who are members of the signatory employers' and trade union organizations. Should it be declared generally binding, it will also extend to non-members, contributing to the establishment of uniform employment terms across the sector.



**Anastasios Triantafyllos,**

Managing Partner

[anastasios.triantafyllos@gr.AndersenLegal.com](mailto:anastasios.triantafyllos@gr.AndersenLegal.com)

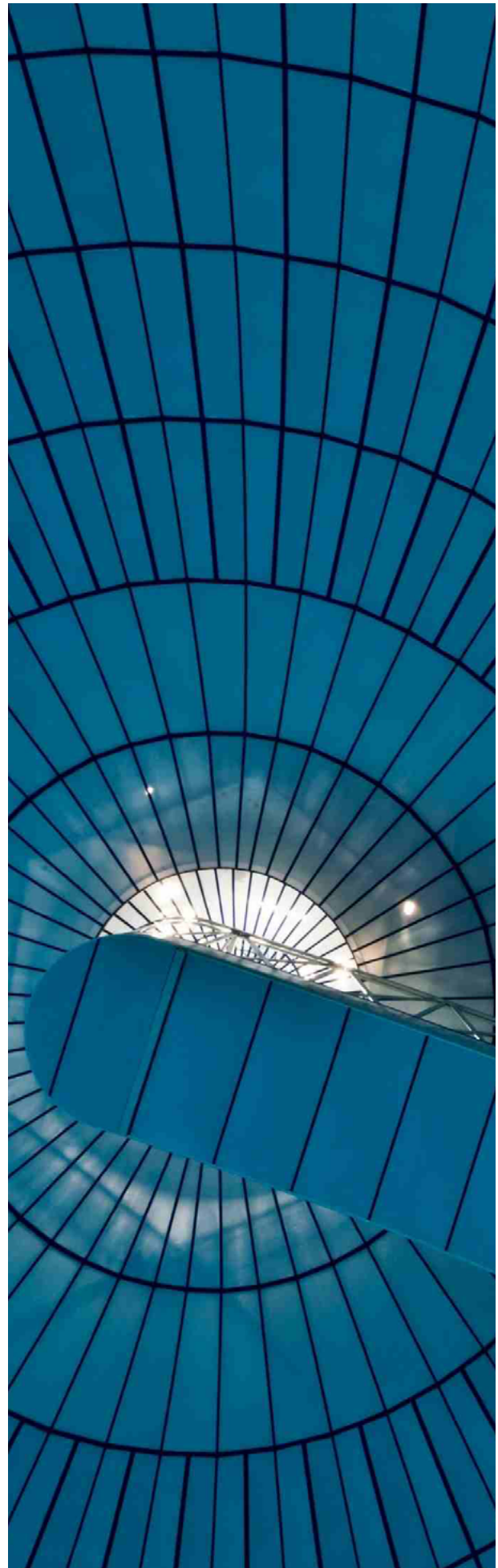
**Giouli Menti**

Director

[giouli.menti@gr.AndersenLegal.com](mailto:giouli.menti@gr.AndersenLegal.com)

**Andersen Legal in Greece**

Member firm of Andersen Global



# Hungary



## LAW

### Lower income tax rates proposed for lower-paid employees in Hungary

Hungary's new government planning to reduce personal income tax (currently 15 percent). The plan to decrease personal income tax to 9 percent regarding the minimum wage was introduced on April 22, 2026. The new government plans to make the tax system more equitable. One of the first steps in this direction is to set the personal income tax rate on the minimum wage at just 9 percent, leaving low-wage earners with more than 240,000 forints extra for these earners each year. Plus, everyone earning below the median wage - currently roughly 625,000 forints in gross monthly income - will also pay less personal income tax. The new government was formed on May 12, 2026; however, draft legislation implementing these proposed tax changes has not yet been published.

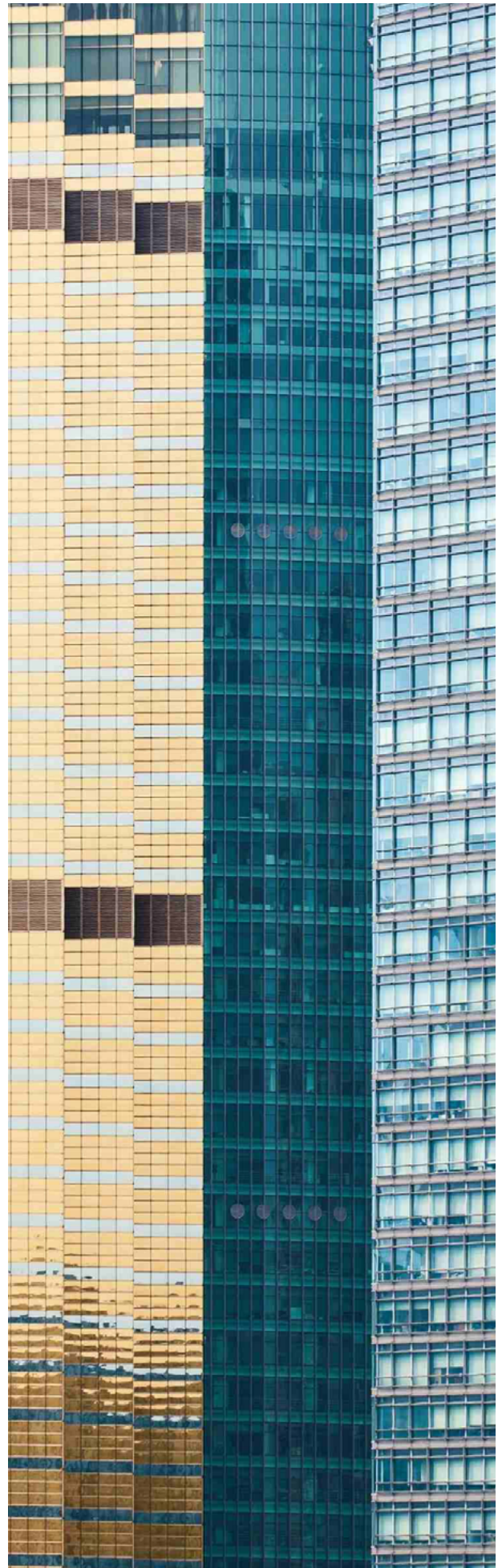


**dr. Szilvia Fehérvári, Partner**

Szilvia.Fehervari@hu.AndersenLegal.com

**Andersen Legal in Hungary**

Member firm of Andersen Global



# Ireland



**As Ireland prepares for the EU Pay Transparency Directive, employers face expanding gender pay gap reporting and pay transparency obligations.**



## **LAW**

### **Ireland approaches expanded gender pay gap obligations**

As Ireland's gender pay gap framework continues to expand, this article explores what the evolving obligations mean in practice for employers preparing for the next phase of pay transparency.

Ireland's gender pay gap reporting regime, introduced under the Gender Pay Gap Information Act 2021, continues to expand on a phased basis. Since June 2025, employers with 50 or more employees have been within scope of the reporting obligations for the first time, reflecting a significant broadening of coverage across the private and public sectors.

Under the current framework, in scope employers must select a snapshot date in June and publish prescribed gender pay gap metrics, together with an explanatory

narrative, within five months of that date. Reports must be made publicly available on the employer's website and retained for a period of three years.

These domestic obligations sit alongside Ireland's preparations to transpose the EU Pay Transparency Directive, which must be implemented by 7 June 2026. While existing Irish legislation already provides a foundation for pay gap reporting, further legislative amendments will be required to complete transposition, including the introduction of additional transparency and employee information rights.

As the June 2026 deadline approaches, employers are expected to view gender pay gap reporting not as a standalone compliance exercise, but as part of a wider move towards pay transparency and structured pay governance.



## **LAW**

### **Restricted use of NDAs in discrimination and harassment cases**

In late 2024, Ireland introduced significant statutory restrictions on the use of non-disclosure agreements ("NDAs") in the context of workplace discrimination, harassment, sexual harassment and victimization claims.

Employers are now prohibited from entering NDAs with prospective, current or former employees where the agreement would prevent the disclosure of allegations of discrimination, harassment, sexual harassment or victimization, or any action taken in response to such allegations. Any NDA that contravenes these provisions

is statutorily void and unenforceable and cannot be relied upon to restrict such disclosures.

The legislation provides for two limited exceptions. An NDA may be included where a settlement arises from mediation conducted by the Workplace Relations Commission. In addition, an “excepted” NDA may be permitted where it is expressly requested by the employee, the employee has received independent legal advice in writing at the employer’s expense, and all prescribed statutory safeguards are satisfied.

Settlement drafting practices are adapting to reflect the default prohibition. There is also greater reliance on WRC mediation where confidentiality is sought.

Employers must approach confidentiality provisions in equality related disputes with particular care, ensuring that any NDA falls squarely within the statutory exceptions.



**Cian Moriarty, Partner**

cmoriarty@philiplee.ie

**Catriona Walsh, Senior Associate**

pwalshe@philiplee.ie

**Philip Lee**

Collaborating firm of Andersen Global



# Italy



**Annual May Day Decree once again introduces important employment law developments, this time focusing on fair remuneration, platform work, employment incentives and deferred compensation rules**



## **LAW** May Day Decree

Since a few years, the Italian government has issued, on Labor Day on May 1st, a decree concerning employment matters. This year, Law Decree No. 62 (the “Decree”) introduced measures addressing three main employment topics, in addition to a fourth residual one:

- the determination of the “fair wage” to be used as a benchmark for assessing whether employment remuneration is adequate under Article 36 of the Italian Constitution. Italy does not have a statutory minimum wage and, for decades, courts have dealt with this issue in various disputes. More recently, the proliferation of national collective bargaining agreements (including so-

called “pirate” agreements), risks connected with subcontracting liability and cases involving alleged labor exploitation have brought the topic back into focus;

- work performed through digital platforms, including the ongoing debate regarding the classification of platform workers as employees or self-employed contractors, as well as the use of algorithms and technological tools in employment relationships. Although the new rules originated in the context of bike riders, their scope may extend more broadly;
- incentives aimed at promoting the employment of women and young people, supporting employment in Special Economic Zones, encouraging the conversion of fixed-term contracts and fostering gender equality and family-friendly measures;
- extended deadlines for the payment of deferred TFR compensation accruals into the Treasury Fund.



## **LAW** Fair wage

The Decree defined the statutory “fair wage” as the “total compensation established by national collective bargaining agreements” entered into by the unions and employers’ associations that are “comparatively more representative at the national level”. The Decree also delegated to subsequent regulations by the Ministry of Labor the collection and analysis of information aimed at verifying the constitutional adequacy of wages established through collective bargaining and ensuring compliance with the fair wage standard.

The Decree assigned crucial tasks to CNEL (the Council for the Economy and Labor):

- issuing an annual National Report on wages;
- maintaining a repository of company- and regional-level collective agreements; and
- extracting the total compensation provided under each collective agreement filed with CNEL.

If collective agreements are not renewed within 12 months after their expiry, wages shall be increased by an amount equal to 30% of the HICP (Harmonized Index of Consumer Prices).

In addition, it is now mandatory to specify the applicable collective bargaining agreement in payslips.



## **LAW** Illegal crew-recruiting with digital tools

The question of whether work performed through digital platforms constitutes employment or self-employment has frequently been litigated before Italian courts. The Decree addressed this issue by introducing a rebuttable presumption that a contractual relationship qualifies as employment where indicators of “control or external direction exercised, including through algorithmic management” are present.

The Ministry of Labor will be required to identify the risk indicators and data that digital platforms must report to INAIL (the agency insuring work accidents), INL (the National Labor Inspectorate), and INPS (the Italian social security institute). In addition, digital platforms will be required to retain

certain data for at least five years and make them accessible to workers and inspection authorities, including data relating to logins, assignments, refusals, working hours and compensation.



## **LAW** Digital platform workers

Digital platform workers will be entitled to various types of information:

- information regarding the automated or algorithmic systems being used in relation to the assignment of tasks, the determination of compensation, performance evaluations, and the suspension, restriction or termination of access to the platform;
- an explanation of automated decisions affecting working conditions or compensation, together with the possibility of review through human intervention; and
- as of July 1, 2026, access to the single employment ledger (a mandatory file containing payroll information), in which platforms must record the number of deliveries and the total compensation paid each month.

Two additional provisions supplemented the main measures:

- the requirement for workers to complete supplementary safety training courses through the governmental SIIISL website, with sanctions imposed on platforms employing workers who have not completed such courses; and
- the exemption of tips from social security contributions and deferred compensation (TFR) accruals, together with the application of a preferential tax rate in lieu of ordinary income tax.



## LAW

### Employment incentives introduced under Italy's May Day Decree

#### Women's Bonus

The Decree introduced a 100% exemption from social security contributions, up to a limit of EUR 650 per month and for a maximum period of 24 months, for each female employee hired under an indefinite-term employment contract between January 1 and December 31, 2026, provided that the employee has been unemployed for at least 24 months or for at least 12 months if she falls within certain EU categories of “disadvantaged workers” under Article 2 of Regulation (EU) No. 651/2014. The Decree also introduced certain variations depending on specific circumstances.

#### Youth Bonus and Special Economic Zone incentives.

The Decree introduced similar exemptions (subject to different caps and timelines) for:

- employees under the age of 35 (excluding employees classified as “dirigenti”) hired under indefinite-term employment contracts between January 1 and December 31, 2026, provided that they have been unemployed for at least 24 months or for at least 12 months if they fall within certain EU categories of “disadvantaged workers”;
- employees hired under indefinite-term employment contracts (excluding “dirigenti”) between January 1 and December 31, 2026, where the employer has fewer than 10 employees, the hiring takes place in a business unit located

within the Single Special Economic Zone for Southern Italy, and the employee is at least 35 years old and has been unemployed for at least 24 months.

In all cases, the hiring must result in a net increase in headcount, excluding reductions occurring within subsidiaries or affiliated entities. The exemptions apply only to employers that have neither carried out individual dismissals for economic reasons nor collective dismissals, and they will be revoked if the employee is dismissed within six months following the hiring date. All exemptions remain subject to approved spending limits.

The Decree also introduced additional incentives for the conversion of fixed-term contracts into indefinite-term employment relationships, as well as incentives for employers certified in both gender equality and family-friendly policies.



**Uberto Percivalle, Partner**

[uberto.percivalle@it.Andersen.com](mailto:uberto.percivalle@it.Andersen.com)

**Andersen in Italy**

Member firm of Andersen Global

# Lithuania



**Employee repayment agreements relating to salary overpayments must be assessed in light of mandatory labor law protections and the nature of the original obligation.**



## **COURT**

### **Salary overpayments and employee repayment obligations**

On April 16, 2026, the Supreme Court of Lithuania issued a ruling in civil case No. e3K-3-66-1249/2026, in which the dispute arose concerning the legal consequences of an agreement — specifically, whether the employer is entitled to recover from the employee the amount stipulated in the agreement. The agreement provided that the employee had been paid a salary exceeding the contractually agreed amount, and the employee undertook to compensate the employer for the resulting damages by repaying the specific overpayment within a set period. The Supreme Court clarified that the lower courts had failed to examine the basis and circumstances under which the employee's obligation to compensate for damages or to repay the overpayment arose (if such an obligation arose at all). Without establishing this, the question of whether

a novation (substitution of obligation) had occurred cannot be answered, since without knowing the nature of the original obligation, it is impossible to determine whether the obligation set forth in the agreement constitutes a new one, or whether the agreement merely modified the conditions for performing an existing obligation. The Court further noted that agreements concerning obligations arising from employment legal relations must be assessed in accordance with the mandatory provisions of labor law.

### **Ruling of the Supreme Court of Lithuania of April 16, 2026, in civil case No. e3K-3-66-1249/2026.**

**A salary may only be reduced upon obtaining the employee's written consent.**



## **GUIDELINES**

### **Salary reductions in employment relationships**

Remuneration is an essential term of an employment agreement, meaning that every employment contract must include an agreed-upon salary amount to be paid to the employee. A salary may only be reduced upon obtaining the employee's written consent. The Labor Code provides that if an employee does not agree to a reduced salary, the employer may not terminate his or her employment on those grounds. However, economic shifts and social factors significantly impact employment relations. Employers may face certain sector-specific or company-specific

circumstances that necessitate a reduction in employee remuneration. So, what should be done if an employer has unilaterally changed working conditions? If an employer unilaterally reduces an employee's salary and the employee fails to file a claim with the labor dispute resolution authorities or otherwise contest such reduction within three months, the reduction may remain in effect.

[Read More](#)



## GUIDELINES

The State Labor Inspectorate introduced guidelines for both employees and employers on psychological violence in the workplace

It is no secret that the growing number of complaints regarding psychological violence and harassment in the workplace, combined with a lack of awareness among both employees and employers, presents serious challenges in protecting one's rights and legitimate interests. In response, the State Labor Inspectorate (SLI) published two guidelines - one for employees and one for employers - designed to provide clear and practical answers on what to do when facing psychological violence or harassment in the workplace. SLI data indicates that the number of reports concerning potential psychological violence increases each year; however, a portion of these reports are unsubstantiated, as employees are often unaware of how to properly assess a situation, where to seek assistance, or how to gather evidence. At the same time, employers continue to face uncertainty regarding what steps to take upon receiving

such a report. Accordingly, the employee guidelines clearly set out where to turn following potentially inappropriate conduct, when to address the employer directly, and when to contact the SLI or the labor dispute commission. The guidelines also emphasize the importance of collecting evidence. As for employers, the guidelines serve as a reminder that upon receiving a report, immediate action is required. Taken together, the published guidelines are intended to provide a clear understanding of the sequence of actions and the responsibilities of each party involved.

[Read More](#)



**Vilius Mačiulaitis**, Partner

vilius.maciulaitis@widen.legal

**Akvilė Stoškutė-Bendorienė**, Senior

Associate akvile.bendoriene@widen.legal

**WIDEN Legal**

Collaborating firm of Andersen Global

# Malta



**The revised framework seeks to better reflect the increasing scope and complexity of work carried out by court support personnel within the justice system.**



## **COLLECTIVE AGREEMENTS**

**Malta concludes new collective agreement for Court Services Agency employees**

A revised collective agreement has been implemented for employees of Malta's Court Services Agency (CSA), bringing changes to pay structures, role allocation and progression frameworks within the Agency's operations.

The agreement, finalized on the 14th of April 2026, covers more than 500 employees across administrative, operational and supervisory posts and will apply for a multiyear period up to 2030. It follows the CSA's initial collective agreement concluded in 2022 and forms part of continuing initiatives aimed at strengthening the organizational framework supporting court administration.

Under the new terms, employees benefit from adjusted remuneration packages, redefined and expanded functions in certain grades, and updated career development

pathways aligned with the Agency's evolving responsibilities. The revised framework seeks to better reflect the increasing scope and complexity of work carried out by court support personnel within the justice system.

From an employment relations standpoint, the agreement highlights an ongoing public sector focus on workforce stabilization through medium to long term collective arrangements. It also demonstrates how public entities are increasingly linking operational reform with structured updates to employment conditions, job classifications and progression mechanisms.

Although specific to the CSA, this development is indicative of broader labor market trends in Malta, particularly in relation to collective bargaining practices, retention strategies and the recalibration of role responsibilities. Employers should continue to monitor such developments when assessing workforce structures and remuneration policies.



**Dr Luana Cuschieri**, Senior Associate

[luana.cuschieri@csmalta.com](mailto:luana.cuschieri@csmalta.com)

**Chetcuti Cauchi Advocates**

Member firm of Andersen Global

# Moldova



## COURT

### Expiry of fixed-term contracts during sick leave under Moldovan labor law

A recent interpretation delivered by Moldovan Supreme Court of Justice provides important clarification regarding the application of Labor Code, specifically the interaction between the expiration of fixed-term employment contract and the statutory protection afforded to employees during periods of leave.

Central to this analysis is Article 55(1) let. (f) of the Labor Code, allowing the employer to enter into the fixed-term employment contract with retired persons. The Court has affirmed that, in such cases, the termination of the employment relationship occurs ipso jure upon the expiration of the contractual term, in accordance with Article 82 let. (f) of the Labor Code. The employer's role is confined to issuing an internal order (decision) acknowledging such a termination. Importantly, this order is declaratory in nature rather than constitutive, as it merely evidences a legal effect that has arisen automatically by operation of law.

This distinction is of relevance where the expiration of a fixed employment term coincides with a period of leave of the employees, including sick leave. Pursuant to Article 86(2) of the Labor Code, employees benefit from protection against dismissal initiated by the employer during periods

of leave, such dismissal being unlawful. However, as underscored by the Court, this protective regime does not extend to circumstances in which the employment relationship terminates automatically due to the expiration of a fixed-term contract.

Accordingly, a clear legal distinction must be drawn between dismissal — representing an active, unilateral act of the employer — and employment termination by operation of law, which constitutes a passive legal consequence of the contract reaching its agreed term. The expiration of a fixed-term contract produces its legal effects irrespective of the employee's status, including periods of sick leave, annual leave, study leave, or maternity leave. The mere existence of such a leave does not suspend, defer, or otherwise invalidate the termination of the employment relationship.

From a practical perspective, this ruling underscores the necessity for legal practitioners to accurately qualify the nature of the employment relationship and the applicable mechanism of its termination. For employees, it delineates the limits of statutory protection during periods of leave. For employers, it reinforces the principle of legal certainty: upon the expiration of the contractual term, the employment relationship terminates as a matter of law.

[Read More](#)



## LAW

### Moldova aligns workplace accident reporting with EU standards

Effective as of 1 January 2027, Moldovan Government will implement important amendments to the Regulation on the

investigation of workplace accidents, bringing the national framework closer to EU requirements. A key highlight of the reform is the elimination of duplicate reporting obligations. Currently, both employers and the Moldovan State Labor Inspectorate prepare separate documentation. Under the new rules, a single, unified reporting mechanism will apply, simplifying processes and reducing the administrative burden for employers.

The reform also introduces a comprehensive system for collecting, coding, and transmitting data on workplace accidents. It establishes harmonized definitions and classification criteria, a standardized data form and coding system, and improved consistency in reporting, including with respect to the type of injury, circumstances of the accident, and duration of incapacity for work.

In addition, the new amendments clarify how accident-related data is to be stored and managed, introducing clear requirements on confidentiality, data retention, and the use of electronic documentation.

**Read More**

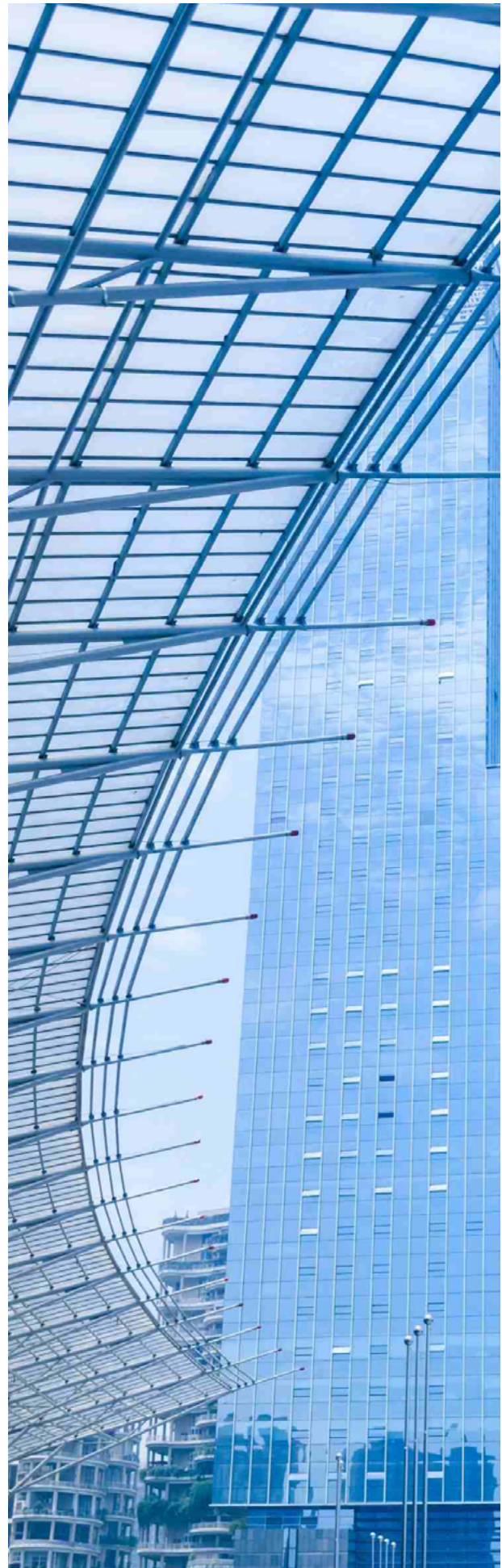


**Iulia Furtuna, Partner**

Iulia.Furtuna@TurcanLaw.md

**Turcan Cazac in Moldova**

Collaborating firm of Andersen Global



# Poland



## COURT

### Private recordings cannot serve as the basis for disciplinary termination

An employer may not use private recordings of an employee's conversations as the basis for terminating an employment contract on disciplinary grounds. The District Court in Toruń ruled that an employer's acquisition and use of private voice messages, transmitted by a third party without the employee's consent, violates the confidentiality of correspondence. According to the court, not only should an employer refrain from reviewing such materials obtained in violation of the law, but they must certainly not rely on them when assessing a serious breach of fundamental employee obligations. Consequently, an employee's statements—even if vulgar or critical of the employer—made in private communications do not justify disciplinary dismissal.

### The judgment of the District Court in Toruń dated 22 December 2025, case no. IV P 209/25.



## LAW

### New rules for employing foreign nationals – draft amendments proposed

The Ministry of Labor has presented the guidelines for draft amendments to regulations governing the employment of foreign nationals, aimed at tightening the system for legalizing employment

**New sick leave rules change the circumstances in which employees may lose entitlement to sick pay and expand the monitoring powers of employers and the Social Insurance Institution (ZUS).**



## LAW

### New rules for sick leave are now in effect

On April 13, revolutionary changes to the rules governing sick leave came into effect. An employee will lose their entitlement to sick pay only if they perform paid work during their sick leave or engage in activities contrary to the purpose of sick leave, i.e., those that may delay the treatment process or worsen their health condition.

Leaving one's place of residence or traveling will be assessed on a case-by-case basis regarding the impact of such actions on the treatment process.

At the same time, the monitoring powers of the Social Insurance Institution (ZUS) and employers have been expanded.

and attracting highly qualified specialists from developed countries. One of the key measures is to limit the list of businesses eligible for priority processing of visa and work permit applications by introducing an additional criterion of an investment value of at least PLN 100 million. The draft also provides simplifications for citizens of selected highly developed countries. In their case, employment is to be possible without the need to obtain a work permit, but solely based on an electronic notification submitted by the employer.



## LAW

### PIP reform: the President signed the bill but referred it to the Constitutional Tribunal

On Thursday, April 2, the President signed the bill reforming the National Labor Inspectorate. At the same time, he referred it to the Constitutional Tribunal for subsequent review due to his serious doubts regarding the scope of the new powers.

The reform aims to strengthen the PIP's authority, including the ability to convert civil law and B2B contracts into employment relationships, as well as to impose stricter penalties on employers.

The President noted, however, that some of the provisions could lead to excessive state interference in business operations. Criticism of the bill was expressed, among others, by the Entrepreneurs' Council, which raised concerns about the risk of worsening business conditions and limiting labor market flexibility.



## COURT

### Erroneous information in medical records does not prevent an event from being recognized as a work-related accident

The circumstances of the case and the evidence gathered indicated that the insured's injury occurred in connection with the performance of work. However, the medical records erroneously indicated that it occurred in circumstances unrelated to work. On this basis, the Social Insurance Institution (ZUS) refused to recognize the incident as a work-related accident. The court disagreed and, although it did not find grounds for awarding a lump-sum compensation, recognized the incident as a work-related accident. The authority cannot base its decision on a single piece of evidence taken out of context, such as an entry in medical records. The assessment of the evidence must be comprehensive and take into account all the evidence gathered, including witness testimony, post-accident documentation, and expert opinions.

### The judgment dated 29 January 2026 of the District Court in Łomża, case no. IV U 167/25.



**Katarzyna de Rosset**, Senior Associate

[katarzyna.derosset@pl.Andersen.com](mailto:katarzyna.derosset@pl.Andersen.com)

**Andersen in Poland**

Member firm of Andersen Global

# Portugal



**Portugal has proposed higher minimum wages and meal allowances for administrative employees not covered by collective bargaining agreements.**



## **LAW**

### **Administrative employees' working conditions ordinance**

On May 5, the Portuguese government published a proposal to amend the administrative order regulating the working conditions of administrative workers not covered by specific collective bargaining agreements.

The ordinance aims to guarantee minimum working conditions for administrative employees working in sectors or branches of activity without an employers' association with which the trade unions can negotiate collective agreements.

According to 2024 data, 110,988 full-time employees were covered by the working conditions ordinance (approximately 3,000 more workers than in the previous year).

The latest proposal provides for an update to the table of minimum monthly wages that must be guaranteed to the administrative workers covered, with minimum amounts ranging from EUR 920 to EUR 1,463 according to profession and professional category – from cleaning personnel to service managers – as well as an update to the meal allowance, which rises to a daily amount of EUR 6.15.

This proposal aims to increase administrative employees' minimum wages in line with the guaranteed minimum monthly wage for 2026 and reflect this increase in subsequent wage levels to ensure balanced differentiation – representing an overall average increase of 6.2%.

The Government's proposal is currently undergoing a 10-day public consultation period and will only take effect after publication in the Official Gazette, with the minimum monthly wages and provisions of a pecuniary nature set to take effect as of March 1, 2026.



**José Mota Soares, Partner**

[jose.soares@pt.Andersen.com](mailto:jose.soares@pt.Andersen.com)

**Beatriz Reis Jacinto, Associate**

[beatriz.jacinto@pt.Andersen.com](mailto:beatriz.jacinto@pt.Andersen.com)

**Andersen in Portugal**

Member firm of Andersen Global

# Slovakia



## LAW

### The new Act on equal pay for men and women for work of equal value in Slovakia

On April 2026 an Act on equal pay for men and women for work of equal value (hereinafter: the Act) was approved; it will take effect on June 7, 2026.

The Act implements a European Union directive, and it follows from the Act that employers will be required to comply with the obligations under the Act by July 31, 2026.

The aim of the Act is to ensure an equal and non-discriminatory remuneration system based on an assessment of the quality and performance of an employee according to work tasks, rather than on subjective factors or discriminatory prejudices (gender, disability, ethnicity, etc.).

The Act introduces new obligations for all employers with the aim of ensuring transparency and equality in remuneration (i.e. to introduce performance appraisal systems and remuneration structures based on objective and gender-neutral criteria). The key new obligations for employers are, in particular, the following:

- introduction and maintenance of remuneration criteria that allow for an objective comparison of whether

employees are performing the same work or work of equal value, whereby this remuneration system must be based on objective and gender-neutral criteria such as complexity, responsibility, and the physical demands of the work, working conditions and other factors relevant to the specific job (taking into account soft skills, in particular social and communication skills); the criteria must be agreed with employee representatives, where such representatives exist within the employer's organization,

- job position and job advertisements must be gender-neutral and the recruitment process must be non-discriminatory,
- the publication of salary ranges in job advertisements,
- a ban on requesting information about previous earnings from job applicants,
- providing information on the average pay of male and female colleagues in the same job category at the employee's request (including the obligation to inform employees of this right once a year),
- systematic monitoring of pay gaps and the adoption of corrective measures.

Employer's obligations by size are follows:

- publication of criteria for determining wages - all employers must make available the criteria for determining remuneration and remuneration levels; the obligation to also publish criteria for increasing remuneration applies only to employers with 50 or more employees,
- remuneration reports to the Ministry of Labor - the scope and frequency of fulfilling this obligation depends on the number of employees working for the employer,
- making the remuneration report available to employees and institutions to the extent specified - this obligation depends

on the number of employees working for the employer; the report must be made available to employees and employee representatives, and provided upon request to the Labor Inspectorate and the Slovak National Centre for Human Rights,

- conducting a (joint) remuneration review
  - applies only to employers with 100 or more employees, if the condition is met that there is a pay gap of at least 5% in any category of employees.

The employee's right to financial compensation for harm caused by a breach of the right to equal pay is regulated; this may consist, in particular, of compensation for unpaid pay, compensation for lost opportunities and compensation for non-pecuniary harm. Compensation for lost opportunities is a new legal institute in the legal system of the Slovak Republic, therefore, only application practice will show the scope and nature of this institute that an employee can apply.

A fine should be imposed by the competent public administration authority for a breach of these obligations by the employer.

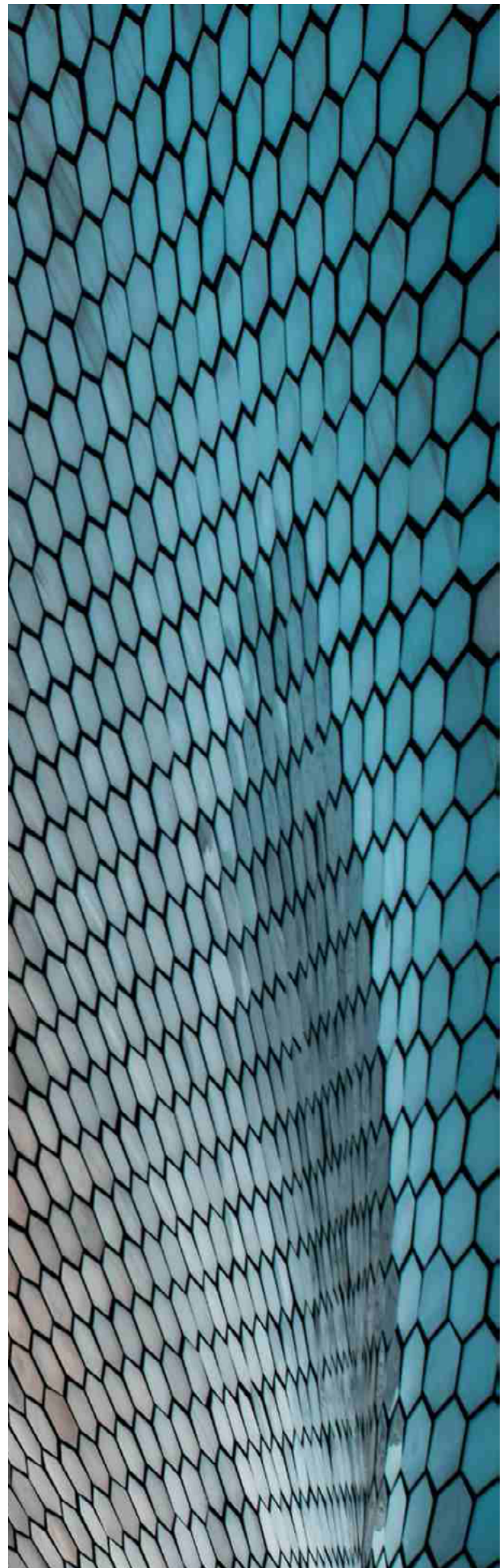


**JUDr. Vladimír Grác, Partner**

[grac@clscp.sk](mailto:grac@clscp.sk)

**CLS Čavojský & Partners**

Collaborating firm of Andersen Global



# Slovenia

**Employees in Slovenia remain entitled to a holiday allowance in 2026, with the statutory minimum amount linked to the national minimum wage.**



## **LAW** Holiday allowance rules for employees in 2026

All employees in Slovenia who have an employment contract are entitled to a holiday allowance linked to their annual leave. In 2026, the minimum amount is set at EUR 1,481.88, in line with the statutory minimum wage.

Under Article 131 of the Employment Relationships Act (ZDR-1), employees who work for the same employer throughout the entire calendar year are entitled to the full annual leave—and consequently the full holiday allowance. Those employed for only part of the year receive a proportional share of both leave and allowance.

Part-time employees are generally entitled to a proportional allowance based on working hours. However, exceptions apply:

employees working reduced hours under pension, health, or parental protection regulations, as well as victims of domestic violence or employees nearing retirement, are entitled to the full allowance as if they worked full-time.

Importantly, the right to the holiday allowance is tied to the entitlement to annual leave, not its actual use. This means employees remain eligible even if they are unable to take leave, for example due to long-term illness.

Employers must pay the allowance by July 1 each year. In cases of financial difficulty, collective agreements may extend the deadline, but no later than November 1. While the law sets the minimum, higher amounts may be agreed in employment or collective contracts.



## **LAW** Stricter sick leave rules under new Health Act

Slovenia has introduced significant changes to sick leave regulations under the Act on Additional Intervention Measures in Healthcare (ZDIUPZ), which came into force on January 1, 2026. The legislation establishes clearer rules on employee conduct during sick leave, including mandatory written instructions and penalties for violations.

A key novelty is the introduction of seven standardized movement regimes, which define where and how insured individuals may move during their absence. These range from strict home rest and isolation

to limited or broader movement within or outside the place of residence, as well as special categories such as caregiving. Any travel abroad must now be approved exclusively by the Health Insurance Institute of Slovenia (ZZZS).

The movement regime is determined at the start of sick leave by the attending physician or medical authority and may be adjusted if circumstances change. The reform aims to unify practices across the country and ensure that patients clearly understand their obligations.

In the future, digital solutions will automatically notify both employees and employers of the prescribed regime via national platforms. Currently, instructions are provided through email, patient portals, or upon request.

Non-compliance carries consequences. A first violation is formally recorded, while repeated breaches within five years may result in loss of wage compensation. Immediate loss of benefits applies if the employee engages in paid work during sick leave.



**Maja Skorupan**, Senior Associate

[maja.skorupan@senica.si](mailto:maja.skorupan@senica.si)

**Law Firm Senica & Partners, Ltd.**

Member firm of Andersen Global



# Spain



## LAW

**The Ministry of Labor has taken the first step towards implementing the European Directive on pay transparency in Spain**

On 24 April, the period for submitting comments began, which ends on 8 May, as part of the preliminary Public Consultation process aimed at gathering the views of citizens, organizations and associations on the Draft Royal Decree transposing Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023, which strengthens the application of the principle of equal pay for men and women for the same work or work of equal value through pay transparency measures and enforcement mechanisms.

The deadline for Spain to transpose this Directive is 7 June 2026, the date set by the European Commission in 2023 for Member States to bring their legislation into line with the new equality standards.

This regulation will have a direct impact on businesses by introducing "transparency" in the areas of recruitment and selection, job classification and internal promotion, regarding the information that must be provided to employees, and finally in the areas of reporting and corporate compliance for certain companies.



## COURT

**Labor Inspection requires a court order to enter a workplace if it also serves as the company's registered office**

The Supreme Court's ruling examines whether the entry of the Labor Inspectorate, accompanied by the National Police, into a company's registered office without judicial authorization or the owner's consent violates the fundamental right to the inviolability of the residence. The case arose following a raid on an industrial warehouse that served as both a workplace and a registered office, without any search or seizure of documents taking place.

The Court concludes that the mere entry into a constitutionally protected residence, even without a search, requires prior judicial authorization. It considers that the inviolability of the home, as set forth in Article 18.2 of the Spanish Constitution, also protects legal entities and that its violation cannot be contingent upon the existence of subsequent actions. Consequently, it upholds the appeal, overturns the previous judgment, and declares that the administrative action constituted an abuse of power and violated that fundamental right.

**Judgment of the Supreme Court (Labor Chamber), No. 1582/2026 of April 14, 2026 (Appeal No. 3188/2025).**



**Clara Marin Hernandez, Director**

[clara.marinhernandez@es.Andersen.com](mailto:clara.marinhernandez@es.Andersen.com)

**Andersen in Spain**

Member firm of Andersen Global

# Switzerland



**Ticino will gradually raise its minimum wage from 2027 to about CHF 22/hour by 2029, with inflation adjustments after 2030.**



## LAW

**Ticino approves gradual minimum wage increase starting 2027**

The Canton Ticino Grand Council has approved a compromise proposal to raise the cantonal minimum wage, balancing worker protection with business sustainability. The reform will take effect on January 1, 2027, and introduces gradual increases over three years to give companies time to adjust.

Starting in 2027, the minimum wage will range between CHF 20.50 and 21.00 per hour, depending on the sector. In 2028, it will rise to CHF 21.00–21.50, and by 2029 it will reach CHF 21.75–22.25 per hour.

From 2030 onward, the minimum wage will be automatically adjusted based on inflation. At full implementation, the minimum wage will correspond to roughly CHF 4,000 gross per month for full-time work. The increase is expected to benefit around 23,000 workers, including many cross-border employees.

A key element of the reform is that the legal minimum wage will take precedence over lower wages set in collective labor agreements, although this could face future federal review.

Overall, the measure represents a middle-ground solution, aiming to improve wages without placing excessive pressure on businesses.

**Employers may remain criminally liable for unauthorized employment even where administrative and HR functions are outsourced.**



## COURT

**Federal Court upholds conviction for hiring unauthorized foreign workers**

In a decision issued on February 17, 2026, Switzerland's Federal Supreme Court upheld the conviction of a businessman for employing foreign nationals without proper work authorization. The case arose from a Vaud cantonal ruling that found the defendant guilty under federal immigration law after he hired multiple individuals—including his brother—who lacked the legal right to work in Switzerland.

The defendant argued that the lower courts had acted arbitrarily, violated his right to be heard, and disregarded the presumption of innocence. He also claimed that responsibility should fall on third-party entities handling administrative and HR matters. However, the Supreme Court rejected these claims,

finding that the lower court had properly evaluated the evidence and provided sufficient reasoning.

Crucially, the Court emphasized that appellate review is limited and does not allow a full reassessment of facts unless there is clear arbitrariness. It also held that outsourcing administrative tasks does not transfer criminal liability when the employer retains decision-making authority.

The Court concluded that the evidence—particularly tax records and employment data—supported the finding that unauthorized work occurred in Switzerland. The appeal was dismissed, and the defendant was ordered to pay court costs of CHF 3,000.



**Donatella Cicognani**, Partner  
donatella.cicognani@ch.Andersen.com

**Laila Fontana**, Manager  
Laila.Fontana@ch.Andersen.com

**Andersen in Switzerland**  
Member firm of Andersen Global



# Ukraine



## LAW

### Ukraine launches electronic employment termination procedure for certain employees

The Government of Ukraine is launching a pilot project regarding the termination of employment agreements at the employee's initiative with employers whose place of business is in the territory of active hostilities or temporarily occupied by the Russian Federation (the "Project"). The Project aims to simplify the procedure for terminating employment relations at the employee's initiative with employers, located in territories of active hostilities or temporarily occupied by the Russian Federation, which are included in the list of territories where hostilities are (were) taking place or which are temporarily occupied by the Russian Federation, for which no end date has been set for the hostilities or the temporary occupation (the "Employer").

The Project is going to be implemented for 2 years, starting on 7 July 2026.

### The envisaged termination procedure

An employee may, on their own initiative, terminate their employment agreement with the Employer based on Part 1 of Article 38 or Part 1 of Article 39 of the Labor Code of Ukraine by submitting in the Employer's name a dismissal application in electronic form via Diia Portal using the Unified Information and Analytical System Obriy (the "Electronic System"). The application may be drawn up in any comprehensible format, but must

include a list of mandatory details about the employee and the Employer, the accuracy of which will be verified by cross-checking such information against the relevant state registers. Following a successful verification, the application, signed with a qualified or advanced electronic signature, is locked for editing and registered in the Electronic System with the date and time of its submission recorded.

The employment agreement shall be terminated on the day following the date on which the dismissal application is registered in the Electronic System. The Employer's consent or the issuance of a dismissal order is not required. On the day the application is registered in the Electronic System, information regarding the termination of employment is generated and transmitted to: the register of insured persons in the State Register of Mandatory State Social Security – regarding the date and grounds for dismissal; the Unified State Register of Conscripts, Persons Liable for Military Service and Reservists – regarding the employee's dismissal from their position.

On the day the dismissal application is registered in the Electronic System, the Employer shall receive a notification of its registration via Diia Portal or by email. The Employer is obliged to make final settlement with the employee (without issuing a copy of the dismissal order) and to hand back a labor-record book (provided it is kept by the Employer) following cessation of active hostilities and/or de-occupation of the relevant territory and/or re-registration of the Employer in another part of Ukraine, no later than the next business day after the dismissed employee submits a written request.



**Iryna Bakina, Counsel**

ib@sk.ua

**Sayenko Kharenko**

Collaborating firm of Andersen Global



This newsletter provides an overview, compiled by the member and collaborating firms of Andersen Global.

Andersen Global was established in 2013 as the international entity surrounding the development of a seamless professional services model providing best in class tax, legal, and valuation services around the world.

The opinions and analyses contained herein are general in nature and provide a high-level overview of the measures that local governments. The information herein does not take into account an individual's or entity's specific circumstances or applicable governing law, which may vary from jurisdiction to jurisdiction and be subject to change at any time. The Member Firms and collaborating firms of Andersen Global have used best efforts to compile this information from reliable sources. However, information and the applicable regulatory environment is evolving at a fast pace as governments respond. Recipients should consult their professional advisors prior to acting on the information set forth herein.