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# The Global Employer: Europe & Middle East Quarterly Update

Baker & McKenzie

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# The Global Employer: Europe & Middle East Quarterly Update

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**Comments****Required Publisher Statement**

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# The Global Employer: Europe & Middle East Quarterly Update

BAKER & MCKENZIE

Title	Impact date	Short description	Recommended action
<b>Belgium</b> <b>Non-recurrent bonus schemes</b>	01/01/2013	<p>Non-recurrent bonus schemes are to become taxable. Employers can set up a "<i>collective non-recurring result linked cash bonus scheme</i>" to grant a cash bonus of up to EUR 3,100 per year (amount applicable for income year 2013). Under the old rules, the cash bonus was fully tax and social security exempt. However, as of January 1 2013, a single contribution of 13.07% will be withheld from the gross amount of the cash bonus. The employer pays a special social security contribution of 33%.</p>	For information only
<b>Belgium</b> <b>Labour lending</b>	09/01/2013	<p>New measures have been introduced regarding labour lending, which exempts employers from the general prohibition if there is a qualifying written agreement.</p> <p>As a general rule, Belgian labour law prohibits employers putting salaried employees at the disposal of a third-party user, who would exercise employer's authority (direction, control and supervision) over such employees, unless certain conditions are met. In practice, this rule caused many genuinely independent service relationships (e.g. an IT contractor posting an employee on site with a client) to qualify as unlawful labour lending.</p> <p>Since 2000, the rules have stated that instructions on how to perform services, working and rest hours and health and safety rules, cannot be considered to be exercising employer's authority, and do not trigger unlawful labour lending.</p> <p>The new Act extends the exemption from unlawful labour lending so that instructions will not trigger the prohibition to the extent that there is:</p> <ul style="list-style-type: none"> <li>• a written agreement between the employer and the third-party user</li> <li>• which explicitly and in detail provides the instructions that can be given by a third-party user, it being required that</li> <li>• such instructions could not in any manner undermine the employer's authority over the employee; and</li> <li>• what happens in practice corresponds with the written terms of the agreement.</li> </ul> <p>The third-party user has an obligation to inform the</p>	Review contracts/policies

		<p>works council/committee for prevention and protection at work/trade union representatives (if any) of the existence of any such service agreement. If requested so by the consultative body, a copy of the contract is to be submitted. Failure to comply with such requests causes the agreement to be considered inexistent for purposes of the labour lending rules.</p> <p>These legislative changes must be taken into account when drafting a contractor agreement that includes on-site work.</p>	
<p><b>Belgium</b>  <b>General social anti- abuse rule</b></p>	<p>10/01/2013</p> <p>Will only apply to specific forms of abuse (to be determined by Royal Decree)</p>	<p>Anti-abuse rules will come into effect for social security law. This is intended to prevent abuse through the use of legal structures set up to limit liability to pay social security or take unfair advantage of social security benefits.</p> <p>Social law abuse exists when a person puts him/her/itself, by means of a legal act, inside or outside the scope of the social law provisions. If the legal act is found to be an abuse of social law, it will not be enforceable against the social security administrations (e.g. unemployment office, social security office, etc.), or any other institutions developing activities related to the social security systems (mutual insurance funds, child allowance fund, etc.) and social inspection. However the act is not rendered void and will remain enforceable between the parties to the agreement. The burden of proof lies with the administration/authority that invokes the social anti-abuse rule.</p> <p>The social anti-abuse rule requires a royal decree to determine which abuses it will apply to. Consequently, and contrary to the position for tax purposes, the anti-abusive rule is not a general rule which applies to abusive application of any and all existing social law rules. It can be expected that the anti-abuse rule will be used when specific forms of abuse, mostly in the context of international social security fraud, arise that require specific action from the inspection services.</p>	<p>Watch for developments</p>

<p><b>Belgium</b>  <b>Anti- abuse rule in the framework of the 883/2004 EU Regulation on the coordination of social security systems</b></p>	<p>10/01/2013</p> <p>Details to be announced by Royal Decree</p>	<p>A new provision has also been introduced to counter abuses under the EU rules that determine which national social security regime is applicable to employees who work simultaneously in multiple countries (883/2004 EU Regulation).</p> <p>According to the new anti-abuse rule, the establishment of a mechanism that is set up with the purpose of avoiding the application of the Belgian social security legislation, is considered as an abuse. This applies to the extent that the correct application of the EU Regulation would have resulted in the application of the Belgian social security regime.</p> <p>If such abuse is evidenced, the employee or self-employed person will become subject to the Belgian social security regime as from the day on which the conditions for applying the Belgian social security regime were met (taking into account the fact that any event will become statute barred after seven years). It remains doubtful whether this anti-abuse rule is compatible with the EU Regulation. Further, it is not yet clear how this anti-abuse rule will be applied in practice. It is expected that a royal decree will be issued including more practical details and modalities regarding the application of this anti-abuse rule.</p>	<p>Watch for developments</p>
<p><b>Belgium</b>  <b>Temporary agency workers</b></p>	<p>Implementation date not yet known</p>	<p>The Belgian Ministry Council has adopted a draft act to increase the protection of interim workers. Under the draft act, it will be more difficult to use interim workers on the basis of consecutive daily contracts. If the company (i.e. the user) cannot prove the need for the flexibility of consecutive daily contracts, the agency will have to pay the interim worker an indemnity of two weeks' salary, in addition to their normal remuneration. The draft act also establishes a legal framework by which interim work can be used as a recruitment channel for a permanent position (i.e. "in-flow" as a new legal ground for interim work). An interim worker who is not hired after having performed services on the legal ground of "in-flow", will have the right to be informed of the reason for this.</p>	<p>Watch for developments</p>
<p><b>Belgium</b>  <b>Increased social security exemption for expats?</b></p>	<p>Implementation date not yet known</p>	<p>There are rumours that the Belgian social security administration will amend its position relating to the maximum amount of tax free allowances that can be exempted from Belgian social security contributions. Tax free allowances are a typical feature for expatriates, (i.e. persons benefiting from a special tax treatment as per a Circular dated August 8, 1983).</p> <p>As a matter of principle, provided that the tax free allowances are reflected separately on the payslip, these allowances are not subject to social security up to a maximum of EUR 11,250 (standard amount) or EUR 29,750 (controlling/coordinating position or scientific position with a research centre) per year. If these allowances are calculated as per the so-called technical note, the Belgian social security administration is said to accept an increased social security exempt amount to reflect to a certain extent the impact of the travel exclusion (salary earned during business trips outside of Belgium is not subject to tax in Belgium).</p>	<p>Watch for developments</p>

		<p>It was anticipated that this change would take effect on January 1 2013, but we are still awaiting formal confirmation of this. If and when published, payroll administration will have to be fine tuned to reflect the increased amount of tax free allowances that can be exempted from Belgian social security contributions.</p>	
<b>Czech Republic</b> Health insurance	31/12/2012	<p>The annual cap on the assessment base for health insurance contributions has been cancelled. Cancellation of the cap will affect taxpayers with monthly incomes of more than CZK 150,822 (EUR 5,883) (for 2012, the annual cap for health insurance contributions was CZK 1,809,864 (EUR 70,601)).</p>	For information only
<b>Czech Republic</b> Supplementary leave	31/12/2012	<p>The Labor Code amendment grants health care workers who perform activities in the provision of emergency medical services, those for whom it makes up at least half of their weekly working hours, the right to supplementary leave.</p>	For information only
<b>Czech Republic</b> Uniform rate of minimum wage	31/12/2012	<p>The reduced rate minimum wage rate for young employees, graduates and those receiving disability pensions is no longer applicable. The uniform minimum wage rate remains at CZK 8,000 (EUR 312) per month.</p>	For information only
<b>Egypt</b>		No developments to report this quarter	
<b>EU wide</b> Financial Services new cap on variable pay	Announced on 05/03/2013 - rules to be voted on by EU Parliament in mid-April	<p>The Council of the EU and the European Parliament reached agreement on the new remuneration provisions to be included in the amended Capital Requirements Directive ("CRD IV"). These new rules will impose strict caps on the amount of variable pay that can be paid by investment banks and other firms subject to CRD IV to affected staff.</p> <p>The new rules will impose a maximum limit on the amount of variable pay that may be paid to that of one time an individual's fixed salary (i.e. a ratio of fixed to variable pay of 1:1). This ration could be increased to 1:2 but only with the express approval of at least 65% of a firm's shareholders owning half the shares represented, or of 75% of votes if there is no quorum. Further, where the amount of variable pay exceeds the 1:1 ratio, a quarter of the individual's entire variable pay will have to be deferred for at least five years.</p> <p>It is expected that the deferred element of an individual's variable pay may be made up of certain instruments, which may be assigned a</p>	Watch for developments

		<p>lower value for the purposes of calculating the ration. No substantive details on these proposals have been published as yet.</p> <p>The new rules are expected to be voted on at the European Parliament plenary session in mid-April.</p>	
<p><b>France</b>  <b>New collective bargaining agreement dated January 11, 2013 regarding a new economic and social model serving the companies competitiveness and securing employment</b></p>	<p>11/01/2013  (the law implementing these measures is expect to be passed in April 2013)</p>	<p>Employer and employees' trade unions entered into a collective bargaining agreement providing for several measures - some of which give greater flexibility to employers - impacting in particular external and internal mobility, collective economic dismissal procedures, increases of the employer social security charges for fixed-term employment contracts, etc. If the law is enforced, companies in significant economic difficulties may be able to negotiate temporary changes to working time and salaries via collective agreement to maintain employment levels; there will be new, more flexible, procedures for collective dismissals; pre-determined levels of damages for Labor Court conciliations and significant reductions to the limitation periods for labor claims.</p>	<p>Watch for developments</p>
<p><b>France</b>  <b>Law regarding the "contrat de generation" (measures to favour recruitment and retention younger and older workers).</b></p>	<p>04/03/2013</p>	<p>Employers are invited to implement a negotiation procedure to execute "inter-generational" company agreements. Such negotiations are mandatory for companies with more than 300 employees. Moreover, companies could benefit from state financial help for certain hiring falling with in their "inter -generational" company agreement.</p>	<p>Launch the collective negotiation before September 30, 2013</p>
<p><b>Germany</b>  <b>Termination Protection: Temporary Agency Workers and Staffing Levels</b></p>	<p>24/01/2013</p>	<p>Temporary agency workers will now count towards the number of employees which a company employs for the purposes Sec. 23 Paragraph 1 Sentence 3 of the German Termination Protection Act.</p> <p>This only applies to workers hired after December 31, 2003 in operations which usually employ more than 10 employees. When calculating the number of employees, temporary agency workers engaged in the operation will now have to be included, if their engagement is based on a standing personnel requirement.</p> <p>The fact that temporary agency workers have to be taken into account is not contrary to the fact that they do not have an employment relationship with the operation's owner. Small businesses are excluded from the scope of this Act because in most such businesses staff work closely together, the businesses do not have large financial means and the administrative expense, which would be caused by a possible lawsuit filed for termination protection, would place a much higher burden the employer than in a large organisation. However, according to the Federal Labour Court, this does not justify a differentiation between the use of own or of leased employees if their employment reflects the usual staffing level of an operation.</p>	<p>For information only</p>

<p><b>Germany</b> Discontinuation of the "Freizügigkeitsbescheinigung"</p>	<p>29/01/2013</p>	<p>Citizens of an EU member state, Iceland, Liechtenstein and Norway are no longer required to obtain a right of residence certificate in Germany (so-called "Freizügigkeitsbescheinigung").</p> <p>In the past, this certificate was issued automatically by the competent authority when the individual registered his/her local address. The German government has now annulled this bureaucratic procedure and citizens of the EU (plus Iceland, Liechtenstein and Norway) will no longer be issued with such a certificate.</p>	<p>For information only</p>
<p><b>Greece</b> Collective Labor Agreements</p>	<p>14/02/2013</p>	<p>Collective Labor Agreements (CLAs) which on 14/02/2012 had been in effect for 24 months or more expired on 14/02/2013. However, their terms will survive for a transitional period of 3 months.</p> <p>After that period and if no new CLA or other agreements have been entered into between the employer and the employee(s), only the regulatory terms of the expired/terminated agreement will apply, i.e. (a) basic salary and (b) bonuses of seniority, children, studies and hazardous profession, provided that such bonuses applied under the expired CLA. No other bonuses are payable. Employers may apply these terms even without the employee's consent (law 4093/2012).</p> <p>CLAs which on 14/02/2012 had been in effect for less than 24 months expire 3 years from their commencement date, unless they are terminated earlier. Again the 3 months transitional period applies to those CLAs as well (law 4093/2012).</p>	<p>Employers should take swift action to apply new terms and conditions if they wish to fall below the CLA thresholds. Employers may lose the right to do so after the 3 months transitional period elapses.</p>
<p><b>Greece</b> Electronic Documents</p>	<p>01/03/2013</p>	<p>Employers are now allowed to submit electronically documents that fall within the competency of labor authorities (SEPE and OAED) which include the following: hiring of employees, personnel list, termination of employment, employers' statements for definite term employment contracts, overtime work and overtime approval (Ministerial Decision 17227/23/2012)</p>	<p>Employers may wish to take advantage of this new process to facilitate HR procedures</p>
<p>With thanks to Grace Ch. Katsoulis of Ballas Pelecanos &amp; Associates LPC who authored the content for Greece</p>			
<p><b>Hungary</b> Absence fee to calculate severance, etc and new holiday allocation rules</p>	<p>01/01/2013</p>	<p>The new Hungarian Labour Code, which came into force on 1 July 2013, introduced significant changes to Hungarian labour legislation. Some of the new rules only became effective as of 1 January 2013, such as: the rules on calculating absence fees and on annual vacations.</p> <p>The new Labour Code does not apply the concept of average salary; instead - as of 1 January 2013 - the absence fee is to be used to calculate, for instance, the amount of severance pay, the rate of liability for damage caused by the employee, or the amount of lump sum compensation payable in the event of unlawful termination of employment. The aim of using the absence fee for these calculations is to simplify and rationalize the employer's administrative burdens and costs.</p> <p>Provisions regulating allocation of holidays have also changed. Employees now have the right to allocate 7 working days (instead of the former ¼</p>	<p>Amend practice as necessary</p>



		rule) themselves. The main rule on scheduling holidays remains the same, i.e. holidays are still to be provided in the given calendar year by the employer. However, in the case of employment relationships starting on 1 October, annual holiday may be allocated until the end of the following March. Also, where the parties expressly agree, one third of an employee's total annual vacation entitlement may be carried over until the end of the subsequent year. These new rules provide greater flexibility for both employer and the employee.	
<b>Italy</b> <b>Forthcoming changes to the Monti Reform</b>	Implementation date not yet known	<p>The Monti Reform of employment law, which came into force July 18 2012, has now gathered full speed with minor tweaks and adjustments over the past months.</p> <p>Several political parties have, however, pledged for substantial changes (some for an outright abrogation) during the recent electoral campaign and we should therefore expect a hot employment agenda for the new government that shall be sworn in in the forthcoming weeks.</p>	Watch for developments
<b>Luxembourg</b> <b>Minimum wage</b>	01/01/2013	The minimum gross monthly salary for a non qualified worker increased to EUR 1,874.19 as of 1 January 2013	Amend wages as necessary
<b>Luxembourg</b> <b>Foreign workers</b>	01/01/2013	<p>Luxembourg employers are subject to new rules relating to hiring foreign workers. Before hiring, the employer must collect a copy of the worker's residence authorisation / permit and notify the start of the employment relationship within the first three working days to the Minister in charge of Immigration (7 working days if the employer is an individual person). The main contractor or sub-contractor must check whether their direct sub-contractors have complied with this obligation. The labour code and criminal code now prohibit unlawful work and work by foreigners in Luxembourg illegally. Sanctions include fines and/or imprisonment, and can apply to the employer as well as contractors and other users of the workers. In addition, the judge could prohibit the employer from conducting the professional activity for which the illegal foreigner was hired for up to 3 years and/or temporarily close the company for up to 5 years.</p> <p>The employer, user or contractor may also be (severally or jointly) obliged to pay compensation and benefits to the worker, the unpaid taxes and social contributions, the deportation costs if any as well as the costs for the payment of those amounts in a foreign country in case of deportation.</p> <p>In case of unlawful work, no amount / subsidy granted by the state or the municipality may be awarded. Therefore, the employer, user or contractor are at risk of having to repay such amounts in the event of infringement.</p>	Ensure all employees have the required authorisation and notify every new employment relationship with non EU worker
<b>Luxembourg</b> <b>Retirement benefits</b>	01/01/2013	<p>Changes have been introduced to the retirement benefits scheme to avoid a future deficit. The changes apply to salaried workers as well as some public officers. The key measures include:</p> <ul style="list-style-type: none"> <li>Part of the retirement benefit (the proportionate increase for 55 year-old</li> </ul>	For information

		<p>workers with 38 years' seniority), will be progressively postponed and will be increased by 0,01% in 2013 and 0,025% in 2052.</p> <ul style="list-style-type: none"> <li>• Between early retirement up to the legal retirement age, the recipient of an early pension could combine his/her retirement benefits with a higher salary than was the case before (at least 150% of the Luxembourg minimum salary for non qualified workers capped at 5 times the average of the 5 highest annual salaries of the worker).</li> <li>• During the 5 first years, the social contributions paid for voluntarily taking out a retirement benefit coverage ("assurance continuée") will be significantly lower than their current amount.</li> <li>• A change to the calculation of retirement benefits so that these are no longer linked to increase in average salaries but are instead linked to the cost of living. A decreasing factor could be applied as well and this change will apply for the first time in 2014.</li> <li>• The year end allowance will not be automatic and will depend on the financial state of the retirement benefit system.</li> </ul>	
<b>Luxembourg</b> Extension of the flexible working hours regime	01/01/2013	The application of the regime of flexible working hours under Luxembourg law (POT and "horaire mobile") continues up to 31 December 2015.	For information
<b>Luxembourg</b> Modification of European Works Council rules	01/01/2013	<p>The rules relating to the establishment of a European Works Council or a procedure in EU-scale undertakings for the purposes of informing and consulting employees are modified to implement the EU Directive 2009/38/EC of 6 May 2009.</p> <p>Worker representatives' rights are modified and strengthened: "consultation" and "information" of workers is defined in detail. The remit and powers of the special negotiation body or the EU Works Council are broadened.</p>	For information
<b>Netherlands</b> Coalition Agreement - new Participation Act	31/12/2013	The legislative proposal Employment Capacity Act will be replaced by a new Participation Act, which will introduce a quota system for hiring occupationally disabled people in large companies. The quota system will be implemented in phases from 1 January 2015, resulting in a quota of 5% in six years' time for large companies. Non compliance will result in a fine of EUR 5,000.	Watch for developments
<b>Netherlands</b> Unpaid trial offer amended per 2013	01/01/2013	Until 2012 an unemployed or partially disabled person could be offered an unpaid trial offer of three months. This has been reduced to only two months. During the trial period the unemployed or partially disabled person will remain entitled to his/her benefit. Prior permission of the UWV is required for a trial offer.	For information only
<b>Netherlands</b> Work-related expense scheme	01/01/2014 May be delayed	The mandatory introduction of the Work-related expense scheme ( <i>Werkkostenregeling</i> ) may not take place on 1 January 2014, but 1 or 2 years later. The Work-related expense scheme was introduced on 1 January 2011. Employers could, however, during the first three years (2011, 2012 and 2013) choose whether they wish to make use of the Work-related expense scheme or whether they wished to continue to apply the transitional	Watch for developments

		arrangements for free allowances and benefits.	
<b>Netherlands</b> <b>Coalition Agreement - dismissal law reform</b>	29/06/2014	<p>The current dual dismissal system is proposed to be abolished. The preventive review of dismissal by UWV/Werkbedrijf and the Court will disappear. Therefore, an employer may terminate the employment agreement without prior consent. Instead of the preventive review, before giving notice of termination of the employment agreement, the employer will have to inform the employee in writing and hold a meeting with the employee about the intended dismissal. Every employee whose employment agreement is terminated involuntarily is entitled to a transition budget from the employer. This also applies to employees with a fixed-term employment agreement that is expiring. The purpose of this budget is to replace the severance payment. This transitional budget (for education) amounts to one quarter monthly salary for each year of service with up to 4 months' salary.</p> <p>The dismissed employee can go to court after dismissal. The advice of the Employee Insurance Agency will however weigh heavily. If the court finds that the termination is unjustified or mainly attributable to the employer, the judge can award compensation. If the employer deviated from negative advice from the Employee Insurance Agency, the judge can also revoke the dismissal. The (severance) compensation will be maximised to half a month's salary for each year of service with a maximum of EUR 75,000.</p>	Watch for developments
<b>Poland</b>		No developments to report this quarter	
<b>Russia</b> <b>Migrants to be Fingerprinted and Photographed in Order to be Employed</b>	31/12/2012	Foreign nationals who enter Russia under the visa-exempt regime must be fingerprinted and photographed in order to obtain a work permit. This rule does not apply to a special category of employees - so-called "Highly Qualified Foreign Specialists" and in cases when international treaties to which Russia is a party set out otherwise.	Please check if the new rules would apply to the employees you are going to hire.
<b>Russia</b> <b>Federal Minimum Monthly Wage Has Been Increased</b>	01/01/2013	The Russian Parliament has adopted a new law which increases the federal minimum monthly wage. The minimum monthly wage (for full-time employees) is now set at 5,205 RUB (approx. 130 EUR). Most regions of Russia set a higher minimum monthly wage. The minimum monthly wage in Moscow was set at 11,700 RUB per month, which took effect January 01, 2013 (approx. 291 EUR), and will increase on July 01, 2013 to 12,200 RUB (approx. 304 EUR).	Employees' salaries should be brought in accord with minimum wage standards.
<b>Russia</b> <b>Employees of Large Foreign Investors to Russia May be Issued Long-Term Business Visas</b>	10/01/2013	Foreign national employees employed by large foreign companies investing in Russia, taking part in the Skolkovo project or in the creation of an international financial centre in Russia, will be entitled to obtain long-term Russian business visas for a period of up to 5 years. The criteria for determining companies that qualify for long-term	Check if you company qualifies with the requirements for long-term business visas

		business visas are to be established by the Russian Government	
<b>Russia Offices Freed from Mandatory Workplace Assessment</b>	26/02/2013	<p>The procedure for assessing conditions at workplaces has been significantly amended by The Ministry of Labour and Social Protection of the Russian Federation in Order No. 590n.</p> <p>One of the most important changes is lifting the requirement for mandatory assessment of office workplaces, i.e., workplaces at which employees work solely with personal computers and (or) periodically operate desktop (single stationary) copying machines and other office equipment and appliances which are not used for manufacturing. Also, under the new rules, newly created workplaces need to be assessed only within one year from the date of their creation (previously - within 60 days). Periodic assessment (once every 5 years) is needed at workplaces where previous results revealed harmful and/or hazardous working conditions, and at workplaces where preliminary and periodic medical examinations are mandatory. Workplaces that were recognized as safe (optimal or acceptable) in previous assessments are exempt from re-assessment (except for unscheduled assessments).</p>	We recommend companies bring their Work Safety Regulations into line with the provisions of the Order.
<b>Russia Administrative Punishment for Violation of the Rights of Disabled Employees</b>	07/03/2013	<p>The Russian Parliament has adopted a law on the introduction of administrative sanctions for an employer's failure to reserve workplaces for disabled applicants or to hire disabled employees to fill the statutory quota.</p> <p>Relevant quotas of positions reserved for disabled applicants are to be established by the relevant regional authorities and will apply to employers having more than 100 employees. According to the new law, the responsible officers of non-compliant employers may be subject to administrative fines of up to 10,000 RUB (approx. 250 EUR). It will also be obligatory for employers to notify authorities on a monthly basis on the status of positions created for/provided to disabled employees, and to adopt local policies with information on such workplaces. These policies must also be provided to the authorities.</p>	Employers in question should reserve workplaces and hire disabled employees within a quota. The employers should monthly notify authorities on the status of such workplaces, adopt relevant local policies and provide authorities with the policies.
<b>Russia Telecommuting (Remote Work) Proposed for Russia</b>	More likely to be during Q2 2013	<p>The Russian Parliament is in the process of introducing telecommuting in Russia. They are reviewing a proposed bill on supplementing and amending the Labour Code and amending the Federal Law "On Digital Signatures".</p> <p>Under the bill, telecommuting (remote work) is a type of employment work performed outside the employer's premises with the use of the Internet and other means of communication. Amongst other things, the bill proposes: executing employment contracts with telecommuters via e-mail using digital signatures, whereas hard copies are to be provided to a telecommuter within three days; employer policies and other HR documents may be provided to a remote worker via e-mail; parties to a remote work contract are free to set out many conditions of employment on their own, including those that are strictly regulated by the</p>	Watch for developments

		Labour Code for other categories of employees (such as grounds for termination and many other terms).	
<b>Russia</b> <b>Periods for Salary Payment May Be Reduced</b>	If adopted, more likely to be during Q2 2013	The Russian Parliament is currently reviewing a bill which aims to reduce statutory periods for salary payment to one week. Currently, salaries must be paid bi-weekly on the days designated by employers' internal work regulations, or a collective bargaining agreement, or employment contracts.	Watch for developments
<b>Russia</b> <b>Work Councils May Appear in Russia</b>	More likely to be Q2 2013	In March, 2013, the Russian Parliament will review a bill which will give employers discretion to convene work councils. This reform has been proposed by the Russian Government.  The bill interprets work councils as advisory bodies intended to propose initiatives and make suggestions to employers regarding improvements in organizational structure of business, introduction of new technologies and techniques, and increasing productivity level of labour and employees' qualifications. Work councils are to be comprised of employees with significant work experience. Such councils, however, will not have the right to decide on matters which are in the exclusive competence of companies' management or trade unions. Under the bill, the scope of authorities/responsibilities and the structure of such work council should be established by a relevant company policy.	Watch for developments
<b>Russia</b> <b>Fines For Job Vacancies With Age Limits May be Introduced in Russia</b>	May be Q2 2013	The Russian Government is currently preparing a bill which would introduce administrative fines for employers that place ads with job vacancies setting out age limits, where the limits are not related to necessary work skills and thus discriminate against older employees. Should the bill be approved by the Government, it would be passed on to the Russian Parliament for review.	Watch for developments
<b>Russia</b> <b>Foreign Employees May be Obligated to Have Medical Insurance Policies</b>	May be Q2 2013	The Ministry of Labour and Social Protection of the Russian Federation has prepared a bill under which foreign employees who wish to work in the Russian Federation will be required to provide a medical insurance policy to their potential employers before signing employment agreements. Employers will be able to buy insurance for their future employees. Currently, foreign employees receive free emergency care at the expense of the regional budgets, while routine medical care and benefits, including sick leave allowances, from the Russian State Social Insurance Fund, are not available to them at all.	Watch for developments
<b>Russia</b> <b>Temporary Disability Benefits Due to Industrial Accidents and Occupational Diseases Are Proposed to Be Limited</b>	More likely to be Q2 2013	The Russian Parliament is in the process of reviewing a proposed bill which would limit the maximum amount of allowances payable by the Russian State Social Insurance Fund in cases of temporary disability resulting from industrial accidents and occupational diseases. Under the bill, the maximum amount of monthly allowance in 2013 will be 235,880 RUB (approx. 5,885 EUR). The amount will be slightly increased annually. Currently, the amount of the benefit is not limited and is paid according to the average earnings of the employee. The Russian State Social Insurance Fund is funded by mandatory employers' contributions.	Watch for developments

<p><b>Spain</b>  <b>Legal developments in the Area of Retirement</b></p>	<p>01//01/2013  (with certain exceptions)</p>	<p>Over a year ago, Act 27/2011 dated 1 August 2012, on the updating, adaptation and modernisation of the Social Security system, introduced significant changes in relation to the different types of retirement provided for by Spanish law. Most of the changes came into effect as of 1 January 2013, with certain exceptions, as noted below. The following is a summary of the developments introduced by the aforementioned Act regarding retirement and of the most relevant changes that have taken place in the area as a result of the labour reform implemented by the Spanish Government in 2012.</p> <p>(i) <u>Ordinary Retirement</u>: As of 1 January 2013, the ordinary retirement age will gradually be increased from 65 to 67 until the requirement is fully met in 2027. However, employees who have contributed to the Social Security system for a certain period of time will retain their right to retire at age 65 (35 years and 3 months in 2013, to be gradually increased to 38 years and 6 months in 2027). The reference periods for calculating the pension entitlement will also change gradually from 15 to 25 years until the requirement is fully met in 2022. Lastly, the contribution period required for full pension entitlement will gradually be increased from 35 to 37 years until the requirement is fully met in 2027.</p> <p>(ii) <u>Mandatory Retirement</u>: Effective as of 8 July 2012 and after the entry into force of Act 3/2012 on the labour reform, the clauses of collective bargaining agreements that make it possible to terminate an employee upon his/her attaining the normal retirement age are prohibited and null and void. In other words, mandatory or forced retirement is banned.</p> <p>(iii) <u>Partial and Early Retirement</u>: Although Act 27/2011 introduced significant changes to these two types of retirement, which were to take effect on 1 January 2013, the Spanish Government has temporarily suspended (3 months) the entry into force of legislative amendments to propose further changes to these types of retirement, probably aimed at raising the early retirement age again (currently 61 or 63, depending on the case) and increasing the number of hours to be worked by partially retired employees.</p>	<p>Watch for developments</p>
<p><b>Sweden</b>  <b>Temporary Agency Workers</b></p>	<p>01/01/2013</p>	<p>Employers are now required to treat Temporary Agency Workers equally with other staff. The temporary workers will be entitled to the same basic working and employment conditions as if they were recruited for that position by the client directly.</p>	<p>Review contracts / policies</p>
<p><b>Switzerland</b>  <b>Limits to compensation for executives in Swiss listed companies</b></p>	<p>Vote passed on 02/03/2013  Swiss Government has until March 3, 2014 to adopt an ordinance which sets out the details</p>	<p>Swiss citizens have voted in favour of a popular initiative to enhance the say of shareholders in listed companies. The general shareholders meeting will have to approve annually the aggregate compensation for members of the board of directors and the management board. These persons must neither be paid any severance, handshake bonus, bonus for the sale and</p>	<p>Watch for developments</p>

		acquisition of companies nor may any affiliated company enter into any additional employment contract or consultancy agreement be entered into with them. A violation can be sanctioned by a custodial sentence of up to three years and a fine of up to six annual salaries.	
<b>Turkey</b> <b>The Regulation on Occupational Health and Safety Risk Assessment</b>	29/12/2012	<p>A new procedure has been established for health and safety risk assessments in all workplaces in Turkey. The Regulation on Occupational Health and Safety Risk Assessment (the "Regulation"), sets out the procedure to be followed.</p> <p>Every employer must carry out a risk assessment, addressing all potentially harmful risks in their workplaces as of December 30, 2012. However the compulsory completion date for such risk assessments has not been established. The Regulation states that employers must identify hazards in the workplace in a consistent manner; evaluate and analyse their potential risks; record the results of the assessment and determine adequate control measures to protect the health and safety of the employees. The studies of the Ministry of Labor and Social Security are still ongoing, to prepare practice guidance to identify how occupational health and safety risk assessments will be conducted by employers</p>	For information only
<b>Turkey</b> <b>The Regulation on Occupational Health and Safety Services</b>	29/12/2012	<p>New information regarding employers' obligations on providing health and safety services in their workplaces has been established. The Regulation on Occupational Health and Safety Services (the "Regulation"), which came into force on December 29, 2012 sets out the details.</p> <p>The Regulation was prepared per Articles 6, 8 and 30 of the Code on Occupational Health and Safety, pursuant to which every employer must hire an occupational safety expert, workplace doctor and other healthcare personnel within the workplace or outsource these via healthcare institutions in order to provide health and safety services regardless of the number of employees working therein. Pursuant to Article 7 of the Regulation, employers must record all occupational health and safety activities within the workplace and keep these records notarized.</p> <p>The Regulation also provides for the technical requirements which must be complied with by the employer while conducting such services, e.g. the employer must provide an appropriate place which can be used by the occupational health practitioners to render a better service to employees. Furthermore the Regulation determines the qualifications of the healthcare institutions which are entitled to provide occupational health services to the employers.</p>	For information only
<b>Turkey</b> <b>Severance Compensation Cap</b>	01/01/2013	For the period 1 January 2013 – 30 June 2013, the statutory severance compensation cap was increased to TRY 3,129.01 (approx. Euro 1,333.16).	For information only
<b>Turkey</b> <b>Minimum Wage</b>	01/01/2013	Standard minimum wage has increased to TRY 978,75/month (approx. Euro 417).	For information only
<b>Ukraine</b>	01/01/2013	On 1 January 2013, the new version of the Law	Review contracts

<p><b>New Version of Law on Employment</b></p>		<p>On Employment, dated 5 July 2012, overhauled the social and employment policies in Ukraine. The most important changes are the following:</p> <ul style="list-style-type: none"> <li>(i) A new 5% mandatory employment quota has been introduced for employment of a new protected class of employees that, inter alia, includes: youth for their first place of work (new graduates, those discharged from conscription military service), disabled persons, individuals released from prisons and seniors;</li> <li>(ii) The regulation of outstaffing / secondment/temporary staff agencies services has been introduced; previously such services have not been either regulated or recognized as a lawful activity in the legislation of Ukraine;</li> <li>(iii) The introduction of specific a prohibition against mentioning gender or age requirements in job adverts; and</li> <li>(iv) The provision of more extensive regulation of recruitment in Ukraine.</li> </ul>	<p>/ policies</p>
<p><b>United Kingdom Parental Leave Increased</b></p>	<p>08/03/2013</p>	<p>The amount of (unpaid) parental leave that employees can take will increase from 13 to 18 weeks.</p>	<p>Review and if necessary revise family or parental leave policies</p>
<p><b>United Kingdom Discrimination questionnaires and third party harassment to be repealed</b></p>	<p>March 2013 It is not clear that the Enterprise and Regulatory Reform Bill (which contains the relevant provisions) will pass through Parliament in time to meet the previously announced deadline.</p>	<p>The abolition of the statutory questionnaire procedure and the repeal of the third party harassment provisions in the Equality Act 2010 is due to take effect during March 2013.</p>	<p>For information only</p>
<p><b>United Kingdom Amendment to whistleblowing laws</b></p>	<p>01/04/2013 It is not clear that the Enterprise and Regulatory Reform Bill (which contains the relevant provisions) will pass through Parliament in time to meet the previously announced deadline.</p>	<p>Changes to the laws protecting whistleblowers from dismissal / other detriments are planned for April 2013. A new requirement that the relevant disclosures are "in the public interest" will be introduced, but it will no longer be necessary for whistleblowers to show they acted in "good" faith. Employers may be vicariously liable for victimisation of whistleblowers by colleagues.</p>	<p>For information only</p>
<p><b>United Kingdom Employee shareholder status created</b></p>	<p>01/04/2013 The legislation has nearly been finalised, but it is not yet clear whether the previously announced April 2013 implementation date will be met.</p>	<p>A new category of "employee shareholders" will be created, under which employees can sacrifice the right to claim unfair dismissal or receive a statutory redundancy payment (and certain other statutory rights) in exchange for at least £2,000 of shares in their employer.</p>	<p>Consider the pros and cons of offering employee shareholder status</p>



<b>United Kingdom</b> Collective redundancy consultation period reduces to 45 days	06/04/2013	The minimum consultation period for collective redundancies of 100 or more employees will be reduced from 90 days to 45 days, allowing dismissals to be made sooner than currently possible. The expiry of fixed-term contracts "which have reached their agreed termination point" will also be excluded from collective redundancy consultation requirements.	Consider impact on any planned large-scale redundancies
<b>United Kingdom</b> Employment Tribunal Fees	Summer 2013	Fees will be introduced for the first time for bringing Employment Tribunal claims. Claimants will have to pay an issue fee of either GBP 160 or 250 depending on the complexity of the claim, and a hearing fee of either GBP 230 or 1,200	Watch for developments
<b>United Kingdom</b> Transfer of Undertakings legislation (TUPE) to be reformed	01/10/2013	The government has proposed a series of changes to the Transfer of Undertakings (Protection of Employment) Regulations 2006, the UK's implementation of the Acquired Rights Directive. These include repealing the "service provision change" provisions (with the effect that some outsourcings and related transactions will no longer be covered), removing the obligation on transferors to provide certain information about the employees, and making it easier to introduce changes to employees' terms and conditions following a transfer. No draft legislation has yet been published.	Watch for developments
<b>United Kingdom</b> Right to request flexible working extended	Expected in 2014	The right to request flexible working will be extended to cover all employees with 26 weeks' service, rather than only those employees qualifying as parents or carers.	Review policies as necessary prior to implementation
<b>United Kingdom</b> Parents to be able to share "maternity" leave	Expected in 2015	A new system of parental leave will be introduced under which parents are entitled to 52 weeks' leave and 38 weeks' statutory pay. Subject to a 2 week recovery period for mothers who have given birth, parents will be entitled to share the leave between themselves, taking time off concurrently or separately in single period or in non-continuous blocks.	Review policies as necessary prior to implementation

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