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LABOR AND EMPLOYMENT LAW UPDATES FROM AROUND THE GLOBE

Littler

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Geida D. Sanlate, Littler Editor

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Angola

Changes Created by the New General Labor Law

New Legislation Enacted

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

A new General Labor Law (NGLL) was enacted by Law No. 12/23, of 27 December 2023, which came into force on March 26, 2024.The NGLL repealed the former General Labor Law (approved by Law No. 7/15, of June 15, 2015), introducing significant changes to the Angolan labor legal landscape. The most noteworthy changes introduced by the NGLL are the following:

- Elimination of concepts of micro, small, medium and large companies
- New criteria for the determination of remuneration, compensation and indemnities
- New rules on fixed-term employment contracts and probation periods
- Supplementary maternity leave
- Special employment contracts
- New duty on training and training agreements
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Significant Changes Brought About by the New Labor Procedure Code

New Regulation or Official Guidance

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

A new Labor Procedure Code (LPC) was approved by Law No. 2/24, of March 19, 2024. The new LPC repeals and replaces various statutes that regulated the rules of process before the labor courts. Among the new rules approved by the LPC the following are the most relevant:

- The new LPC defines new litigation procedures concerning unfair disciplinary and redundancy dismissals, workman compensation claims and illegal strike declarations
- Prior conciliation or mediation proceedings, mandatory under the former rules on process, were revoked, allowing the direct filing of court claims by plaintiffs
- Unions were given procedural powers to represent their affiliated employees in individual labor claims

The LPC became effective on April 19, 2024, and applies to all pending procedures.

Australia

New Rules for Right of Entry and Exemption Certificates

New Regulation or Official Guidance

Authors: Naomi Seddon, Shareholder, and Xi (Grace) Yang, Of Counsel – Littler

The Australian Government introduced new rules for right of entry permits and exemption certificates as part of the new "Closing Loopholes" laws, which took effect July 1, 2024. A right of entry exemption certificate allows a permit holder to forgo giving an employer the required notice for a permitted visit if they are investigating a suspected breach of the Fair Work Act or a related law or regulation.

Unions can apply for an exemption certificate from the Fair Work Commission (the Commission) in certain circumstances to waive the 24 hours' notice requirement for entry. This will now be permitted where the Commission is satisfied that the suspected breach is an underpayment by a union member and reasonably believes giving advance notice of the entry would prevent an effective investigation into that breach. The Commission will also have the power to put conditions on right of entry permits and exemption certificates to ensure they are used appropriately and protect permit holders from improper conduct by others.

Increases to National Minimum Wage and Minimum Award Wages

New Order or Decree

Authors: Naomi Seddon, Shareholder, and Xi (Grace) Yang, Of Counsel – Littler

On June 3, 2024, the Australia Fair Work Commission announced a 3.75% increase to the National Minimum Wage and minimum award wages. From July 1, 2024, the new National Minimum Wage will be $915.90 per week or $24.10 per hour. The National Minimum Wage applies to employees who are not covered by an award or registered agreement.

All modern award minimum wage rates will also increase by 3.75%. The increase applies from the first full pay period starting on or after July 1, 2024.

New Superannuation Rules Updated in Awards

New Regulation or Official Guidance

Authors: Naomi Seddon, Shareholder, and Xi (Grace) Yang, Of Counsel – Littler

The Fair Work Commission updated the rules about superannuation in 147 awards. The updates took effect from April 9, 2024. The Commission made the updates to ensure that awards reflect the current superannuation rules. This includes the new right to superannuation contributions included in the National Employment Standards (NES), which became effective on January 1, 2024. This means that most employees covered by the NES can take court action under the Fair Work Act to recover unpaid or underpaid superannuation.

Austria

Refund of Training Costs in Unsuccessful Completion of Training

Precedential Decision by Judiciary or Regulatory Agency

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

According to a recent decision of the Supreme Court, an agreed refund of training costs in the event of unsuccessful completion of training only has to be paid if the employee has culpably thwarted the completion of the training. The employer is required to provide evidence of culpable failure to successfully complete the training. If the cause of the failure to pass the training examinations remains unclear and if it is unreasonable to expect the employee to continue to strive for the successful completion of the training, the employee cannot be considered at fault for the failure to successfully complete the training and the employer cannot justify its claim for refund under the compensation law.

An agreement between the employer and employee that provides for a refund in the event of unsuccessful completion of training, even if the employee was not at fault, would be considered immoral and therefore invalid.

Timely Notice of Dismissal

Precedential Decision by Judiciary or Regulatory Agency

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

In principle, a justified early termination of an employment relationship must be carried out immediately without culpable delay or the right to dismissal is forfeited. Despite the principle of immediacy, the employer must be granted a reasonable period of time to consider the situation and obtain legal counsel. In addition, the economic condition and organizational form of the company must be considered.

In a recent decision, the Supreme Court held that the requirement of immediacy was also met when the managing director became aware of the facts justifying the dismissal on a Friday and the dismissal was then pronounced on Monday. As the overall facts and the reason for dismissal only became known on Friday, it was held to be reasonable to carry out further investigations over the weekend and to consult with all representatives of the company on the procedure to be followed before the dismissal was communicated.

New Teleworking Law

New Legislation Enacted

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

During the COVID-19 pandemic the conditions for home offices were regulated by law for the first time. Austria's Parliament has now passed the Teleworking Act intended to improve conditions for working from home, which will go into effect on January 1, 2025. The main focus of the Act is to enable teleworking outside home from any location. In addition, the Act requires a written teleworking agreement between the employer and the employee to set the home office conditions including possible home office locations.

Belgium

New Rules for Private Investigation of Employees

New Legislation Enacted

Author: Corentin Henry, Attorney-at-Law – Reliance | Littler

The Belgian Parliament adopted a new act regulating private investigation of employees. Some changes introduced by this law are relevant to employers who are considering using private investigation services.

The most important obligations can be summarized as follows:

- Employers have two years to implement an internal regulation covering the terms and conditions of private investigations of employees. In the absence of such internal regulation, the investigation report will be considered null and void.
- At the end of an investigation, an employer who decides to use a report sent by a private investigator must communicate certain information to the employee concerned.

New Law Confirming Tax Relief for Shift Work Employers

New Legislation Enacted

Author: Anne-Valérie Michaux, Partner – Reliance | Littler

Belgium applies a partial exemption from payment of withholding tax for employers using shift work. After a recent judgment of the Belgian Constitutional Court, there was concern that employers whose successive shifts fluctuate in size would lose the tax advantage for shift work, which can represent a reduction of 10 to 15% in the wage costs associated with shift workers. With a new law, Parliament clarified that those employers will still be able to apply the tax relief, albeit in a "variant bis." This will allow employers whose successive shifts fluctuate in size to retain the benefit of the tax advantage, but with a reduction in proportion to the fluctuation in shift size.

Amendments to the Social Criminal Code

New Legislation Enacted

Authors: Michelle Briers, Attorney-at-Law, and Alice Van Buylaere, Attorney-at-Law – Reliance | Littler

The Belgian Parliament made some important changes to the Social Criminal Code:

- The law provides for an increase in fines for offenses sanctioned by the Social Criminal Code with a sanction level 3 or 4. As such, the law doubles level 3 correctional and administrative fines and increases the maximum amount of level 4 fines.
- For some offenses (such as non-payment of wages), the sanction level is increased. For others (e.g., failure to keep a copy of the part-time employment contract available for inspection), the sanction level has been reduced.
- The law also introduces some new social offenses, such as non-compliance with the obligations on flexible timetables. Some conduct will no longer be punished by law (e.g., not using the proceeds of disciplinary fines for the benefit of employees).

Brazil

Supreme Court Rules CBAs May Limit Some Labor Rights

Precedential Decision by Judiciary or Regulatory Agency

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

In a decision issued by the Brazilian Supreme Court (in the casefiles of ARE # 1482761), the Court ruled that a clause from the collective bargaining agreement (CBA) should outweigh a precedent from the Superior Labor Court with respect to the intensity and the amount of the health hazard bonus to which a given professional category is entitled.

According to the Court, such flexibility was legally feasible, pursuant to Theme # 1046, also ruled by the Supreme Court, which states that CBAs may provide for the restriction or even the elimination of labor rights, with the exception of absolutely inalienable rights, provided that the principle of negotiated sectoral suitability (which imposes some restrictions on collective bargaining) is observed.

The decision, published on June 14, 2024, is not yet final, but it is unlikely to change as it is based on binding precedents of the Brazilian Supreme Court. Review the decision here.

Regulation on Data Security Incident Reports

New Regulation or Official Guidance

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

The Brazilian National Data Protection Authority (ANPD) has issued a regulation (Resolution CD/ANPD # 15/2024) providing for procedures for reporting data security incidents. Among other rules and regulations, the resolution establishes that such incidents must be reported within three business days, by the data controller, to the ANPD and to the data subject.

Resolution CD/ANPD # 15/2024 was issued on April 26, 2024, and became effective immediately. Review the resolution here.

Bonus for "Distressing Work"

Precedential Decision by Judiciary or Regulatory Agency

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

The Brazilian Supreme Court's Full Bench has established an 18-month "deadline" for the legislative branch to issue regulation on a bonus for distressing work activities – meaning activities that lead to significant physical or emotional strain on the worker. Brazil has regulations in place for a health hazard bonus and for a risk bonus and now we are looking at a bonus for distressing work.

This was discussed during a remote ruling session that started at the end of May and ended in June 2024.

Canada

Amendments to Leave of Absence Requirements

New Legislation Enacted

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

On June 20, 2024, Canada enacted Bill C-59, Fall Economic Statement Implementation Act, 2023, which amends the leave of absence requirements in the Canada Labor Code (CLC) adding a Pregnancy Loss Leave of Absence, creating a new Child Death Leave, and amending Bereavement Leave. These amendments come into force on December 12, 2025, or on an earlier day to be proclaimed.

Bill 59 also amends the Employment Insurance Act by creating a new 15-week benefit for claimants who are carrying out responsibilities related to the placement of one or more children with them for adoption, or the arrival of one or more new-born children into their care where the person who gave birth to them is not or is not intended to be their parent. The Bill amends the CLC by creating a 16-week leave of absence for employees who are undertaking the responsibilities described above regarding the placement or arrival of children or newborns. These amendments come into force on a date to be proclaimed.

Employers with Unionized Workplaces Banned from Using Replacement Workers in Specific Circumstances

New Legislation Enacted

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

On June 20, 2024, Canada enacted Bill C-58, An Act to amend the Canada Labor Code (CLC) and the Canada Industrial Relations Board Regulations, 2012. Among other things, Bill 58 amends the CLC by banning employers that have unionized workplaces from using replacement workers in specific circumstances, subject to certain exceptions, and also creates a complaint process and penalties for unions that believe an employer was illegally using replacement workers. The Bill will go into effect on June 20, 2025.

Amendments to Labor Code Regarding Misclassification and Disconnecting from Work Policy

New Legislation Enacted

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

On June 20, 2024, Canada enacted Bill C-69, Budget Implementation Act, 2024, No. 1, which came into force on that date. Bill 69 amended the Canada Labor Code (CLC) regarding the misclassification of employees, including, among other things, a prohibition, presumption, and a rule regarding the burden of proof. It further requires employers to implement a Disconnecting from Work Policy and related requirements.

Amendments to Ontario Employment Standards Act, 2000

New Legislation Enacted

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

Effective June 21, 2024, the following amendments to the Employment Standards Act, 2000 came into force:

- Clarification that employees must select accounts for direct deposits
- Specifications for how an employer must pay an employee's tips or other gratuities (by cash, check payable to only the employee, direct deposit or some other prescribed method of payment)
- If an employer has a policy regarding the employer or its directors or shareholders sharing in tips/gratuities to be redistributed, the requirement to post a copy of the policy in the workplace
- The requirement that employers retain copies of policies on sharing tips/gratuities for three years after they are no longer in effect
- A requirement that employers make express agreements with employees regarding the timing for the payment of vacation pay

Ontario Appeal Court Affirms Invalid Termination Clause Does Not Invalidate Fixed-Term Clause

Precedential Decision by Judiciary or Regulatory Agency

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

In *Kopyl v. Losani Homes*, 2024 ONCA 199, the Court of Appeal for Ontario (OCA) affirmed the lower court's finding that an invalid without-cause termination clause in an employee's employment agreement does not invalidate a fixed-term clause, and that a fixed-term clause is not a termination clause. The OCA held further that upon the termination of an employee's employment prior to a fixed term's expiration, the employee will be entitled to receive the compensation they would have earned to the end of the fixed term, and they will have no duty to mitigate.

China

China's Supreme People's Court Released Model Employment Law Cases

New Regulation or Official Guidance

Author: Xi (Grace) Yang, Of Counsel – Littler

On April 30, 2024, the PRC Supreme People's Court issued a list of six "model cases" of labor disputes as judicial guidance. This judicial document summarized the key facts and takeaways of the model cases. The different employment law issues covered by these cases include independent contractor vs. employee, an employee's right to an indefinite term employment contract, non-compete restrictions, an employee's confidentiality obligation and right to employment, liability of employer for failure to complete work handover upon termination, and statutory leave (caregiver's leave) and employee pay and benefits.

These are all common employment law issues in China, and it is helpful to see how courts interpret the laws. These decisions emphasize that courts in China aim to balance and protect the rights and interests of employers and employees to support a competitive market that is fair, reasonable and orderly.

Beijing Updates Its Statutory Severance Caps

Legal Compliance

Author: Xi (Grace) Yang, Of Counsel – Littler

In June 2024, Beijing Municipal Bureau of Statistics released the data on 2023 population and employment in Beijing. Among other things, the data shows that the average annual salary of employees in legal entities in Beijing in 2023 is RMB 188,413 and the average monthly salary of employees in Beijing in 2023 is RMB 15,701. This will have important implications for employers in Beijing, especially in the termination context.

The PRC Employment Contract Law provides that (for employment post January 1, 2008) if an employee's monthly salary is three times higher than the average monthly salary of all employees in the employer's locale in the previous year, the employee's monthly salary may be capped at three times the local average monthly salary and the number of months of severance may be capped at 12. For example, if a Beijing employer terminates a highly compensated employee with a hire date of January 1, 2008, pursuant to a legal ground, the employee's monthly salary can be capped at RMB 47,103 (*i.e.*, 15,701 times three) and the statutory severance may be capped at 565,236 (47,103 times 12). In reality however, the employer usually needs to pay the employee more than the statutory severance in order to obtain a signed release of claims.

Colombia

Incentive for the Creation of New Job Positions

New Order or Decree

Author: Gabriela Pacheco, Associate – Godoy Córdoba | Littler

Decree 533 of 2024 establishes the Incentive for the Creation and Maintenance of New Formal Jobs, which is aimed at employers who hire new employees and maintain their employment for a period of not less than six months. The value of the incentive will depend on the age of the employee and may range from 15% to 35% of a minimum wage.

Supreme Court Changes its Stance on the Burden of Proof Regarding Per Diems

Precedential Decision by Judiciary or Regulatory Agency

Author: Juan José Cataño, Trainee – Godoy Córdoba | Littler

According to Article 130 of the Labor Code, permanent per diems for accommodation and meals have a salary impact, and according to previous rulings, the Supreme Court of Justice had established that the burden of proof rested on the worker not only to prove the destination for receipt of per diems but also their amount, for their claims to be successful. However, in a recent ruling, the Labor Court reconsidered the issue and indicated that while the worker has the burden of demonstrating that per diems were regularly earned during the employment relationship, it is the employer who must bear the burden of proving their specific amount and purpose to assess their salary impact.

The Senate Approves Pension Reform Project

Proposed Bill or Initiative

Author: Gabriela Pacheco, Associate – Godoy Córdoba | Littler

After two months of debates, on April 23, 2024, the Senate approved the project for pension reform presented by the National Government. This project seeks to modify the current Colombian pension system. Its main goal is to unify the current regimes (public and private), through a two-tier system: Employees who earn up to 2.3 times the minimum wages must contribute to the public pension system, and those whose earnings surpass this limit must contribute to private pension funds.

The pension reform bill was passed by the Chamber of Representatives on June 14, 2024. The bill will now have to be reviewed by the Constitutional Court.

Costa Rica

New Amendment to the Law Against Sexual Harassment

New Legislation Enacted

Authors: Marco Esteban Arias Arguedas, Partner – BDS, Member of Littler Global

On April 26, 2024, an amendment to the Law Against Sexual Harassment was published on the official gazette (*La Gaceta*). The amendment seeks to facilitate notification to the alleged harasser of an investigation of sexual harassment, in order to ensure timely completion of the investigation. The amendment makes it mandatory for all employers to provide an email address to employees to be used for notification of a sexual harassment investigation.

When this is not feasible, the employer must ask the employees to provide a personal email address to keep on file. This email, whether provided by the company or an employee, can be used in the event a complaint alleging sexual harassment is filed internally, and the respondent cannot be served the complaint by ordinary means (*i.e.*, in person).

Croatia

Surge in Immigration to Croatia

Trend

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

In Q2 2024, Croatian immigration authorities faced a significant escalation in applications for work and residence permits, resulting in longer processing times. This surge is due to a higher demand for foreign workers during the summer and a general increase in foreign labor in Croatia over the past few years.

Foreign workers from outside the European Economic Area (EEA) and Switzerland can work in Croatia under two main types of licenses: a work certificate and a work permit. A work certificate is quicker and easier to obtain but only allows performance of work for up to 30 or 90 days, depending on the type of duties performed. In contrast, a work permit takes longer to process but grants the right to work for up to one year, with potential extensions or renewals.

Given these circumstances, we advise businesses and individuals seeking work and residence permits in Croatia to plan ahead and consider the time required for application processing.

Croatian Supreme Court Clarifies Rules for Communicating with Trade Union Trustees

Precedential Decision by Judiciary or Regulatory Agency

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

In recent months, the Croatian Supreme Court has taken steps to update the outdated practice regarding an employer's obligation to consult with union trustees when no works council is set in place. Since 2014, the Croatian Employment Act states that if there is no works council and multiple trade unions are present at the employer, these unions must agree on a single union trustee with whom the employer is to communicate and notify the employer of the nominated union trustee. However, for years, the courts have continued to follow an outdated interpretation and practice that required employers to consult with any union trustee at the workplace, even where the agreement between multiple unions on the nominated union trustee was lacking.

In a positive shift, the Croatian Supreme Court resolved that employers are not required to consult with any union trustee until such time as the trade unions have reached an agreement on the union trustee nominated to communicate with employer and notified the employer. This new approach aligns court practice with current legislation, providing clarity and consistency for employers and unions alike.

Denmark

Amendments to the Danish Immigration Act

New Legislation Enacted

Author: Bo Enevold Uhrenfeldt, Partner, and Nanna Heisel, Associate – Littler | enevold

On May 30, 2024, an amendment to the Danish Immigration Act was adopted. The amendment went into force on July 1, 2024. The amendment established a new residence scheme for accompanying family members of returning expatriates with certain employment qualifications. According to the amendment, returning expatriates will have the same conditions for bringing their family members back to Denmark as third-country nationals. Until now, third-country nationals have had more favorable conditions for bringing family members to Denmark, which has, potentially, discouraged expatriates from returning to the Danish labor market.

Under the new residence scheme, it is a requirement that the Danish citizen has been resident and is established abroad, and that family has been established abroad before the Danish citizen returns to Denmark. As to the establishment requirement, the duration of the stay abroad will be of great importance. Generally, there is a presumption that staying abroad for at least eight years fulfills the establishment requirement.

New Law Provides 26 Weeks of Additional Maternity/Paternity Benefits for Certain Parents

New Legislation Enacted

Authors: Bo Enevold Uhrenfeldt, Partner, and Nanna Heisel, Associate – Littler | enevold

Effective from May 1, 2024, parents who give birth to or adopted two or more children simultaneously are entitled to an additional 13 weeks of leave with maternity/paternity benefits.

Each parent is already entitled to 24 weeks of leave with maternity/paternity benefits. The additional 13 extra weeks of leave with maternity/paternity benefits must be used within one year after the birth/adoption. In addition, the parents may not transfer the weeks of leave to each other and thus they will lapse if they are not used.

For additional information, please see Global Guide Quarterly Q1 2024.

Amendments to the Danish Administrative Act on Rest Periods and Weekly Rest Periods

New Legislation Enacted

Authors: Bo Enevold Uhrenfeldt, Partner, and Nanna Heisel, Associate – Littler | enevold

On June 26, 2024, the Danish Administrative Act on Rest Periods and Weekly Rest Periods and the Danish Administrative Act on Systematic Working Environment Work were amended. The amendments went into effect on July 1, 2024.

The amendments include a clarification of the term "rest period" in relation to on-call shifts and a new possibility to deviate from the rest period requirements for individuals employed by a municipality under the Danish Service Act in connection with personal assistance and care or practical tasks at home for a close relative in their household. In relation to working environment, the amendments require, among other things, that employers include rest periods in their provisions regarding safety and health in the workplace.

Supreme Court Ruling on Employment of a Foreign Friend without a Work Permit

Precedential Decision by Judiciary or Regulatory Agency

Authors: Bo Enevold Uhrenfeldt, Partner, and Nanna Heisel, Associate – Littler | enevold

On June 3, 2024, the Danish Supreme Court ruled in a case concerning a bike shop owner who received help from a friend in connection with delivery of bikes. The friend, a foreigner, had been rejected for asylum in Denmark and thus, the friend did not have a valid working permit nor Danish social security number. According to the Danish Immigration Act, an employer may not employ foreigners without a valid working permit.

The Danish Supreme Court ruled that – although the work had been performed as a favor for a friend – the work was illegal. Thus, the Danish Supreme Court emphasized, the term "employment" should be interpreted broadly in connection with employment of foreigners.

Egypt

Increase to the Minimum Wage for Private Sector Employees

New Order or Decree

Authors: Alia Monieb, Partner and Head of Employment, and Rawan Roshdy, Associate – ADSERO - Ragy Soliman and Partners

On April 8, 2024, the National Wage Council raised the minimum wage for private sector employees through the issuance of Ministerial Decree No. 27 of 2024 (the Decree). The Decree, which became effective on May 1, 2024, almost doubles the minimum wage to EGP 6,000, inclusive of the employer's social insurance contribution.

The Decree also allowed companies facing economic challenges that prevent compliance by the new minimum wage to submit an exemption request (through their competent trade union) by May 15, 2024, with supporting documents evidencing the justifications for the exemption. It is also worth noting that the Decree excludes small enterprises with 10 or fewer employees.

Employers should note that there remains an issue regarding whether companies that have submitted their Social Insurance Form 2 earlier this year, which includes the comprehensive wage and the social insurance wages, may be required to update them.

El Salvador

Amendments to the Regulations to Implement the Growing Together Law

New Regulation or Official Guidance

Author: Jaime Solís, Partner – BDS, Member of Littler Global

On May 22, 2024, the National Council for Toddlers, Infants and Teenagers (CONAPINA in Spanish) published a notice in the official gazette (*Diario Oficial*) to modify the regulations of the Growing Together Law (*Ley Crecer Juntos*). This change is intended to provide guidance and procedures to implement the amendments to the law that were enacted in January 2024. One of those changes allows employers to pay employees directly for the average cost of enrollment at an early childhood daycare center.

Mandatory Paid Holiday Decreed for June 18

New Legislation Enacted

Author: Jaime Solís, Partner – BDS, Member of Littler Global

On June 17, 2024, Congress declared that Tuesday, June 18, 2024, would be a mandatory paid holiday for all employees in the public and private sectors because of the torrential rains that hit El Salvador during the prior weekend.

Finland

Changes to the Industrial Peace Law Came Into Force on May 18, 2024

New Legislation Enacted

Authors: Samuel Kääriäinen, Partner and Head of Employment, and Noora Ollitervo, Associate – Dottir Attorneys Ltd

Changes to the Industrial Peace Law came into force on May 18, 2024. The amendments to the law include the following:

- Fines for breaches of industrial peace were significantly adjusted. In the future, the maximum fine will be capped at 150,000 euros, with a minimum of 10,000 euros. In addition, employees can be fined 200 euros for continuing a work stoppage that has been ruled illegal by a court, provided they are aware of the court's decision.
- Political work stoppages will now be limited to a maximum of 24 hours, while other forms of industrial action will be limited to two weeks. A previously organized political strike cannot be repeated for the same purpose within one year of its initial start.
- Sympathy strikes are limited to actions that do not cause disproportionate harm to third parties.
- The notification requirement for industrial action is extended to include sympathy and political strikes. Notification for these types of strikes must be given at least seven days in advance.

Posted Workers Act Amendments

New Legislation Enacted

Authors: Samuel Kääriäinen, Partner and Head of Employment, and Noora Ollitervo, Associate – Dottir Attorneys Ltd

On May 1, 2024, the Act on the Posting of Workers, including certain administrative requirements contained in the Act, was amended to protect posted workers from improper treatment. Among other things, a new provision was introduced prohibiting retaliation and imposing liability for damages in cases of violation of the prohibition.

The amendments follow infringement proceedings brought against Finland by the European Commission.

Supreme Court Affirms Employer's Right to Choose Which Job to Offer to Dismissed Employee

Precedential Decision by Judiciary or Regulatory Agency

Authors: Samuel Kääriäinen, Partner and Head of Employment, and Noora Ollitervo, Associate – Dottir Attorneys Ltd

In a case concerning the duty to offer work (KKO 2024:24), the Supreme Court affirmed the employer's prerogative to choose from available suitable tasks when offering employment to a dismissed employee. The employee, who had previously been employed as an air traffic controller at Malmi airport until its closure, applied for a position at Helsinki-Vantaa airport but was not selected, although he was considered sufficiently qualified. Instead, he was later offered a position at another airport, which he accepted. The employee then sued, arguing that the employer should have offered him a position at Helsinki-Vantaa airport before terminating his employment.

The Supreme Court concluded that the employer was entitled to select candidates for Helsinki-Vantaa on the basis of suitability assessments, considering flight safety considerations. Therefore, the employer's actions were found to comply with the Employment Contracts Act, and the employee's claim was dismissed.

Supreme Court Rules on the Unfairness of an Arbitration Clause in an Employment Contract

Precedential Decision by Judiciary or Regulatory Agency

Authors: Samuel Kääriäinen, Partner and Head of Employment, and Noora Ollitervo, Associate – Dottir Attorneys Ltd

In case KKO 2024:36, the Supreme Court ruled that when assessing the fairness of an arbitration clause, it is crucial to consider the employee's position, the circumstances of the contract and access to justice, and the cost of the proceedings.

The court noted that the employee in question was an ordinary worker and not a manager, which had a significant impact on the assessment of unfairness. Factors such as the employee's low monthly salary, the temporary nature of the employment contract, and the early termination of the employment relationship were also relevant.

Regarding the circumstances of the contract, the Supreme Court emphasized the importance of the clarity of the contract, the employee's opportunity to review the contract before signing it, and the employer's failure to draw attention to a term that was important to the employee's legal position and unusual in employment contracts. In addition, the court emphasized the employee's financial situation and how the cost of litigation could affect the employee's access to justice. In light of these considerations, the Supreme Court concluded that enforcement of the arbitration clause would be unreasonable.

Finnish Parliament Advances Comprehensive Labor Law Reforms to Strengthen Market Competitiveness

Proposed Bill or Initiative

Authors: Samuel Kääriäinen, Partner and Head of Employment, and Noora Ollitervo, Associate – Dottir Attorneys Ltd

The Finnish Parliament is moving forward with labor law reforms through several key measures. A tripartite working group has prepared changes to the mediation system for labor disputes and is in the final stages of preparation. Public consultation on the group's report will begin in June 2024, with the aim of submitting the government's proposal by September 2024, potentially allowing the new laws to come into force by the end of the fall session.

The reforms aim to improve the bargaining system, as outlined in the government's program, with the goal of strengthening Finland's labor market model for long-term competitiveness and economic resilience. The changes will affect the role of the national conciliator, mediators and mediation boards, while preserving the parties' ability to reach agreements independently.

In addition, the Ministry of Economic Affairs and Employment has proposed to increase local bargaining opportunities, ensuring equal opportunities for all companies regardless of union affiliation or employee representation. This proposal has been further developed following a consultation period and is expected to be submitted to Parliament in August 2024, following a review by the Finnish Council of Regulatory Impact Analysis.

France

Previous Fixed Term Contract Must be Deducted from the Duration of the Probationary Period

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

This case involved an employee who was hired as a nurse on a permanent contract following three fixed-term contracts with the same employer. The employee's contract included a two-month probationary period. The employer terminated the employee before the end of the two months and the employee filed a claim challenging the termination. The employee's main argument was that the duration of the three fixed term contracts should have been deducted from the duration of the probationary period. The lower court judges ruled that the periods between each fixed term contract were too long to constitute an on-going employment relationship and therefore they should not be considered to reduce the duration of the probationary period.

In a decision dated June 19, 2024 (Cass. Soc. June 19, 2024, n° 23-10-783), the Court of Cassation of France overruled this decision and considered that the same relationship has continued with the employer since the beginning. Accordingly, the Court ruled that the duration of the three fixed-term contracts should be deducted from the probationary period and therefore the employee was no longer considered to be in the probationary period. Accordingly, the termination was not enforceable.

A Mutual Termination May Be Deemed Null and Void if the Employee Lies About their Intentions

Precedential Decision by Judiciary or Regulatory Agency

Author: Guillaume Desmoulin, Partner – Littler France

An employee in the position of a sales representative asked the employer to sign a mutual termination agreement to allow the employee to train for a new career as a manager. The employer agreed, but it quickly became apparent that the employee joined a competitor where two former colleagues were also working. The employer immediately filed a claim to declare the mutual termination agreement null and void.

In a ruling dated June 18, 2024, the French Supreme Court reiterated that the intentional concealment by a contracting party of information that is decisive for the other contracting party is fraud and constitutes a defect in consent. The Court found that the employer in this case accepted the contractual termination on the sole grounds that the employee was retraining. The Court therefore ruled that the employee had committed fraud by withholding decisive information from the employer to cause the employer to sign the contractual termination agreement. The contractual termination was therefore null and void for lack of consent on the part of the employer.

Unions Sign Agreement to Fight Discrimination Against Delivery Drivers

Proposed Bill or Initiative

Author: Guillaume Desmoulin, Partner – Littler France

An agreement aimed at combating discrimination within delivery platforms was signed on May 3, 2024, by three of the four unions representing self-employed workers. This agreement provides for:

- The creation of an entity that will conduct an annual survey among delivery drivers on any discrimination they may have suffered
- The deployment, by each platform, of an alert system accessible via the delivery drivers' application, enabling them to immediately report any situation of discrimination
- Platforms to set up a helpline to provide support to delivery drivers and help them with legal procedures or direct them to specialized players

- The distribution of a support guide detailing discriminatory remarks, acts and behavior, as well as approaches for preventing or responding to them
- The introduction of a right to compensation for delivery drivers when, in the event of reciprocal reporting between a driver and a customer, their account is suspended and then reactivated once the platform has completed its investigation. The delivery driver is entitled to financial compensation for the loss of sales suffered during this period.

Germany

Inflation Compensation Bonus Cannot Be Garnished Without Restriction

Precedential Decision by Judiciary or Regulatory Agency

Author: Maximilian Adrian Heite, Associate – vangard | Littler

Under German law, earned income can only be garnished to a limited extent, as employees must be left with a minimum amount to live on. In this context, it was disputed whether the so-called inflation compensation bonus (*Inflationsausgleichspraemie*) could be garnished in full. The inflation compensation bonus is a tax-free bonus of up to EUR 3,000 that employers can pay to employees until the end of 2024 as compensation for the high inflation.

In a decision dated April 25, 2024, the Federal Court of Justice (*Bundesgerichtshof*) ruled that an inflation compensation bonus is income from employment. It can therefore only be garnished to a limited extent. The favorable tax treatment does not change this view. As a result, the inflation compensation bonus cannot be offset against possible counterclaims by the employer or garnished by creditors without restriction.

ECJ Decision on Data Protection Favorable to German Employers

Precedential Decision by Judiciary or Regulatory Agency

Authors: Dr. Rajko Herrmann, Partner, and Christina Stogov, Senior Associate – vangard | Littler

On January 25, 2024, the European Court of Justice (ECJ) clarified (C-687/21) that a claim for damages under Art. 82 para. 1 of the European Union General Data Protection Regulation (GDPR) requires the existence of "damage" and causality between the damage and the breach of the GDPR. This development in ECJ case law is favorable for employers in Germany: The employee who asserts data protection claims for compensation under Art. 82 GDPR bears the burden of proof to demonstrate the data protection breach, damage and the causal link.

Consequently, the Federal Labor Court has now limited the referral proceedings (pending at the ECJ under file number C-65/23) to the key question of whether the data protection level of the GDPR can be lowered by works agreements concluded between the works council and the employer. Review our previous Littler GGQ update.

Renewed Referral to the ECJ on the Legal Consequences of Errors in Mass Dismissal Proceedings

Precedential Decision by Judiciary or Regulatory Agency

Authors: Dr. Rajko Herrmann, Partner, and Christina Stogov, Senior Associate – vangard | Littler

Following a referral to the ECJ, the 6th Senate of the Federal Labor Court has referred to the ECJ a new question on the interpretation of the Mass Dismissal Directive and the purpose of the mass dismissal notification. Specifically, as part of its efforts since 2021 to review and potentially revise the legal consequences of errors in the mass dismissal procedure, the Federal Labor Court is now asking the ECJ whether the purpose of the mass dismissal notification is also fulfilled if the employment agency does not object to the objectively incorrect mass dismissal notification.

The ECJ's answer to the question will be relevant for the Federal Labor Court's upcoming revision of the case law on mass dismissal notifications. Review our previous Littler GGQ update.

Federal Ministry of Labor Publishes Occupational Health and Safety Recommendations for Hybrid Work on Screens

New Regulation or Official Guidance

Author: Johanna Müller-Foell, Senior Associate – vangard | Littler

On June 19, 2024, the German Federal Ministry of Labor and Social Affairs published new comprehensive recommendations on the design of hybrid work on screens and monitors (VDU work) under German labor law and occupational health and safety law. These recommendations form the framework for company practice by specifying seven steps for the design of safe and healthy hybrid VDU work.

The recommendations include:

- Defining terms, areas of application and objectives
- Defining suitable mobile VDU activities
- Defining time frameworks for hybrid VDU work
- Arranging for sharing or bearing the costs incurred
- Carrying out risk assessments, defining and implementing measures
- Informing and instructing employees about their obligations in hybrid VDU work
- Monitoring the effectiveness of measures and adapting them if necessary
- Companies should update their respective applicable VDU work policies, accordingly.

Honduras

New Law Creates Individual Reserve Fund for Employees

New Legislation Enacted

Author: Marielos Acosta, Associate – BDS, Member of Littler Global

On May 28, 2024, Law No. 47-2024 was published in the official government publication, *La Gaceta*. This law, called "Law for the Individual Capitalization Reserve Fund, administered by the Private Contributions Regime (RAP)" creates an individual labor reserve fund that each employee in Honduras individually contributes to. Further, this law creates special compensation for employees in cases of termination, mutual separation, and resignation, depending on the employees' length of service with their employer. This law allows employees to receive 100% of the funds that have been saved in their individual accounts for any termination except for termination with cause. The law also forces the employer to compliment this payment when employees have accrued less than certain amounts/percentages in their accounts.

Changes to Individual Contributions for Employers and Employees to the Honduran Institute of Social Security (IHSS)

New Legislation Enacted

Author: Marielos Acosta, Associate – BDS, Member of Littler Global

On May 28, 2024, the same date that the new Individual Capitalization Reserve Fund was published, Law No. 48-2024 was also published in the official government publication, *La Gaceta*. This law changes the contribution percentages that employers, employees, and the government make each month to the Honduran Social Security Institute (*Instituto Hondureño de Seguro Social* or IHSS) Disability, Old Age, and Death Regime (IVM) over each employees' individual reported salary. Additionally, the contribution caps (the maximum salaries over which contributions are calculated, regardless of the person earning a higher income) were set for 2024 and 2025.

Contributions to IHSS for Disability, Old Age, and Death Regime (IVM) are as follows:

- Employer: 3.50%
- Employee: 2.50%
- Government: 0.50%

The IHSS contribution caps applicable to the IVM and Maternity and Sickness (EM) regimes are as follows:

- For IVM: L 11,336.32 for 2024, and L 11,903.13 for 2025
- For EM: L 11,109.30 for 2024, and L 11,903.13 for 2025

Hungary

New Requirement for the Employment of Third Country Citizens

New Legislation Enacted

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

An amendment to the Labor Code requires employers to ask for the opinion of the works council 15 days before the employer decides on the employment of third country citizens if the number of such new employees reaches 5% of the employees' headcount and when every new 5% increase is reached. However, the works council has no veto rights, and if the employer fails to ask the works council on its opinion, it will not render the employment of third country citizens invalid. The works council can only ask the court to establish the fact that the employer breached its legal obligation.

New Forum and Rules for the Establishment of Statutory Minimum Wage

Proposed Bill or Initiative

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

A proposed amendment to the Labor Code would establish a forum for consultation with trade unions on changes to the statutory minimum wage and provide the procedural rules for such consultation. This governmental decree is yet to be passed.

India

Technology and Outsourcing Companies in Bangalore Exempt from the Law on Employee Standing Orders for Five Years

New Legislation Enacted

Authors: Vikram Shroff, Partner, and Sayantani Saha, Senior Associate – AZB & Partners

The Karnataka state government has issued a notification dated June 10, 2024, to exempt all IT, ITES, startups, amination, gaming, computer graphics, telecom, BPO, KPO, and other knowledge-based industries from application of Industrial Employment (Standing Orders) Act, 1946.

The exemption is subject to the employer complying with the following conditions:

- Institution of an internal committee in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Institution of a grievance redressal committee to deal with employee grievances

- Provision of information regarding disciplinary action against its employees to the local Deputy Labor Commissioner and Karnataka Commissioner of Labor
- Any information required by labor authorities shall be promptly and fully submitted within the timeframe prescribed

The exemption is valid for five years, until June 10, 2029. If the Industrial Relations Code, 2020 is implemented, the code will apply to all employers and accordingly will override this notification.

Technology and Outsourcing Companies in Hyderabad Exempt from Certain Wage-Hour Related Provisions

New Legislation Enacted

Authors: Vikram Shroff, Partner, and Sayantani Saha, Senior Associate – AZB & Partners

The Telangana state government issued a notification dated June 7, 2024, to exempt all information technology enabled services and information technology establishments from certain provisions of the Telangana Shops and Establishments Act, 1988 (TSE Act). The notification exempts such establishments from Section 15 (Opening and closing hours), Section 16 (Daily and weekly hours of work), Section 23 (Special provision for women) and Section 31 (Other holidays), of TSE Act.

The exemption is subject to certain conditions which include:

- Weekly working hour limit shall be 48 hours, beyond which overtime pay will apply
- Employees shall be given weekly time off
- Employees shall be provided identity cards and other welfare measures as per applicable laws
- Employees working on holidays under the TSE Act shall be provided compensatory holidays
- Employers shall comply with conditions for engaging female employees at night, such as providing adequate security and transport from their residences, obtaining details of the drivers employed, deciding pickup and drop schedules on each Monday, not disclosing telephone numbers of female employees to unauthorized individuals, not picking up female employees first or dropping them off last, providing security guards for night shift vehicles, conducting random checks on night shift vehicles, having a control room/ travel desk for monitoring vehicle movements etc.
- Employers shall file integrated registers and maintain integrated returns under labor laws, as prescribed earlier by the Telangana government

Noncompliance with these conditions may lead to revocation of the exemption. The exemption shall not be detrimental to existing conditions of employees in covered establishments.

The exemption is valid for four years, until May 30, 2028.

Revision to Computation of Damages for Delayed Social Security Contributions

New Legislation Enacted

Authors: Vikram Shroff, Partner, and Sayantani Saha, Senior Associate – AZB & Partners

The (Indian) Ministry of Labor and Employment has issued notifications dated June 14, 2024, to amend the Employees' Provident Funds Scheme, 1952 (PF) and Employees' Pension Scheme, 1995 (EPS) to revise the rate of damages payable in case of delayed statutory contributions.

Effective June 14, 2024, the authorities may recover damages for delayed PF and EPS payments from the employer at the rate of 1% per month of the unpaid contributions or on a pro-rated basis, as applicable. Prior to such amendment, employers making delayed PF / EPS contributions were required to pay damages for such delay (along with interest) at a varying rate (5-25% per annum) based on period of delay. Damages on PF contributions cannot exceed the amount of the unpaid contributions on which the damages are calculated.

Changes in Employees' Pension Calculation

New Legislation Enacted

Authors: Vikram Shroff, Partner, and Sayantani Saha, Senior Associate – AZB & Partners

By way of two notifications dated June 14, 2024, the (Indian) Ministry of Labor and Employment has amended the factors on which pensions are calculated for eligible employees under the Employees' Pension Scheme, 1995 (EPS).

The EPS provides for certain withdrawal benefits to its members who do not complete 10 years of service at the time of their retirement on attaining 58 years of service. The amendment provides for computation of withdrawal benefits based on a member employee's months (instead of years) of service. This enables EPS members with less than a year of service to also receive the benefit.

The amendment also provides for an additional benefit to member employees who were existing members of a family pension scheme.

State Court Declares Provident Fund (Social Security) Law Provisions on Expats to be Unconstitutional

Precedential Decision by Judiciary or Regulatory Agency

Authors: Vikram Shroff, Partner, and Sayantani Saha, Senior Associate – AZB & Partners

By a judgment dated April 25, 2024, the Karnataka High Court declared certain provisions of the Employees' Provident Fund Scheme, 1952 (EPFS) and Employees' Pension Scheme, 1995 (EPS) which provide for employer obligations regarding international workers (expats), unconstitutional and accordingly struck down those provisions.

Per paragraph 83 of the EPFS and paragraph 43A of the EPS, international workers are (i) employees of Indian employers in foreign countries that have social security agreements with India or (ii) employees who are foreign passport holders. Indian employers are required to contribute to the EPFS and EPS for international workers based on their entire base salary (along with certain identified allowances), whereas for domestic employees such contributions can be capped at INR 1800 (approx. USD 20) per month for employees with a monthly basic salary exceeding INR 15,000 (approx. USD 180). There are exclusions for international workers who contribute to social security programs of countries with which India has a totalization / social security agreement on a reciprocity basis.

The court found these classifications and the differential treatment of foreigners working in India unreasonable, and accordingly, violative of Article 14 of the Constitution. We understand that the Employees' Provident Fund Organization is considering their legal options as a result of this judgment.

Indonesia

Mandatory Employer and Employee Contributions for Public Housing Savings Program

New Regulation or Official Guidance

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

On May 20, 2024, the Indonesian government enacted Government Regulation No. 21 of 2024 (GR 21/2024) on the public housing savings program and the contributions by employers and employees that will become mandatory beginning in 2027. GR 21/2024 amends Government Regulation No. 25 of 2020 regarding the Implementation of the Public Housing Savings Program (*Tabungan Perumahan Rakyat* or Tapera). The Tapera program is designed to help workers purchase houses by requiring a mandatory contribution to the program by employers and employees.

The mandatory contribution, once it takes effect, is to be set at 3% of the monthly salary of employees and the average monthly income in the previous calendar year for self-employed participants. Of that 3% contribution, employees will cover 2.5 percent and employers the remaining 0.5 percent. Every Indonesian citizen who is at least 20 years old or is already married and who earns at least the relevant provincial minimum wage and any foreign citizen who works in Indonesia for at least six months will be required to participate in the Tapera program.

Ireland

Enhanced Creditor Protections in Collective Redundancies Following Insolvency

New Legislation Enacted

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

The Employment (Collective Redundancies and Miscellaneous Provisions) and Companies (Amendment) Act 2024 (the Act) has been signed into law which amends existing company law and several provisions of the Protection of Employment Acts 1977 - 2014. Insolvency practitioners will now be required to comply with the Protection of Employment Acts and engage with employees and their representatives at an early stage in any collective redundancy scenario.

The main changes brought about by the Act are as follows:

- Any person appointed by the court who assumes full control of the business will now be deemed a "Responsible Person" (RP) as defined under the Act. RPs have consultation and information obligations with employees and/or their representatives and must notify the Minister for Enterprise, Trade and Employment of the proposed collective redundancy at least 30 days before the first dismissal takes effect.
- Failure to comply with the above obligations is a criminal offense, however a defense is now available for RPs who can show that they had reasonable grounds for believing that the employer had complied with its consultation, information and notification obligations.
- Effecting redundancies is prohibited before the expiry of the 30-day period, beginning on the date of the notification to the Minister. This will now apply equally to collective redundancies in an insolvency situation.
- The Act also provides for the establishment of a statutory Review Group, with a broad remit to monitor, review and advise the Minister on employment law matters.

Supreme Court Upholds Mandatory Retirement Age in the Public Sector

Precedential Decision by Judiciary or Regulatory Agency

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

The Supreme Court dismissed an appeal by a County Sheriff who challenged the imposition of a mandatory retirement age of 70. The Court held that the imposition of a mandatory retirement age was not incompatible with the Employment Equality Directive and dismissed the claim of discrimination.

Revenue Commissioners Publish New Guidance on Determining Employment Status for Taxation Purposes

New Regulation or Official Guidance

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

In light of the Supreme Court decision in *The Revenue Commissioners v Karshan* (Midlands) in October 2023, Revenue Commissioners have recently published "Guidelines for Determining Employment Status for Taxation Purposes" to reflect the principles set out in the Supreme Court judgment.

Gender Pay Gap Reporting Obligations Expanded to Employers with 150 or More Employees

New Regulation or Official Guidance

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

The Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2024 have been published and extend the requirement to report on a company's gender pay gap to businesses with 150 or more employees. Employers were required to pick a snapshot date in June 2024, and the reporting date will be six months after that.

Israel

Entitlement to Sick Leave Days Based on a Medical Certificate Issued Without a Doctor's Appointment

New Legislation Enacted

Authors: Michal Feinberg-Doron, Partner, and Orel Ezer, Associate – N. Feinberg & Co.

Under the Sick Leave Law, employees are required to provide a medical certificate signed by a physician concerning the period of their illness. On June 20, 2024, an amendment was published to the Sick Leave Pay Regulations (procedures for sick leave pay payment). Under the amendment, which will enter into force on September 1, 2024, employees may deliver a medical certificate to an employer without a doctor's appointment, in the following cases:

- The medical certificate was issued by an HMO (i.e., which is not signed by a physician) for a period not exceeding four sick leave days. Such a certificate will be issued if the employee reports to the HMO that they are suffering from a health issue and therefore temporarily unable to work. Such a certificate may only be issued up to four times a year.
- The medical certificate was issued for a period not exceeding four sick leave days, without a doctor's appointment, and is signed (also digitally) by a physician, provided that within seven consecutive days immediately preceding each sick leave day noted in the certificate, the employee was not provided a short sick leave certificate for a period longer than up to four days.

The sick leave certificate cannot include any details about the employee's illness, including any medical findings or health issues. If the employer has doubts about the content of an employee's medical certificate issued by an HMO, as set out in section (1) above (*i.e.*, which is not signed by a physician), the employer may require the employee to undergo a medical checkup, and the employee is required to cooperate.

Protection for Employees and their Spouses Serving in Active Reserve Military Service

New Legislation Enacted

Authors: Michal Feinberg-Doron, Partner, and Orel Ezer, Associate – N. Feinberg & Co.

Under Israeli law, an employer (including a public sector employer) may not dismiss an employee because of active reserve military service, being called to reserve military service or an expected reserve military service term, and for 30 days following the termination of reserve military service if the reserve service period exceeded two consecutive days, unless a dismissal permit was issued by a special committee of the Ministry of Defense (the Committee).

On May 30, 2024, an amendment was published to the Discharged Regular Military Servicemen Law, which provides that an employer, including an employer who obtains outsource services from an HR contractor, may not impair the scope of employment or the income of an employee who served in active reserve military service for more than two consecutive days, or during 30 days following the end of such service period, unless a permit was issued by the Committee. Dismissal or impairing the employment scope or the income of such an employee without obtaining a permit by the Committee are finable criminal offenses.

In addition, the amendment includes a temporary order that provides the following: If an employee's spouse or the parent of an employee's child, 14 or under, is in active reserve military service during the period between May 30, 2024, and December 31, 2025, the employer must obtain a permit from the Committee to put the employee on unpaid leave, subject to the terms and conditions of applicable law.

Amendment to the Youth Labor Law

New Legislation Enacted

Authors: Michal Feinberg-Doron, Partner, and Orel Ezer, Associate – N. Feinberg & Co.

The Youth Labor Law prohibits employment of a youth between the ages of 16 and 18 who is subject to the Compulsory Education Law, during school hours. Nevertheless, the law provides that a 14-year-old child may be employed during formal school vacation times, in light work that will not harm their health. The law also prohibits the employment of youth under 18 at night between 8:00 p.m. and 8:00 a.m. A violation of the Youth Labor Law is a criminal offense.

An amendment to the law was published on April 4, 2024, which provides an exception to the prohibition on employing youth for night work. Under the amendment, an employer may employ a youth aged 16, but under 18, during formal school vacation times, such as summer vacation, until 1:00 a.m., provided, however, that the next morning is not a school day for the youth. The amendment further provides that if the employment ends after 11:00 p.m., the employer must provide the employee with transportation back to their home.

Italy

Treatment of Employees Hired in a Work or Service Agreement and Subcontracting

New Legislation Enacted

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

On March 2, 2024, Decree Law No. 19 was published in the Official Gazette, in part to implement the National Recovery and Resilience Plan (NRP). Employers must pay employees hired under a work or service agreement, or subcontracted, not less than the amount provided for in the national and territorial collective contracts by the most representative trade union associations of workers and employers at the national level applied in the sector and for the area closely related to the activity covered by the contract and subcontract.

Bonus for Hiring People under 35 and Women

New Order or Decree

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

The Council of Ministers, in session No. 79 of April 30, 2024, approved a decree that introduces provisions on policies and measures to strengthen the employment of the most disadvantaged categories of workers, especially in Southern Italy. The decree introduces a youth bonus, which consists of 100% exemption from employers' social security contributions, up to a maximum of EUR 500 per month, for two years, for hiring of people under 35, women and, in the regions of Southern Italy, those over 35 who have been unemployed for at least 24 months.

Additionally, a bonus is provided for hiring disadvantaged female workers, with 100% exemption from employers' social security contributions for a maximum of 24 months, up to a maximum limit of EUR 650 monthly, for each female worker hired on a permanent basis. The bonus applies to women of any age, with more favorable treatment for women residing in southern Italy.

The Eastern Sicily Special Economic Zone bonus supports employment development in Southern Italy through a 100 percent contribution for a maximum period of 24 months, limited to of EUR 650 for each worker hired by employers with up to 15 employees.

Facial Recognition System to Monitor Attendance Prohibited

New Regulation or Official Guidance

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

The Data Protection Authority, in its Newsletter No. 525 of June 26, 2024, clarified that the use of facial recognition systems for employee's attendance monitoring in the workplace is not allowed because there is no legal regulation that currently provides for such use of biometric data.

Therefore, the consent given by employees may also not be considered lawful due to the unequal bargaining power between the parties to the employment relationship.

Kingdom of Saudi Arabia

Change in Treatment of Hourly Paid Employees

Important Action by Regulatory Agency

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

The Ministry of Human Resources and Social Development (MHRSD) has reduced the minimum number of hours that hourly paid workers must work each month to be counted as a "full worker" for Nitaqat purposes. Previously, for an hourly worker to be counted as a "full worker" for Nitaqat purposes, they were required to work a minimum of 168 hours per month. This requirement has now been reduced to 160 hours per month.

Workers who do not meet the 160-hour threshold will not be counted towards Nitaqat compliance. In instances where the worker meets the threshold, the Nitaqat point is allocated to all employers who employ the worker.

Lebanon

Increase of the Minimum Wage for Private Sector Employees

New Order or Decree

Authors: Fadi Nader, Partner, and Maya Moughanni, Partner – Bridge Legal Group

Pursuant to Decree No.13164 issued by the Council of Ministers on April 5, 2024, effective April 1, 2024, the minimum monthly wage for private sector employees is raised to LBP 18,000,000 and the minimum daily wage for private sector employees is raised to LBP 820,000.

Grant of Temporary School Allowances to Private Sector Employees

New Order or Decree

Authors: Fadi Nader, Partner, and Maya Moughanni, Partner – Bridge Legal Group

Pursuant to Decree No. 13225 issued by the Council of Ministers on April 5, 2024, effective April 18, 2024, on a temporary basis until the issuance of a law allowing the Government to determine school allowances for employees, an employee who does not benefit from school allowances from any other source is entitled to receive the following school allowances for their children for the academic year 2023-2024:

- LBP 4,000,000 for each student registered in public or free schools, the Lebanese University, or establishments for the disabled, with a maximum cap of LBP 12,000,000
- LBP 12,000,000 for each student registered in private schools or private universities, with a maximum cap of LBP 36,000,000

In any case, the student must be between three and 25 years of age, and the employee must have been employed by the company for at least one year before the beginning of the academic year. School allowances shall not be considered part of the wage for social security contributions or end-of-service indemnities. School allowances are not subject to taxation. A female employee is not entitled to receive such allowances unless she is responsible for the cost of living of her children or is married to an employee who does not benefit from such allowances.

Increase in Daily Transportation Allowance for Employees

Legal Compliance

Authors: Fadi Nader, Partner, and Maya Moughanni, Partner – Bridge Legal Group

Pursuant to Decree No.12966 issued by the Council of Ministers on February 2, 2024, effective February 15, 2024, the daily transportation allowance that employers must pay to employees for each day they attend the work premises is set at LBP 450,000.

NSSF Contributions for Sickness, Maternity and Family Allowance

Legal Compliance

Authors: Fadi Nader, Partner, and Maya Moughanni, Partner – Bridge Legal Group

Employers should be aware that the maximum earnings limit for calculating contributions to the National Social Security Fund (NSSF) related to sickness and maternity are currently set at five times the official minimum monthly wage, pursuant to Decree No. 12962 issued by the Council of Ministers on February 12, 2024, and effective as of February 15, 2024.

Further, the current family allowance contributions limit is set at LBP 12,000,000. Moreover, the monthly family allowances, under Articles 46 to 48 of the National Social Security Law, are capped at LBP 2,250,000, with LBP 600,000 allocated for the wife and LBP 330,000 for each child, up to five children.

Malaysia

Employee Bears Burden to Prove Mutual Separation Scheme was Forced

Precedential Decision by Judiciary or Regulatory Agency

Author: Teng Wei Hun, Senior Associate – Skrine

On June 12, 2024, the Court of Appeal in the case of *B Braun Medical Industries Sdn Bhd v. Mugunthan a/l Vadiveloo* [2024] MLJU 1235 held that where an employee brings a claim of unfair dismissal in court, alleging they were forced to sign an agreement of mutual separation scheme (MSS Agreement), *i.e.*, to mutually leave the employment in exchange for compensation, the employee bears the burden of proof in court. If the employee fails to prove they were forced to sign the MSS Agreement, the claim should be dismissed by the court on this ground alone.

The "Contract Test" Is to be Applied in Constructive Dismissal Claims

Precedential Decision by Judiciary or Regulatory Agency

Author: Teng Wei Hun, Senior Associate – Skrine

On April 4, 2024, in *Tan Lay Peng (representative of the estate of Tan Leong Huat) v. RHB Bank Bhd & Anor* [2024] 3 MLJ 506 the Federal Court reaffirmed the "contract test" in cases of constructive dismissal as opposed to the "reasonableness test".

The "contract test" determines whether the employer's action or series of actions constituted a fundamental or repudiatory breach that went to the root of the employment contract or whether the employer intended to no longer be bound by the express or implied terms of the contract. The "reasonableness test" is whether the employer's conduct was unfair or unreasonable.

Director General of Industrial Relations Mandated to Refer Unfair Dismissal Representations to Industrial Court

Precedential Decision by Judiciary or Regulatory Agency

Author: Teng Wei Hun, Senior Associate – Skrine

In *Shankarkumar a/l Sanpathkumar v. Ketua Pengarah Jabatan Perhubungan Perusahaan* [2024] MLJU 929 the Court of Appeal held that the Director General of Industrial Relations (DGIR) had no discretion on whether to refer unfair dismissal representations to the Industrial Court or otherwise. The DGIR is required and mandated to refer an employee's representations to the Industrial Court when there is no settlement for whatever reasons even if the settlement offer was unreasonably refused by the employee. If the DGIR does not refer the case to the Industrial Court in the absence of a settlement, then the decision may be quashed by the High Court and a mandamus issued to compel referral of the dispute to the Industrial Court.

Mexico

Amendment to Criminal Law on Human Trafficking and Labor Exploitation

New Legislation Enacted

Author: Monica Schiaffino, Shareholder – Littler

On June 7, 2024, an amendment to the "General Law for the Prevention and Eradication of Crimes related to Human Trafficking and for the Protection and Assistance to Victims of such Crimes" (the Law) was published in the Official Federal Gazette to add that labor exploitation will be considered when a person is subjected to working hours in excess of those legal maximums stipulated by law.

Amended article 21 states that labor exploitation occurs when a person obtains, directly or indirectly, an unjustifiable benefit, economic or otherwise, in an unlawful manner, through the work of others, exposing the person to practices that violate their dignity. Engaging in labor exploitation can result in a prison sentence of three to 10 years and a fine of MXN 542,850 to MXN 5,428,500 (approx. USD 29,429 to USD 294,291). The law also states that if the person who is subjected to labor exploitation belongs to an indigenous and/or Afro-Mexican population or community, the prison sentence may increase to four to 12 years, and the fine may increase to MXN 759,990 to MXN 7,599,900 (approx. USD 41,200 to USD 412,008).

Mexico Implements New Gender-Focused Protocol for Labor Inspections

Legal Compliance

Authors: David E. Leal Gonzalez, Shareholder, and María Fernanda Gómez Mayora, Associate – Littler

On March 7, 2024, Mexico's Ministry of Labor and Social Welfare (STPS) published a Gender-Focused Protocol for Labor Inspections, designed as a tool for labor inspectors to assess employers' compliance with the gender equality laws. The new protocol instructs labor inspectors to assess compliance by requesting information either on documents and/or through a specific questionnaire when interviewing employees to elicit statements that might signal an employer's noncompliance with the gender equality laws. (Review Littler article discussing this protocol.)

For violations to this protocol, fines can range from MXN $27,142.50 to MXN $542,850.00 for each affected worker. Employers in Mexico should conduct an exhaustive audit of their company files, policies and practices to ensure that they are complying with all laws promoting gender equality. The audit should include a review of employment contracts, termination documents, and policies to prevent discrimination and harassment. Employers should take steps to cure any deficiencies with regards to the proper ratification of the company's RIT and protocols and their registry with the competent authorities. As a simple statement from an employee during the inspection can trigger a sweeping examination of the company by the government, which can lead to steep fines, employers have a lot to gain from proactively preparing for an eventual inspection of their workplace.

Morocco

Extension of the Labor Agreement's Suspension Cases

Precedential Decision by Judiciary or Regulatory Agency

Author: Hind Belhachmi, Managing Partner – Belhachmi Law Firm

The court reviewed a case involving an employee who received a six-month prison sentence for causing a traffic accident while under the influence of alcohol. Following this incident, the employer suspended the employee's contract, pending a final judgment of conviction. Despite the suspension not being explicitly listed in Article 32 of the Labor Code's exhaustive list of potential employment contract suspensions, the court determined that this action did not constitute unfair dismissal. The decision underscores that the suspension and the prohibition of the employee entering the company until a binding legal decision was reached were considered legitimate. (Judgement No. 4230 of 21/05/2024 - File No. 8643/1501/2023.)

Mozambique

New Labor Law

New Legislation Enacted

Authors: António Veloso, Partner, and Idérito Ngulela, Senior Associate – Miranda Alliance - Pimenta & Associados

A new Labor Law (NLL) was enacted by Law No. 13/23, of August 25, 2023, and came into force on February 21, 2024. The NLL revokes the previous law from 2007 and introduces significant changes. All employment relationships initiated before February 21, 2024, will be governed by the previous law.

The key changes of the new law include:

- New classification of employers with the introduction of the micro company concept
- Flexibility for small and medium-sized companies regarding fixed-term employment contracts
- New rules for fixed-term employment contracts
- Adjustments to vacation policies
- Paternity leave
- New rules for the probationary period
- Recognition of labor practices and codes of conduct as sources of labor law, provided they comply with the law and the principle of good faith
- Allowing the suspension of employment relationships due to unforeseeable circumstances or *force majeure*
- Establishment of penalties for workplace harassment
- Introduction of a legal regime for intermittent work contracts, working from home, and alternating working hours
- Greater clarity in defining and regulating the stages of the disciplinary process
- Strengthened system for hiring foreign workers for non-profit organizations
- Establishment of consequences for using prohibited means of obtaining evidence
- Changes in the compensation system in cases of termination of employment contract initiated by the employer with prior notice

Netherlands

Proposed Bill on Employee Retention in Times of Crisis

Proposed Bill or Initiative

Authors: Michelle Engberts, Associate, and Eva Schneiders, Associate – Clint | Littler

The proposed bill, Employee Retention in Times of Crisis (*Wetsvoorstel Personeelsbehoud bij crisis*), aims to prevent financial complications for employers and prevent employees from losing their jobs in times of crisis, such as war, pandemics or floods. In unforeseen circumstances that do not fall within the scope of normal entrepreneurial risk and during which it is not possible to work as much as under normal circumstances, companies can apply the options provided by the Employee Retention Bill (the Bill).

The Bill gives employers who meet the conditions of this Bill three options:

- Reassignment of employees, *i.e.,* the employees' work/duties may be changed unilaterally by the employer. If this option is chosen, the employer has to continue paying 100% of the employees' salaries.
- If work cannot be performed due to the crisis, employers have the option of reducing employees' salary by 10% and applying for wage subsidies from the Employee Insurance Agency (UWV).
- A combination of reassignment and having employees work less, with reduced salary for the hours not worked.
- Internet consultation for this Bill started on May 14, 2024, and terminated on June 25, 2024. The effective date of this Bill has not yet been determined. (Review more information here.)

Reporting Obligation for Work-Related Travel

Legal Compliance

Authors: Michelle Engberts, Associate, and Eva Schneiders, Associate – Clint | Littler

As of July 1, 2024, employers with 100 or more employees are required to report on their employees' business and commuting travel under the Living Environment Activities Decree and Environmental and Planning Decree (*Besluit activiteiten leefomgeving en het Omgevingsbesluit*). The data to be provided includes, for example, the number of kilometers travelled by car, broken down to type of fuel.

The first report must cover data from July 1, 2024, to December 31, 2024 and must be submitted digitally to the Netherlands Enterprise Agency (*Rijksdienst voor Ondernemend Nederland*) by June 30, 2025, which will forward the report to an environmental service. The environmental service will check whether the reporting obligation has been met and whether the reported data is credible. (For more information, refer to the Netherlands Enterprise Agency.)

Nigeria

Impasse Over the New Minimum Wage

Trend

Authors: Ugonna Ogbuagu, Partner, and Sinmiloluwa Lala, Associate – AELEX

During the Workers' Day celebration in Nigeria on May 1, 2024, the Federal Government (FG), through the Minister of State for Labor and Employment (the Minister) announced that a new minimum wage would take effect from May 1, 2024. At the time of this announcement by the Minister, the FG had not yet reached an agreement with the National Minimum Wage Committee and the respective labor unions on the new minimum wage for workers in both the private and public sectors. The FG had proposed the sum NGN 48,000 as the new minimum wage, which was widely rejected by the labor unions as unrealistic.

On May 1, 2024, the labor unions issued a May 31, 2024 deadline for the FG to propose a living wage for Nigerian workers. They also warned of impending strike actions if the new minimum wage was not implemented by the end of May. A crippling strike action was declared but was called off within two days. After a series of negotiations, the FG proposed NGN 62,000 as the new minimum wage. However, the labor unions have rejected this proposal, and there is currently no agreement between the FG and the labor unions on the new minimum wage.

Court of Appeal Strikes Down Discriminatory Police Regulation Targeting Unmarried Female Police Officers

Precedential Decision by Judiciary or Regulatory Agency

Authors: Ugonna Ogbuagu, Partner, and Emmanuel Abraye, Senior Associate – AELEX

The Nigerian Court of Appeal, in a landmark decision on May 3, 2024, in CA/ABJ/CV/454/2022: *Incorporated Trustees – Nigerian Bar Association v. The Attorney General of the Federation & 2 Ors.*, voided Regulation 127 of the Nigerian Police Regulations, which prohibited unmarried female police officers from getting pregnant while in service. The Court of Appeal declared that this provision contravened sections 37 and 42 of the 1999 Constitution of the Federal Republic of Nigeria and relevant provisions of the African Charter on Human and Peoples' Rights, which guarantee citizens' rights to private and family life, and freedom from discrimination.

Prior to this decision, the Federal High Court, in its 2022 ruling, had upheld Regulation 127, stating it was not discriminatory but aimed at regulating vulnerabilities that could negatively affect the progress of female officers. The Court of Appeal, however, disagreed, holding that Regulation 127 was discriminatory, unconstitutional, and a breach of the privacy rights and freedom from discrimination of unmarried policewomen.

Conflicting Decisions on Jurisdiction of the National Industrial Court of Nigeria in Workplace Defamation Cases

Precedential Decision by Judiciary or Regulatory Agency

Authors: Ugonna Ogbuagu, Partner, and Adejumoke Ademola, Associate – AELEX

In recent times, there have been conflicting decisions from the Court of Appeal regarding the jurisdiction of the National Industrial Court of Nigeria (NICN) to hear and determine tortious claims, particularly workplace defamation claims. These contradictions have influenced the NICN, leading to inconsistent rulings on the same issue. During the quarter under review, the NICN delivered two conflicting decisions on this matter.

In *Engr. Chibuzor Albert Agulana v. Dr. Fabian Okonkwo* (unreported Suit No. NICN/EN/35/2021, judgment delivered on April 17, 2024), the NICN considered the conflicting decisions of the Court of Appeal on its jurisdiction over workplace defamation and torts in general. Relying on the more expansive decisions, the NICN held that it had jurisdiction to hear defamatory claims arising from or in the course of employment. The NICN applied the Court of Appeal decision it deemed correct. However, in *Durojaiye Hassan v. Leadership Newspapers Group Ltd* (unreported Suit No. NICN/ABJ/94/2022, judgment delivered on May 2, 2024), the NICN declined jurisdiction to hear a workplace defamation claim, relying on the more restrictive decisions of the Court of Appeal.

Compensatory Damages Now Available for Wrongful Termination of Employment

Precedential Decision by Judiciary or Regulatory Agency

Authors: Ugonna Ogbuagu, Partner, and Adejumoke Ademola, Associate – AELEX

The Nigerian Supreme Court, in *Skye Bank Plc v. Adegun* (2024) LPELR-62219(SC), has rejected the common law principle that excludes compensatory damages for breaches of employment contracts. Upholding the application of international labor standards and best practices in industrial relations, the Supreme Court ruled that damages for wrongful termination can no longer be limited to the remuneration specified in the employment contract.

The Court held that the previous common law position is contrary to principles of equity and unjustly benefits the employer found in breach. Considering the facts and circumstances of the case, including the employer's motives, the Court upheld an award of damages to the employee for wrongful termination equivalent to two years' salary.

The Federal Government of Nigeria Report on the 2022 Child and Forced Labor Survey

New Regulation or Official Guidance

Authors: Ugonna Ogbuagu, Partner, and Linda Ezenyimulu, Senior Associate – AELEX

On April 18, 2024, the Ministry of Labor and Employment, on behalf of the Federal Government of Nigeria, launched the 2022 Child and Forced Labor Survey (the Survey). Conducted in collaboration with the National Bureau of Statistics and supported by the International Labor Organization, the United States Department of Labor, and the Government of the Netherlands, the Survey aims to assess the prevalence of child labor in Nigeria and analyze the interaction between child labor, schooling, and children's wellbeing.

Another objective of the Survey is to leverage data-driven solutions to combat the global issues of child and forced labor. It examines patterns of child employment, the conditions of this employment, and key household characteristics contributing to child employment and child labor. The Survey outlines steps addressing these issues and emphasizes the need for robust and effective policies to combat this harmful practice. Conducted across all states and communities in Nigeria, the Survey captures comprehensive data on the nature and extent of child and forced labor.

Norway

Increased Limit of Fines for Violations of the Working Environment Act

New Legislation Enacted

Author: Maria Skuggevik Slotnes, Senior Associate – Littler Norway

On June 14, 2024, the Norwegian Parliament changed the upper limit of fines for violations of the Working Environment Act fees from the current NOK 1,779,300 to NOK 5,031,000 or up to 4% of the company's annual turnover. It is the higher amount that will constitute the upper limit in each individual case. It has not been decided when the rule will come into force.

The legislative proposal for an alternative upper limit of 4% of the company's turnover is intended to affect companies with high turnover. The reason for the change in the law is to ensure that the fines have sufficient financial effect to counteract violations of the Working Environment Act.

New Clarification on Employer's Obligation to Offer New Positions to Dismissed Employees

Precedential Decision by Judiciary or Regulatory Agency

Author: Maria Skuggevik Slotnes, Senior Associate – Littler Norway

In the case at issue, a healthcare professional was dismissed from their position in Oslo Municipality's home help service after losing their authorization due to a lack of professional insight. It was agreed that the employee could no longer serve as a healthcare professional, prompting the issue of whether the municipality was required to offer an alternative suitable position for this employee.

Unlike the lower courts, the Supreme Court upheld the dismissal, stating that in cases involving employee conduct, the offer of another position is a factor in determining if the dismissal is excessively harsh. The employer's obligation to provide alternative employment is limited and specific to the situation. It must be assumed that the reason for the dismissal does not preclude other work, the employee has a strong interest in remaining employed, and there is a vacant position available.

The Supreme Court concluded that, due to the professional's age and seniority, the municipality had a duty to offer the employee another suitable position. However, the Court found that reasonable efforts had been made to determine the availability of such a position within the municipality. As a result, the dismissal was deemed justified despite the absence of an alternative job offer.

Peru

Law that Authorizes Employees to Withdraw CTS

New Legislation Enacted

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

On May 17, 2024, Act 32027 was published. This law authorizes all employees of the private sector to withdraw 100% of the compensation for time of services (CTS) until December 31, 2024. CTS is a social benefit that consists of a semi-annual deposit to be made by the employer in a special bank account. Prior to the enactment of this new law, the CTS could only be withdrawn when a person was unemployed or, when employed, a person could only withdraw 100% of the excess of four gross remunerations available at the time of withdrawal.

Regulation for the Withdrawal of the CTS

New Regulation or Official Guidance

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

The Supreme Decree 003-2024-TR published on May 26, 2024, establishes the rules for the withdrawal of the 100% of the CTS authorized through Act 32027. The Decree clarified that the withdrawal can be done by two mechanisms: the employee may withdraw the total or partial amount of the CTS or request the financial entity to transfer the amount to the account they indicate. Financial entities have two business days to comply with the request.

Directive for the Inspection of the Employment Quota

New Regulation or Official Guidance

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

On May 7, 2024, the Superintendency Resolution 105-2024-SUNAFIL was issued, which approves Directive 002-2024-SUNAFIL/DINI (Directive), for inspection of private sector employers' compliance with the employment quota for disabled people. This Directive establishes the guidelines for the generation of inspection orders, as well as the criteria to be adopted by the labor inspectors to calculate and verify employer compliance. The employment quota requirement only applies to employers with more than 50 employees, 3% of whom must be people with a disability.

Poland

New Law on the Protection of Whistleblowers

New Legislation Enacted

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

On June 19, 2024, the President signed the Law on the Protection of Whistleblowers. The long-awaited law introduced a legal framework for reporting certain irregularities within organizations. Employment matters are not covered by whistleblowing regulations although employers may decide to also include those issues within the scope of their procedures.

Generally, the new law protects individuals who report violations. The protection of whistleblowers is primarily to prohibit retaliation and the law places the burden on the employer to prove that any action taken against a whistleblower is not an attempt at retaliation. For the most part, the law will come into force on September 25, 2024.

New Amendments to the Labor Code

New Legislation Enacted

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

The amendments to the Labor Code added a new type of harmful substance, reprotoxic substances, *i.e.*, those with negative effects on reproductive organs and fertility. As of June 29, 2024, the effective date of the amendment, employers are required to use technical and scientific measures to reduce the impact of these harmful substances on employees. In addition, the employer is also required to register all types of work that involves contact with harmful substances, and the employees assigned to them.

New Law Supporting Parents in their Professional Activities

New Legislation Enacted

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

On June 7, 2024, the President signed the law supporting parents in their professional activities and in raising a child. The "Active Parent" law provides for three types of cash benefits depending on the age of the child. The purpose of the "Active Parent" benefits is to make it easier for parents and other persons fulfilling parental functions who meet the statutory requirements to reconcile the tasks of parenthood with professional activities.

For the most part, the law will come into force on October 1, 2024.

Portugal

A New Framework for Employment Migration to Portugal

New Legislation Enacted

Authors: David Carvalho Martins, Partner and Head of Employment, and Rui Rego Soares, Associate – DCM | Littler

In June 2024, there were significant amendments to the Act on the Entry, Stay, Exit of Foreigners from Portuguese territory (Law 23/2007). Following the dissolution of the Foreigners and Border Services (SEF) in 2023 and the establishment of the Agency for the Integration, Migration, and Asylum (AIMA), Decree-Law 37-A/2024 was enacted. This law nullified the simplified residence permit procedures previously in place, which permitted foreign citizens to work in Portugal merely by presenting a manifestation of interest, without necessitating a prior valid work or residence visa.

Under the new law, obtaining a residence visa from the country of origin is now mandatory for entering Portugal for residency or professional activity, except for those who had already submitted a manifestation of interest before June 2, 2024, and commenced the residence permit process. Furthermore, Decree-Law 41-A/2024 extended the validity of any documents and visas pertaining to stays in national territory that expired on June 29, 2024, or within the 15 days prior. These documents will remain valid until June 30, 2025, and beyond that date if the holder can prove they have scheduled renewal with AIMA.

These legal modifications aim to streamline and improve the regulation of foreign nationals residing and working in Portugal, and multinational and foreign employers are advised to seek local legal counsel for comprehensive guidance on these changes.

New Anti-Corruption Compliance Framework

New Order or Decree

Authors: David Carvalho Martins, Partner and Head of Employment, and Nuno Abranches Pinto, Partner – DCM | Littler

In May 2024, the National Anti-Corruption Mechanism (MENAC) issued Recommendation No. 7/2024, of May 28 (the Recommendation), which went into effect from June 2024. According to this recommendation, public and private entities must report monthly to MENAC, in the first week of the month following the month to which it refers, whether there has been regular compliance or whether there have been failures or irregularities, identifying them.

The Recommendation falls within the scope of MENAC's authority to issue guidelines and directives on the implementation of regulatory compliance programs. The Recommendation applies to legal entities with headquarters or branches in Portugal that employ 50 or more workers in Portugal. Compliance with the Recommendation is the responsibility of the compliance officer appointed by the applicable entity.

Foreign Employers Challenged in Portuguese Labor Courts

Precedential Decision by Judiciary or Regulatory Agency

Authors: David Carvalho Martins, Partner and Head of Employment, and Tiago Sequeira Mousinho, Associate – DCM | Littler

In a recent ruling, the Appeal Court of Lisbon (ACL) held that:

- Portuguese courts are internationally competent to decide on a possible breach of an employment contract with an employee hired by a foreign embassy in Portugal regarding such things under Portuguese law as vacation day credits and vocational training sessions due and not taken.
- Portuguese courts are not competent, in similar situations, to decide on possible reintegration claims due to dismissal or any subsequent tort compensation.

Foreign employers may benefit from different legal statutes, depending on the nature of the entity (*i.e.*, whether the entity is a company, a private association, foundation, embassy, etc.).

Important legal issues to assess is whether Portuguese law would apply, the competent jurisdiction, among other considerations.

Employees Can Oppose Dismissal by Returning Compensation to the Employer in a Collective Dismissal

Precedential Decision by Judiciary or Regulatory Agency

Authors: David Carvalho Martins, Partner and Head of Employment, and Rui Rego Soares, Associate – DCM | Littler

On June 21, 2024, the Supreme Court of Justice issued a decision that is important for employers who are considering or are in the midst of a redundancy procedure. The decision put an end to a divergence between judgments handed down by the Courts of Appeal on the issue. The ruling determined that in the event of collective dismissal, the employee is presumed to accept the dismissal when they receive full compensation from the employer, corresponding to two times the basic salary and seniority payments for each full year of seniority (Art. 366, no. 1 and 4 of the Labor Code). However, even if the employee receives the respective compensation, they can rebut the above presumption if they return the entire amount earned at the same time as the opposition to the dismissal, *i.e.*, until the respective precautionary procedure or action to challenge the dismissal is initiated (Art. 366/5 of the Portuguese Labor Code) and not immediately after having received it.

This decision is important to the international and multinational company's decision-making on how to approach redundancy procedures in Portugal, having full knowledge of the possible contingencies, and how to act in a preventive manner, since under Portugal's Labor Code, the payment of the legal compensation in case of collective dismissal or job post extinction is mandatory. This new ruling gives more time to the employee to, having received the compensation, decide to contest the dismissal.

Republic of the Congo

Enforcement of the Universal Health Fund

Legal Compliance

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

Despite having created the Universal Health Fund (UHF) in 2015, replacing the Social Security and Pensions Fund, the Congolese legislature had not yet adopted any implementation legislation describing the terms and conditions regulating the usage of the UHF by employers and adherents. New implementation decrees (No. 2024-134, 2024-133, 2024-132, 2024-131) were enacted on March 27, 2024, and entered into force on the same day. The practical enforcement of this legislation is however still pending.

The UHF implementation decrees aim at setting up the conditions for adherence, contribution payments and the general functioning of the UHF. The rules adopted include:

- The requirement for employers to pay employees' UHF contributions, which payment must be made within five days of the end of each month;
- Any Congolese national residing in the Republic of Congo shall be affiliated with the UHF;
- Foreign residents regularly residing in the Republic of Congo can be affiliated with the UHF;
- Affiliation with the UHF shall be requested either by the employer or the employee within 90 days of their hiring;
- Legal entities expected to hire staff shall be affiliated with the UHF within 90 days of the start of their activities;
- Applicable rates:
  - Public and private employer – 4.55% of the gross payroll
  - Public and private employer – 2.27% of the employee's gross salary

Russia

Guarantees for Spouses of Deceased Combat Veterans

New Legislation Enacted

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

On April 6, 2024, Federal Law No. 70-FZ dated April 6, 2024, came into force. According to the new law, employers are prohibited from initiating the termination of an employment contract with spouses of deceased combat veterans, such as participants in the special military operation, which is the official name for the Russian military invasion of Ukraine, provided the spouse has not remarried within one year of the death of the combat veteran.

These employees still may be dismissed under specific circumstances, including:

- Instances of absenteeism
- Disclosure of legally protected confidential information
- Intoxication at work
- A serious violation of employment duties by the head of the organization or their deputies, among other specific circumstances

New Rules for Overtime Payment

New Legislation Enacted

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

Federal Law No. 91-FZ dated April 22, 2024, established a new procedure for determining the amount of increased overtime payment. Under the new rules, when paying for overtime work, not only the salary (wage rate) but also all compensatory and incentive payments included in the employer's general labor remuneration system shall be considered.

The new law will come into force from September 1, 2024.

Support for Young Employees

New Legislation Enacted

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

On April 22, 2024, Federal Law No. 95-FZ was signed by the President of the Russian Federation. The new law will allow young employees, under 35 years of age, to claim benefits and bonuses from regional authorities and their employers. This includes, for example, employment without a probationary period or professional and social adaptation.

The new law went into effect on April 22, 2024.

Launch of the Unified Military Registration

New Legislation Enacted

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

According to a new decree, effective November 1, 2024, a register of citizens eligible for military service will start functioning and summonses will be sent electronically. The data will be updated, including data based on information received from employers.

In addition to information directly related to summons for military service, the register will contain 50 categories of various types of data on citizens, including:

- Information about the employee (date of hire and dismissal, position, information about being on parental leave, etc.)
- Marital status, including the presence of children
- Education, including academic leave, training at the military department
- Crossing the state border of the Russian Federation

Procedure for Employers to Fulfill the Quota for Hiring Disabled Employees

New Legislation Enacted

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

The Russian government has approved new rules for the fulfilment of the quota for the employment of disabled persons. In particular, according to the new rules, the number of employees who must be employed in order to fulfill the quota for disabled persons must be calculated by the employer on a quarterly basis by the 10th day of the month following the reporting quarter.

The new law will come into force from September 1, 2024.

Singapore

Paternity Leave, Infant Care, and Discrimination

New Legislation Enacted

Authors: Trent M. Sutton, Shareholder, and Betty Lee, Of Counsel – Littler

On January 1, 2024, the government of Singapore introduced laws that increased paid paternity leave and unpaid infant care leave. The third and, perhaps, most significant update is the introduction of new Workplace Fairness Legislation (WFL), which is proposed for passage in the second half of 2024. The proposed WFL aims to enhance protection against discrimination and provide an avenue for employees to report grievances without fear of retaliation. The new law is designed to complement, not replace, the existing Tripartite Guidelines on Fair Employment Practices. All employers in Singapore are expected to adhere to these guidelines that seek to establish best practices in terms of antidiscrimination measures and fair employment practices with respect to all stages of employment from hiring to termination.

The WFL would only apply to employees and prospective employees. Small firms with fewer than twenty-five workers would be exempt from WFL requirements, with the position to be reviewed in five years.

Tripartite Guidelines on Flexible Work Arrangement Requests

New Regulation or Official Guidance

Author: Trent M. Sutton, Shareholder – Littler

On April 16, 2024, Singapore's Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) announced and issued the new Tripartite Guidelines on Flexible Work Arrangement Requests (Guidelines). Effective December 1, 2024, the Guidelines set out the minimum requirements that all employers in Singapore are required to abide by in relation to formal requests from employees on flexible work arrangements (FWAs). FWAs are work arrangements where employers and employees mutually agree to a variation from the standard work arrangements.

If there are existing formal or informal practices on FWA that work well for both the employee and employer, there is no requirement for an employee to lodge a formal FWA request. However, if an employer's existing process for requesting FWAs is lacking or non-existent, then an employee may lodge a formal FWA request based on the Guidelines. Employers are required to communicate their written decision for a formal FWA within two months of receiving the request.

Details of the COMPASS Bonus Criteria

New Regulation or Official Guidance

Authors: Trent M. Sutton, Shareholder, and Betty Lee, Of Counsel – Littler

The Ministry of Manpower (MOM) has released details on the Complementarity Assessment Framework (COMPASS) bonus criteria, comprising the Skills Bonus (Criterion 5) and the Strategic Economic Priorities Bonus (Criterion 6). These bonus criteria allow Employment Pass (EP) applicants who possess skills in shortage, and firms that contribute to Singapore's strategic economic priorities, to earn bonus points towards their total COMPASS score. COMPASS is a points-based framework that considers both individual and firm-related attributes to holistically evaluate an EP applicant's complementarity to Singapore's workforce.

COMPASS applies to new EP applications from September 1, 2023, and to renewal EP applications from September 1, 2024.

Government Accepts the National Wages Council Guidelines for 2023/2024

Important Action by Regulatory Agency

Authors: Trent M. Sutton, Shareholder, and Betty Lee, Of Counsel – Littler

The Singapore Government has accepted the National Wages Council (NWC) Guidelines for 2023/2024. These guidelines encourage employers to "reward employees with wage increases or variable payments that are fair and sustainable" to help address workers' concerns about the rising costs of living and inflation. The NWC's recommended wage growth for lower-wage workers balances business sustainability with meaningful wage increments for lower-wage workers and will bolster ongoing efforts to narrow the income gap.

Impact Dates: July 1, 2024, with respect to the 2024/2025 schedule of Occupational Progressive Wages (OPW) wage requirements. The recommendations in the NWC Guidelines for 2023/2024 went into effect on December 1, 2023, and are in effect until November 30, 2024.

Model AI Governance Framework for Generative AI

Important Action by Regulatory Agency

Authors: Trent M. Sutton, Shareholder, and Betty Lee, Of Counsel – Littler

The Model AI Governance Framework for Generative AI (MF for GenAI), which was released on January 16, 2024, was finalized on May 30, 2024, for international views. Recognizing that no single intervention is enough to address existing and emerging AI risks, the framework offers practical suggestions that apply as initial steps, which expand on the existing Model AI Governance Framework for Traditional AI. The Proposed Framework identified nine categories to support a comprehensive and trusted AI ecosystem and provided practical suggestions that model developers and policymakers could apply as initial steps.

Below is a summary of the nine steps to support a comprehensive and trusted AI ecosystem:

1. Accountability: Putting in place the right incentive structure for different players in the AI system development life cycle to be responsible to end-users.
2. Data: Ensuring data quality and addressing potentially contentious training data in a pragmatic way, as data is core to model development.
3. Trusted Development and Deployment: Enhancing transparency around baseline safety and hygiene measures based on industry best practices in development, evaluation and disclosure.
4. Incident Reporting: Implementing an incident management system for timely notification, remediation and continuous improvements, as no AI system is foolproof.
5. Testing and Assurance: Providing external validation and added trust through third-party testing and developing common AI testing standards for consistency.
6. Security: Addressing new threat vectors that arise through generative AI models.
7. Content Provenance: Transparency about where content comes from as useful signals for end-users.
8. Safety and Alignment R&D: Accelerating R&D through global cooperation among AI Safety Institutes to improve model alignment with human intention and values.
9. AI for Public Good: Responsible AI includes harnessing AI to benefit the public by democratizing access, improving public sector adoption, upskilling workers and developing AI systems sustainably.

South Africa

Extension of Collective Agreement

Precedential Decision by Judiciary or Regulatory Agency

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

On April 26, 2024, the Minister of Employment and Labor issued a notice extending the Collective Agreement that was concluded in the Bargaining Council for the Restaurant, Catering and Allied Trades to all employers and employees in the industry, including non-members of the Bargaining Council.

Usually, Collective Agreements only apply to parties to that Agreement. However, the Minister of Employment and Labor can extend such agreements to non-members in certain circumstances. In practice this means that non-parties who fall within the scope of the Bargaining Council are required to comply with the terms of the Collective Agreement, which governs items such as salary increases, benefits, working conditions, etc.

Retraction of Employment Offer Based on Past Criminal Conviction is Discrimination

Precedential Decision by Judiciary or Regulatory Agency

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

The applicant in *O'Connor v LexisNexis* (Gqeberha High Court, case no P18/24) disclosed that they had been charged with theft more than two decades ago but that their criminal record had been expunged. The applicant was then offered a position with the company subject to a background check, the results of which revealed six counts of theft, one count of fraud and two counts of defeating the ends of justice. The company retracted the offer and the applicant filed suit contending that the company unfairly discriminated against them by retracting an offer of employment based on their criminal past.

The Labor Court held that excluding an applicant from employment based on the applicant's criminal history would constitute unfair discrimination in circumstances where that criminal history is irrelevant to the requirements of the job. The Labor Court further held that there was no indication that the position the applicant was offered required any significant amount of trust and honesty and that the applicant's criminal history was not relevant to the job. Accordingly, the court found that the respondent had unfairly discriminated against the applicant by retracting the offer of employment and ordered the company to employ the applicant on similar terms to those originally offered to the applicant.

A key take-away for employers is that despite including conditional wording in an employment contract, excluding an applicant from employment based on the results of a background check may constitute unfair discrimination in circumstances where it is irrelevant to the requirements of the job.

Unfair Dismissal Where Employer Relied on Blood Tests Alone to Prove Impairment

Precedential Decision by Judiciary or Regulatory Agency

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

Enever v Barloworld (Labor Appeal Court, Johannesburg, case no JA86/22) involved an employee whose doctor prescribed medication for pain and sleep deprivation due to the employee's severe anxiety. Following negative side effects from the medication, the employee started using cannabis, which relieved the employee's symptoms. The employer had a zero-tolerance policy regarding drug and alcohol consumption at the workplace and the employee was dismissed for testing positive for cannabis while on duty during a routine medical check.

The Labor Appeal Court found that the employer's reliance on blood tests alone without proof that the employee was actually impaired or incapacitated at work was not sufficient. The court held that the employer had violated the employee's dignity and privacy as its policy prevented the employee from engaging in conduct that had no impact on the employer. The employee's dismissal was held to be automatically unfair, and the employee was awarded 24 months' remuneration as compensation.

New Court Rules Enacted

New Regulation or Official Guidance

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

The new Labor Court (LC) and Labor Appeal Court (LAC) rules have been published and will take effect on July 17, 2024. The new rules contain important amendments relating to procedural matters before the LC and LAC, such as:

- Specific time periods are prescribed for restraint of trade applications
- Certain time periods relating to the exchange of pleadings have been extended
- Introduction of *dies non* (days which are excluded when computing time periods in terms of the rules)
- Introduction of exceptions and applications to strike out

Remote Worker Visa

New Regulation or Official Guidance

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

The remote worker visa has officially been implemented in South Africa. This visa will allow foreign nationals who work for a foreign employer, or who derive their income from a foreign source, to work for the foreign employer on a remote basis from within South Africa. One of the requirements for the remote working visa is that the foreign national must earn a gross income of no less than one million per year.

The visa may be issued for up to three years. If the visa is issued for a period not exceeding six months within a 36-month period, the foreigner may apply to be exempted by the South African Revenue Service from registering as a taxpayer. If the visa is issued for a period longer than six months within a 36-month period, the foreigner must register with the South African Revenue Service.

South Korea

Supreme Court: Company-Designated Manager Not Overtime-Exempt Despite Company Rules

Precedential Decision by Judiciary or Regulatory Agency

Author: Soowon Hong, Of Counsel – Littler

In April 2024, the Supreme Court ruled that an employee designated as a manager by the company organization rules and received a special manager allowance pursuant to the company's remuneration rules (which stated that managers will receive a manager allowance in lieu of overtime pay) did not qualify as an exempt employee, and that the company should make overtime payments despite the remuneration rules stating the contrary. The Supreme Court stated that the employee's actual duties, the level of supervision executed over the employee by the supervisor, and the discretion exercised by the employee in deciding their work hours must be comprehensively considered in determining whether the employee could be considered management.

Supreme Court Rules Car Inspector Was a Dispatched Employee

Precedential Decision by Judiciary or Regulatory Agency

Author: Soowon Hong, Of Counsel – Littler

In June 2024, the Supreme Court ruled that an employee of a contractor who inspected testing equipment and made ancillary repairs for a car manufacturer's R&D center ("Company"), for the Company to test their cars, was a dispatched employee based on the facts that (i) the Company provided the inspection checklist, which included detailed inspection standards and inspection points which the contractor's employee used to mark results/measurement data and receive confirmation from the Company, (ii) the contractor's employees had weekly meetings at the Company's offices and received instructions on work, (iii) the inspection work scope between the Company and the contractor were not clearly distinguished, and if there was a machine breakdown, the employees of the Company and the contractor would work collaboratively, and (iv) the contractor's work was relatively simple, without specialized technology of the contractor required.

The details are important to note considering that in another decision for the same Company, the court ruled that the employees of the contractor executing maintenance and repair of computer equipment for the Company were not considered dispatched employees since, although they shared office space, their work was specialized, and they did not receive instructions or work collaboratively with the Company's employees.

Spain

Prevalence of Regional CBAs over National or Sectoral CBAs

New Legislation Enacted

Authors: Sonia Cortés García, Partner, and Miguel Iranzo Vilaseca, Intern – Abdón Pedrajas | Littler

New legislation (Royal Decree-Law 2/2024,), which went into effect on May 22, 2024, provides for the priority of regional collective bargaining agreements (CBAs) over sectoral or national CBAs, provided the regional CBA provides more favorable terms for workers than the sectoral or national CBAs.

Prior to this reform national CBAs could supersede regional negotiation. This is no longer possible as non-negotiable matters such as the trial period, employment contracts, professional classification, maximum annual working hours, disciplinary regime, minimum standards on occupational risk prevention and geographic mobility are set at the regional level.

Modification of Breastfeeding Leave

New Legislation Enacted

Authors: Sonia Cortés García, Partner, and Miguel Iranzo Vilaseca, Intern – Abdón Pedrajas | Littler

New legislation (Royal Decree-Law 2/2024,), which went into effect on May 22, 2024, provides for different ways workers may take breastfeeding leave to take care of a child under nine months of age, whether through the standard one hour off work per day or by accumulating the time for full working days off.

Previously, this leave could only be accumulated in full days off if this was provided for in the applicable CBA.

Labor Inspectorate Granted Remote Access to Monitor New Reduction in Working Hours

New Order or Decree

Authors: María Luisa Riu Cobo, Associate, and Miguel Iranzo Vilaseca, Intern – Abdón Pedrajas | Littler

The government has announced its intention to implement a reduction of weekly working time, currently 40 hours per week. This would be implemented progressively, starting with 38.5 hours per week in 2024 and decreasing to 37.5 hours per week in 2025. The Labor Inspectorate would be granted remote access to employers' working time tracking records to monitor compliance efficiently.

This is expected to increase employers' risk of exposure if they fail to record working time properly or comply with the maximum hours. Employers will no longer be allowed to keep these records in paper format.

The New Procedure in Employment Jurisdiction

New Legislation Enacted

Authors: Sonia Cortés García, Partner, and María Luisa Riu Cobo, Associate – Abdón Pedrajas | Littler

New legislation (Royal Decree-Law 2/2024,), which went into effect on May 22, 2024, aims to promote the digitalization and streamlining of justice in employment.

One of the most relevant changes is the implementation of new rules for proceedings with the identical objective and the same defendant (art. 86 bis and 247 ter of the Employment Procedural Act). When courts are asked to resolve several proceedings with the same issues and defendant, one of them will be processed as the preferential leading case, and the others will be placed in abeyance. Once the leading judgment is final, the parties to the adjourned proceedings may choose to extend its effects, to continue with the proceedings, or to discontinue them.

The Sustainable Mobility Law and the Approval of Mobility Plans

Proposed Bill or Initiative

Authors: Sonia Cortés García, Partner, and Miguel Iranzo Vilaseca, Intern – Abdón Pedrajas | Littler

A draft Sustainable Mobility Law provides measures to promote sustainable mobility within cities. One of the most significant proposed measures provides that businesses with more than 500 workers per work site, or 250 per shift, and large business centers would be required to implement sustainable mobility plans for workers to commute to work. Examples include the promotion of collective transportation, electric, or flexibility of workers' arrival and departure times.

Sweden

New Parental Leave Law

New Legislation Enacted

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

On July 1, 2024, new provisions entered into force in parental insurance legislation. The change entails, among other things, (i) that the number of so-called double days (*dubbeldagar*) will be increased, (ii) that the double days may be used until the child is 15 months old, and (iii) that parents will be able to transfer the parental benefit to other insured individuals (*i.e.*, anyone who is covered by the Swedish social security system) for a maximum period of 90 days per child. If the parents have joint custody of a child, each parent is entitled to transfer a maximum of 45 days. Under the current rules, parents may take the parental benefit simultaneously for the same child for 30 days during the child's first year of life.

The new provision increases the number of double days to 60 days. In addition, the period during which double days can be used is extended from 12 months to 15 months. At present, parents may transfer the parental benefit to, for example, a cohabiting partner, a specially appointed guardian who has custody of the child, and a prospective adoptive parent. Under the new rules, parents can also transfer the parental benefit days to someone else who is insured for the parental benefit. This means that employers may have to process and grant applications for parental leave for employees who are not parents of the child.

New Definition of Gender in the Discrimination Act

New Legislation Enacted

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

Sweden has recently adopted a new law on gender identity that requires a new definition of gender in the Swedish Discrimination Act. The changes will enter into force as of July 1, 2025. The new definition provides that discrimination based on "gender" will cover anyone who is a woman or a man, anyone who intends to have or has had a gender other than the one shown in the population register, and anyone who intends to change or has changed their body through surgical procedures covered by the new Act on Certain Surgical Procedures on the Genitals. The reason for the change is to improve living conditions for transgender individuals, including in the labor market.

Report on the Implementation of the EU Pay Transparency Directive

Proposed Bill or Initiative

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

On May 29, 2024, a report was published on Sweden's implementation of the EU Pay Transparency Directive. The report states that Sweden already imposes requirements on employers to carry out an annual pay survey to ensure equal pay for equal work or work of equal value. The report notes that the current rules on pay surveys meet several of the requirements of the directive, but that additional legislation is needed to fulfil all the requirements.

The report will now be sent out to the referral bodies, and the government will prepare a new legislative proposal based on the report and the comments submitted from the referral bodies. The directive must be implemented in local law by June 7, 2026.

The Swedish Work Environment Authority Inspects Companies that Use Forklift Trucks

Important Action by Regulatory Agency

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

Forklifts are the machines involved in most workplace accidents in Sweden. During the period from March 15 to December 31, 2024, the Swedish Work Environment Authority will carry out inspections of companies that use forklift trucks. Half of these inspections will take place unannounced at the companies. During the inspections, the Work Environment Authority will also inspect the employer's work environment management and examine whether the employer has assessed and addressed the risks in its operations generally.

Turkey

Amended Personal Data Protection Law Simplifies Employment-Related Processing

New Legislation Enacted

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Simge Kublay Can, Senior Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership

The Law Amending the Criminal Procedural Law and Some Other Laws was published in the Official Gazette on March 12, 2024. The amendment introduces new exceptions to the requirement for explicit consent for processing special categories of personal data, without differentiating data relating to health and sexual life and other special categories of personal data. One of the exceptions is as follows: "(f) Processing is necessary for complying with legal obligations in the fields of employment, occupational health and safety, social services and welfare."

This amendment, which went into effect on June 1, 2024, has made it easier for employers (acting as data controllers) to process special categories of employees' personal data, provided that they comply with the general conditions set out in the data protection legislation for such processing activities.

Regulation on Procedures and Principles Regarding Short-Time Work

New Legislation Enacted

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Simge Kublay Can, Senior Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership

The Regulation on the Procedures and Principles Regarding Short-Term Working and Short-Term Working Allowance (the Regulation) was published in the Official Gazette on June 11, 2024 (repealing the previous regulation published in 2011). The effective date of the Regulation is March 1, 2024.

Among other things, the Regulation provides:

- "General epidemic" is defined and added to the circumstances in which an employer may request short time work at the workplace
- The definition of "compelling reasons," one of the circumstances in which an employer may request short-time work, has been modified and additional requirements for certain incidents are now regulated
- The existence of compelling reasons for short-time work will, as a rule, be decided by the Turkish Employment Agency (İŞKUR) Board of Directors
- The required number of premium days for insured employees to benefit from the short-time work allowance has been reduced
- The procedures of application process for short-time work have been amended

Amendments to Regulation on Special Procedures and Principles Regarding Work by Employees in Shifts

New Legislation Enacted

Authors: Mehmet Feridun İzgi, Partner and Head of Employment, and Simge Kublay Can, Senior Associate – Balcıoğlu Selçuk Ardıyok Keki Attorney Partnership

Amendments to the Regulation on Special Procedures and Principles Regarding Work by Employees in Shifts (the Regulation) were published in the Official Gazette on June 29, 2024 and became effective the same date. One of the amendments pertained to the continuous shift workplaces, which generally require at least three shifts within a 24-hour period. Exceptions to this rule include companies in the tourism, private security, and healthcare services sectors, which can apply for two shifts in 24 hours. The amendments added oil exploration, search, and drilling activities to these exceptions.

Another change aligned the Regulation with the Labor Law to address a deficiency. Per the Labor Law, and as a rule, night work cannot exceed 7.5 hours except, with the written consent of the employee, night work exceeding 7.5 hours can be conducted in tourism, private security, healthcare services, and under the Turkish Petroleum Law for oil exploration, search, and drilling activities. The Regulation, which previously excepted only "tourism, private security, healthcare services" has been expanded to include oil exploration, search, and drilling activities under the Turkish Petroleum Law to align with the Labor Law. Since the provision in the Regulation is an elaborated version of the provision set out in Turkish Labor Law No. 4857, this amendment has not created a fundamental change in working life.

United Arab Emirates

Process for Filing Employment Grievances with MoHRE

New Regulation or Official Guidance

Authors: Charles S. Laubach, Partner, and Stephanie Nazareth, Associate – Afridi & Angell

New rules for resolving labor disputes under Article 54 of Federal Decree-Law No 33 of 2021 (UAE Labor Law) came into effect on January 1, 2024. The UAE Labor Law grants powers to the Ministry of Human Resources and Emiratization (MoHRE) to resolve disputes between an employer and employee whose claim value does not exceed AED 50,000. Orders issued by MoHRE will be considered final, enforceable and have the force of a writ of execution.

Previously, such orders were not enforceable. An aggrieved party can appeal an order of MoHRE to the competent courts within 15 working days of being notified of the decision. MoHRE has the power to refer disputes directly to the competent courts if it is unable to reach an amicable resolution between the parties.

Any disputes under the UAE Labor Law must be filed within one year from the date on which the claim arose.

New Emiratization Requirements

Legal Compliance

Authors: Charles Laubach, Partner, and Stephanie Nazareth, Associate – Afridi & Angell

Ministerial Resolution No. 455 of 2023 (New Emiratization Rules) was issued last year to expand the scope of the application of Emiratization requirements from companies with 50 or more employees to companies with 20 to 49 employees. Emiratization refers to policies to promote the employment of Emirati nationals. Under the New Emiratization Rules, private sector employers falling under any of the categories mentioned in the Rules that have 20 to 49 employees are required to increase the number of UAE nationals to at least one national in 2024, and to add one additional national in 2025.

The New Emiratization Rules provide for fines for employers of up to AED 96,000 for non-compliance in the year 2024 and AED 108,000 for non-compliance in the year 2025.

United Kingdom

New Legislation Approved During Parliamentary "Wash Up"

New Legislation Enacted

Authors: Deborah Margolis, Senior Associate, and Hannah Drury, Trainee Solicitor – GQ | Littler

In the wake of the UK general election announcement, Parliament approved several significant pieces of legislation during the expedited "wash-up" period in late May 2024. These laws, pending further regulations and influenced by election results, include:

- Paternity Leave (Bereavement) Act 2024, which removes the 26-week service requirement for paternity leave upon the death of a child's mother, adoptive parent, or intended parent in surrogacy.
- The Statutory Code of Practice on the fair and transparent distribution of tips: The approved draft Code of Practice supports the Employment (Allocation of Tips) Act 2023, which will create a legal obligation for employers to allocate qualifying tips, gratuity and service charges fairly between workers and any eligible agency workers. The Code will provide employers with overarching principles to help them determine what is fair for the purposes of the Act, including providing guidance on the types of tips covered, and providing a list of non-exhaustive factors that employers should consider to allocate tips fairly. It is expected that the Code will come into force on October 1, 2024, depending on the election results.
- The Code of Practice (Dismissal and Re-engagement) Order 2024, effective July 18, 2024, mandates employer consultation prior to employment terms changes, with a potential 25% compensation adjustment order contingent on election results.
- The Retained EU Law (Revocation and Reform) Act 2023 Regulations will reframe how EU laws are applied post-Brexit, introducing new departure tests and referral procedures for appeal courts, effective October 1, 2024.

Each piece of legislation's commencement hinges on the forthcoming general election results.

New Rules Expand Right to Request Flexible Working

New Legislation Enacted

Author: Ben Smith, Senior Associate – GQ | Littler

As of April 6, 2024, a number of largely procedural changes to the UK's flexible working request regime have been in place, expanding the right to request flexible working. The changes include:

- Employees have the right to make a flexible working request from day one of employment (formerly, there was a 26 weeks' service requirement)
- Employees can now make two flexible working requests in any rolling 12-month period (increased from one)
- Employees no longer need to explain what potential impacts their flexible working would have on the business or suggest ways to avoid those impacts
- Employers must respond to flexible working requests more quickly, having two months to respond to the request (reduced from three months), unless an extension is agreed upon with the employee
- Employers must consult with employees about the flexible working request before refusing the request, with a new code of practice from the Advisory, Conciliation and Arbitration Service (Acas) setting out best practice for consultation

See The Employment Relations (Flexible Working) Act 2023 (Commencement) Regulations 2024 and Employment Relations (Flexible Working) Act 2023.

Victims and Prisoners Act 2024 Non-Disclosure Agreements

New Legislation Enacted

Author: Laura Lobb, Partner – GQ | Littler

There has been increased regulatory and political scrutiny of the use of non-disclosure agreements ("NDAs") in particular in relation to allegations of sexual misconduct, harassment or discrimination. To address this issue, the Ministry of Justice announced earlier this year that legislation would be introduced. Section 17 of The Victims and Prisoners Act 2024, which was enacted on May 24, 2024, will make any contractual provision void if it seeks to prevent the disclosure of information concerning criminal conduct by a "victim," or a person who reasonably believes they are a victim, to certain categories of persons. These categories include: law enforcement; qualified lawyers, regulated professional advisers, regulators; or certain close family members.

The definition of "victim" is narrow, and the legislation only seeks to protect permitted disclosures by individuals who have suffered harm as a direct result of being subjected to criminal conduct or related situations, so they can report, or seek support as a result of, criminal conduct. The legislation does not apply if the disclosure by the victim is made simply to release information into the public domain.

No date has been given for when this law will come into force, but businesses should be aware of the Act and ensure that any NDA used is compliant with it.

United States

Littler's Workplace Policy Institute's Mid-Year Legislative Report

New Legislation Enacted

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

As federal regulators, states and cities continue to pass new workplace regulations through the calendar year, we summarize each state's notable labor and employment law updates. Some states, like Maryland, have at least a dozen new laws and regulations taking effect this summer, tackling everything from vaping at work to pay discrimination. Other states have just one new law, such as the state of West Virginia, which now restrains employers from acting against employees who store firearms in their vehicles on company property.

The state of Washington is cracking down on warehouse employers, regulating worker performance quotas with a new law and regulations that went into effect on July 1, 2024. Colorado has eight new laws ranging from regulation of noncompete agreement enforcement to Crown Act amendments. Other common themes among several states include changes to child labor regulations, mandating pay scales in job postings, and prohibiting mandatory employer-sponsored meetings at work.

Read the full article on Littler.com.

IRS Issues FAQs on Educational Assistance Programs

New Regulation or Official Guidance

Author: William Hays Weissman, Shareholder – Littler

The IRS has issued a new fact sheet (FS-2024-22) to address frequently asked questions about educational assistance programs (EAPs), also known as Section 127 plans. EAP plans have been an effective recruitment and retention tool for many employers over the past two decades and remain popular with employees because the payments are tax exempt to employees and tax deductible to employers.

The FAQs set forth the criteria that must be met to qualify for this program, as well as the requirements for an EAP, what qualifies as educational assistance, and the amount excludable from taxation under an EAP. The FAQs also specifically address reimbursement for student loans or debt related to educational expenses.

Read the full article on Littler.com.

EEOC Updates Workplace Harassment Guidance

New Regulation or Official Guidance

Authors: James A. Paretti, Jr., Shareholder, and Barry A. Hartstein, Shareholder – Littler

On April 29, 2024, the U.S. Equal Employment Opportunity Commission (EEOC) released a long-anticipated update to its enforcement guidance on harassment in the workplace. The update comes almost 25 years after EEOC last published guidance on this topic. In addition to the guidance itself, the agency simultaneously issued a summary of its key provisions, FAQs on workplace harassment for employees, and a fact sheet for small businesses.

The new guidance replaces five prior guidance documents on workplace harassment, and covers harassment based on race, color, religion, sex (including pregnancy, childbirth or related medical conditions; sexual orientation; and gender identity), national origin, disability, age (40 or older) and genetic information.

Read the full article on Littler.com.

DOL Issues Artificial Intelligence Principles

New Regulation or Official Guidance

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

On May 16, 2024, the U.S. Department of Labor (DOL) released a document entitled, "Department of Labor's Artificial Intelligence and Worker Well-being: Principles for Developers and Employers." The document outlines several artificial intelligence principles (AI Principles) to provide employers and developers that create and deploy AI with guidance for designing and implementing these emerging technologies in ways that enhance job quality and protect workers' rights.

The DOL's AI Principles emphasize ethical development; transparency and meaningful worker engagement in AI system design, use, governance, and oversight; protection of workers' rights; and use of AI to enhance work. This document was issued in response to President Biden's Executive Order on the "Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence" (AI Executive Order), issued on October 30, 2023, which directed the DOL to develop best practices for employers, agencies, and federal contractors.

Read the full article on Littler.com.

The Littler Annual Employer Survey 2024

Trend

Authors: Michael J. Lotito, Shareholder, and James M. Witz, Shareholder – Littler

As employers face change and uncertainty on several fronts, Littler's 12th Annual Employer Survey provides a window into how employer expectations and workplace policies are evolving. The survey was completed by more than 400 in-house lawyers, business executives and human resources professionals—36% of whom hold C-suite positions—based across the U.S. and representing a range of company sizes and industries.

This year's survey finds employers anticipating more regulatory enforcement, but a slower pace of legislation as lawmakers prepare for a divisive election. Laws governing AI use in HR functions are the major exception, with approximately half of employers expecting to see legislative developments this year as both state and federal lawmakers look to impose guardrails on the nascent technology. At the same time, employers are still recalibrating workplace policies around hybrid work, disability accommodations, pay equity, diversity and inclusion, and more following pandemic-era upheaval and lasting cultural shifts.

View the Littler Annual Employer Survey, 2024 Report on Littler.com.

Venezuela

New Special Contribution Obligation of Up to 15 Percent

New Legislation Enacted

Author: Gabriela Arevalo, Associate – Littler

The Law for the Protection of Social Security Pensions Against the Imperialist Blockade (the Law) was published in the Official Gazette Extraordinary No. 6,806 on May 8, 2024. The law requires a special contribution of up to 15% of the total payments made for salary and non-salary bonuses by all private organizations, including irregular or de facto companies, that carry out economic activities in the country, even if they do not have their domicile there.

The contribution is different from and independent of employer contributions to mandatory social insurance. The contribution will be collected by the National Integrated Customs and Tax Administration Service (SENIAT) and will be deductible as an expense on the Income Tax (ISLR) declaration. The payment of this contribution must be made by private organizations and no deduction or withholding can be made from employees' salaries.

Failure to declare the contribution will result in a fine of 1,000 times the official exchange rate of the highest value currency published by the Central Bank of Venezuela (BCV). A delay in or failure to make the payment will generate default interest and fines, in accordance with the Organic Tax Code.

New Special Contribution Obligation of Up to Nine Percent

New Legislation Enacted

Author: Gabriela Arevalo, Associate – Littler

The Decree N° 4.952, published in Official Gazette N° 42.880, dated May 16, 2024, (the Law) sets the contribution to 9%. This contribution is based on the total payments of the employee, including salary and non-salary benefits; and this contribution is different and independent of employer contributions to mandatory social insurance.

The percentage of the contribution will be established, annually, by decree and in accordance with the type of economic activity; or it may be exonerated, totally or partially, for strategic sectors of foreign investment and national development. But, in no case may the calculation base be less than the indexed integral minimum income, which is currently estimated at USD 130.00.

The law sets an exemption applicable to enterprises registered in the National Registry of Enterprises for the period of one year from the publication of the law in the Official Gazette.

SENIAT Establishes Procedure to Pay Contributions

Important Action by Regulatory Agency

Author: Gabriela Arevalo, Associate – Littler

The Administrative Resolution No. 42, issued by the National Integrated Customs and Tax Administration Service (SENIAT), published in Official Gazette No. 42,881, on May 17, 2024, sets out the schedule for the payment of the contributions required by the Law.

The payment date will correspond to the last digit of the Tax Information Record (RIF). The organizations required to pay the contributions must report the number of active workers they maintain on their payrolls quarterly, and the payments and report must be made in accordance with the formalities and technical specifications established by SENIAT in its tax portal.

The payment of this contribution, unlike other taxes, can be deducted from the Income Tax by incorporating its amount into the company's expenses.

Vietnam

Amendments to Procedures Relating to Unemployment Insurance and Job Consultancy and Placement

New Regulation or Official Guidance

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

On March 29, 2024, the Ministry of Labor, War Invalids and Social Affairs (MOLISA) issued Decision No. 351/QD-BLDTBXH announcing a number of amendments to employment-related administrative procedures managed by MOLISA (Decision 351). The changes appear in procedures relating to unemployment insurance and job consultancy and placement. The effective date of Decision 351 is immediate.

MOLISA Published a Set of Statistical Indicators for the Labor Sector

New Regulation or Official Guidance

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

On May 6, 2024, the Ministry of Labor, War Invalids and Social Affairs (MOLISA) issued Circular 04, which introduces a set of statistical indicators reflecting the key results of state management activities in the Labor, War Invalids, and Social Affairs sector. These statistical indicators are intended to provide comprehensive insights into workforce dynamics in Vietnam, and include, among other things:

- The percentage of trained workers out of the total workforce, as defined and calculated in accordance with the provisions in Appendix I promulgated in conjunction with Decree 94/2022/ND-CP dated 7 November 2022 of the Government
- The number of foreign workers in Vietnam with work permits
- The number of Vietnamese workers working abroad under contracts during the year
- The average monthly salary of employees in companies in Vietnam
- The number of collective employment agreements in companies in Vietnam

The statistical indicators play an important role in evaluating and predicting various scenarios, aiding in the formulation of strategies and policies, and creating socio-economic development plans for the country and the labor sector in different periods of time. In addition, these statistical indicators in the Labor, War Invalids and Social Affair sector also help to meet the demands for information by organizations and individuals who are working or researching in these sectors.

Circular 04/2024/TT-BLDTBXH takes effect as of June 21, 2024.

Draft New Law on Employment

Proposed Bill or Initiative

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

In late March 2024, a draft of a new Law on Employment (Draft Law) was published for public opinion. The Draft Law proposes various amendments including expanding the category of employees who are entitled to participate in unemployment insurance and providing for flexibility in determining the level of unemployment insurance premiums.

Further, employees working under a labor contract with a term of one month or more will be eligible to participate in unemployment insurance, and the level of premiums for unemployment insurance applicable to employees, employers and the state will be flexible up to 1% (compared to the fixed level of 1% under the current Law on Employment). Specifically, under the Draft Law, employees will pay a premium of up to 1% of their monthly wage; employers will pay a premium of up to 1% of the monthly wage fund of employees currently participating in unemployment insurance, and the state will provide up to 1% of the monthly wage fund secured by the central budget as support for payment of the unemployment insurance premiums of employees currently participating in unemployment insurance.

It is expected that the Draft Law will be submitted to the National Assembly for opinions at the 8th Session of the National Assembly scheduled in October 2024.

Proposed Increase of Minimum Wages for Employees Working under Labor Contracts

Proposed Bill or Initiative

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

The first draft of the decree regulating minimum wages for employees working under labor contracts (Draft Decree) was published for public opinion in late March 2024. The Draft Decree provides for new minimum monthly wages and minimum hourly wages applicable in various geographical regions of Vietnam (*i.e.*, Regions I, II, III, and IV as specifically provided in Appendix attached to the Draft Decree), with an increase of approximately 6% in the minimum monthly/hourly wages compared to the current rates provided in Decree 38/2022/ND-CP dated 22 June 2022 of the Government.

On June 21, 2024, the Central Executive Committee of the Politburo issued Conclusion No. 83-KL/TW regarding the revision of policies on wages, adjustment of pensions and social insurance allowances effective July 1, 2024 (Conclusion 83). Pursuant to Conclusion 83, the Politburo agrees with the proposed increase in the minimum monthly and hourly wages by 6% for the business sector, compared with the levels applied in 2023, and that the increase will be in effect from July 1, 2024. Conclusion 83 also provided that if the relevant implementing legal texts are issued after July 1, 2024, they will be retroactively effective as of July 1, 2024.

It is expected that raising minimum wages will positively impact employees by increasing contributions to social insurance, unemployment insurance, and unemployment benefits.

Zambia

Proposed Amendment to the Employment Code Act No. 3 of 2019

Proposed Bill or Initiative

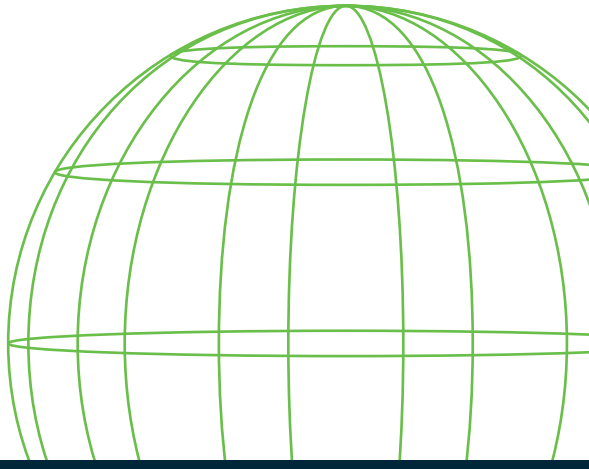
Authors: Hope Ndao, Partner, and Peter Chomba, Senior Associate – Mulenga Mundashi Legal Practitioners

The Government, through the Ministry of Labor and Social Security, proposed to amend the Employment Code Act No. 3 of 2019 by enacting the Employment Code (Amendment) Bill (the "Bill"). The Bill proposes numerous changes that place increased responsibilities on employers. For example, the Bill proposes that employers pay severance pay in varying amounts, from two weeks' to 12 weeks' basic pay for every year served, to employees in the following circumstances:

- On retirement
- On termination by summary dismissal even where the employee has caused financial loss to the employer
- On the resignation of the employee even where such resignation is in breach of the contract of employment
- When an employee refuses to transfer to a job with equal or better conditions and the employer transfers the employee to a separate employer
- On the termination of the employment contract for operational requirements, and
- In other specified instances

The Bill further proposes to introduce approval requirements on termination by redundancy or operational requirements. If the Bill is enacted, employers who wish to terminate contracts of employment for operational requirements or redundancy will be required to obtain the approval of the Labor Commissioner before proceeding with the termination. In the case of redundancy, the request for approval must be lodged six months before the redundancy. In addition, an employer would have to engage a redundancy practitioner who is independent of the employer, and is not external legal counsel, a former in-house counsel or human resource practitioner of the employer, and who is accredited by the Ministry of Labor and Social Security as a redundancy practitioner, to undertake the redundancy procedure. The consultation periods on redundancy will also increase from 30 days to 90 days. The Bill proposes other changes that will impact suspension of employees, annual leave, forced leave, maternity leave, paternity leave, compassionate leave, family responsibility leave, and will codify provisions on wrongful, unfair and unlawful termination, among other things.

The Bill has largely been met with disapproval from the private sector, with many employers in the private sector viewing the proposed amendments as unsustainable and adversely increasing their operational costs. Employers opposing the Bill are formally objecting to the Bill through the Public Private Dialogue Forum (PPDF). Employers are encouraged to review and assess the impact of the Bill on their business and to determine whether to object the Bill before it is passed into law.



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