

European
Employment
Insights

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Since September is the month when school-age children start their classes, it is good to highlight the right of workers to take leave to accompany their first-grader.

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June Issue

July Issue

August Issue

Context

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Navigating employment contracts after labor reform in *Spain*



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In a conversation with Magdalena Patryas (Andersen in Poland), German Martinez of Madrid Office (Andersen in Spain) discusses the ongoing confusion among Spanish employers regarding the 2021 labor reform.

Question: There have been several challenges for businesses in Spain in determining when to use temporary contracts versus permanent seasonal ones, particularly for predictable seasonal activities in industries heavily affected by the changes, such as tourism and hospitality. What has been the most difficult aspect for employers?

Germán Martínez: I would say that more than two years after the implementation of the labor reform, many doubts remain about how to interpret the new rules on employment contracts, given the lack of regulatory development and limited case law. As a result of this reform, temporary contracts are now mainly limited to those for specific (temporary) production reasons or to substitute an employee whose contract is temporarily suspended.

The previously common contract for specific work or service has disappeared, with the intention to replace it with the permanent seasonal contract.

The current regulations contain many undefined legal concepts and ambiguities, which have led to significant doubts about how to interpret and justify which type of contract should be used in certain situations or periods when increasing the permanent workforce is necessary.

Q&A

Q: How should companies differentiate between using a temporary contract for "circumstances of production" and a permanent seasonal contract for predictable seasonal activities?

GM: The labor reform also modified the rules regarding permanent seasonal contracts, so that these contracts should be used for work that is seasonal in nature or linked to seasonal production activities, as well as for intermittent work that occurs during specific periods.

In contrast, temporary employment contracts due to production reasons would be justified in two distinct cases: (i) occasional and unforeseeable increases in business activity, and (ii) fluctuations that are part of ordinary business operations but cause a temporary mismatch between the available permanent workforce and the workforce required, including situations arising from employees taking annual leave.

Q: Can predictable peaks, like those in tourism, justify the use of temporary contracts under the reform?

GM: In some cases, that could be possible. However, several legal experts argue that temporary employment contracts based on production reasons would not be justified in cyclical or intermittent situations. Such scenarios would typically require the use of permanent seasonal contracts instead.

Q: What criteria can employers use to determine whether an increase in production is "unforeseeable"?

GM: Basically, employers should be able to prove the existence of circumstances that are beyond the scope of their normal business activity and typical fluctuations. These situations are usually caused by external factors that are outside the employer's control.

Q: How is the Spanish labor inspection interpreting the reform in practice? Are there trends in their enforcement?

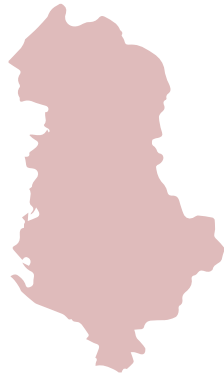
GM: The labor reform promotes permanent seasonal employment contracts as a form of permanent contract, which should always prevail over temporary contracts. Thus, the labor inspection is carefully reviewing the use of temporary contracts, requiring employers to provide strong justification for them.

Q: What legal guidance is available for companies to help them avoid litigation risks when making contractual decisions?

GM: First of all, employers should seek legal advice on the regulation governing the different types of employment contracts before making any decision. It is also necessary to conduct a thorough analysis of the specific circumstances that justify hiring, and to make sure that the contracts clearly detail the reasons supporting their temporary nature.

Germán Martínez is a Partner in the Employment practice at the Madrid office. With over 20 years of experience, he specializes in labor law, including employee recruitment, executive compensation, collective bargaining, dismissals, and regulatory compliance. Germán is also a speaker, author, and lecturer at universities such as Universidad Carlos III and ICADE.

Albania



Supreme Court rendered a unifying decision stating that advance salary payments do not satisfy the notice period requirement for terminating an indefinite employment contract.



COURT Supreme Court ruling on notice period compliance

On July 26, 2023, the Civil College of the Supreme Court reviewed case, involving a former employee and OSHEE Company sh.a. (formerly CEZ Shpërndarje sh.a.). The case concerned a claim for compensation for unjustified immediate termination of the employment contract and alleged failure to observe the period of notice.

The core issue was whether the employer could be considered to have complied with the notice period required by Articles 141 and 143 of the Labor Code by providing advance payment of the salary for the notice period, without actually maintaining the employment relationship during that time.

The Court concluded that such advance payment does not fulfill the notice period requirement. The legal obligation to continue the employment relationship until the end of the notice period remains, even if the employee is not required to work during this time.

This decision, which clarifies the interpretation of notice period obligations, was published in the Official Gazette on July 31, 2024. It is binding on all courts handling similar employment disputes, setting a precedent for future cases.

Read More



LAW Amendments to the Labor Code on vacation entitlement and flexibility

The recent amendments to the Labor Code, effective August 24, 2024, introduce notable changes to the provisions governing employee vacation entitlements.

The statutory minimum annual vacation entitlement has been increased from four calendar weeks to 22 working days. For employees on a five-day workweek schedule, this adjustment translates to an increase from 20 to 22 working days of vacation per year.

The amendments have removed the previous requirement that vacation must be taken in full weeks. Employees are now permitted to take their vacation in smaller segments, including individual days. This change enhances the flexibility with which employees can utilize their vacation time, allowing for a more tailored approach to leave management.

These amendments require employers to revise their internal policies and employment contracts to ensure alignment with the updated statutory requirements. Employers should also consider the potential impact of these changes on workforce planning and operational efficiency.

Recent amendments to the Labor Code entitle employees to a minimum of 22 working days of vacation annually.

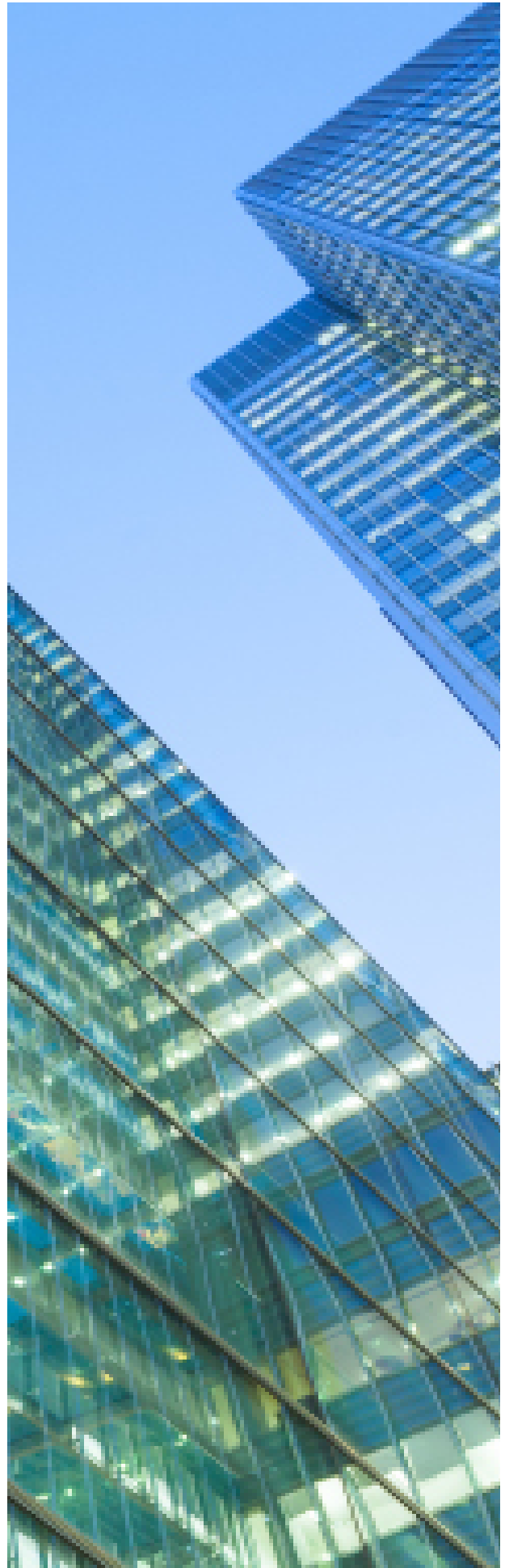


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Austria



COURT

Rejection of a reemployment commitment - effect in the event of a transfer of business

In a case recently decided by the Supreme Court, an employee working as a greenkeeper was dismissed over the winter months but promised to be reinstated in spring. The employee then declared that he did not wish to resume his employment and claimed payment of severance pay.

The Supreme Court ruled that the rejection of the promise of reinstatement led to the effective termination of the old employment relationship. According to the Supreme Court, a company takeover a few days later therefore does not lead to a transfer of the employment relationship to the company and a liability for the severance pay from the previous employment relationship. If the business was taken over on the basis of a mere lease agreement, there is also no liability pursuant to § 1409 of the Austrian Civil Code.

**Sentence of the Supreme Court,
April 25, 2024,
no. OGH 8ObA87/23m**

[Read More](#)



LAW

New regulations for teleworking

The Teleworking Act recognizes the growing need to expand home office arrangements to include teleworking from any location. Starting January 1, 2025, this law extends the application of labor regulations for home office work to cover teleworking outside the home as well.

In addition to changes in social security and tax regulations, the new rules also clarify the employer's responsibility in a teleworking setup. Employers will be required to provide the necessary digital work equipment or offer a fixed reimbursement to cover related costs when employees work remotely.

[Read More](#)



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Belgium



The bill extends consultation requirements, expanding liability, and increasing penalties for non-compliance.



LAW

Bill to amend regulations on collective dismissal

On August 26, 2024, a bill was introduced to amend legislation on collective dismissals and transfers of undertakings, with the goal of enhancing employee protection.

The proposed changes include extending the reference period for defining a "collective layoff" from 60 to 120 days and requiring a social plan with measures to boost employability before dismissals occur. Additionally, the bill proposes involving subcontractors and co-contractors in the consultation process if collective dismissals are planned, including a mandatory impact analysis for those heavily dependent on the employer.

The bill also seeks to expand liability for both the transferor and transferee regarding employee debts after a transfer, while limiting the transferor's liability over time. It strengthens consultation obligations on the impact of transfers on wages and working conditions and prohibits employers from replacing striking employees with students.

Penalties in the Social Penal Code for non-compliance with information and consultation procedures related to Collective Bargaining Agreement No. 32bis would be increased. Finally, the bill introduces new penalties for failing to consult relevant employee bodies before transfers, with fines multiplied by the number of affected employees and harsher sanctions for intentional violations.



LAW

Belgium creates a progressive framework that recognizes and protects sex workers

Starting December 1, 2024, sex workers in Belgium will be able to gain the status of salaried employees under the Law of May 3, 2024. This law introduces significant changes, allowing sex workers to enter into employment contracts while ensuring both workers and employers meet strict conditions.

Sex workers must be adults and sign a written, non-coerced employment contract before beginning work. They are prohibited from performing sex work as part of a student job, flexi job, or casual work.

Workers have the right to refuse clients, stop activities at any time, and are protected from retaliation while retaining their wages. They can resign without notice or compensation and are safeguarded against penalties related to unemployment if dismissed.

Employers, who must be legal entities, are required to obtain a recognition number from the Ministry of Justice and Labor, ensuring they meet conditions that provide safe working conditions. Non-compliance can result in suspension or withdrawal of recognition and compensation obligations to workers. A trustee must be present at all times, and for establishments with more than 20 employees, a designated safety officer is required during work hours.



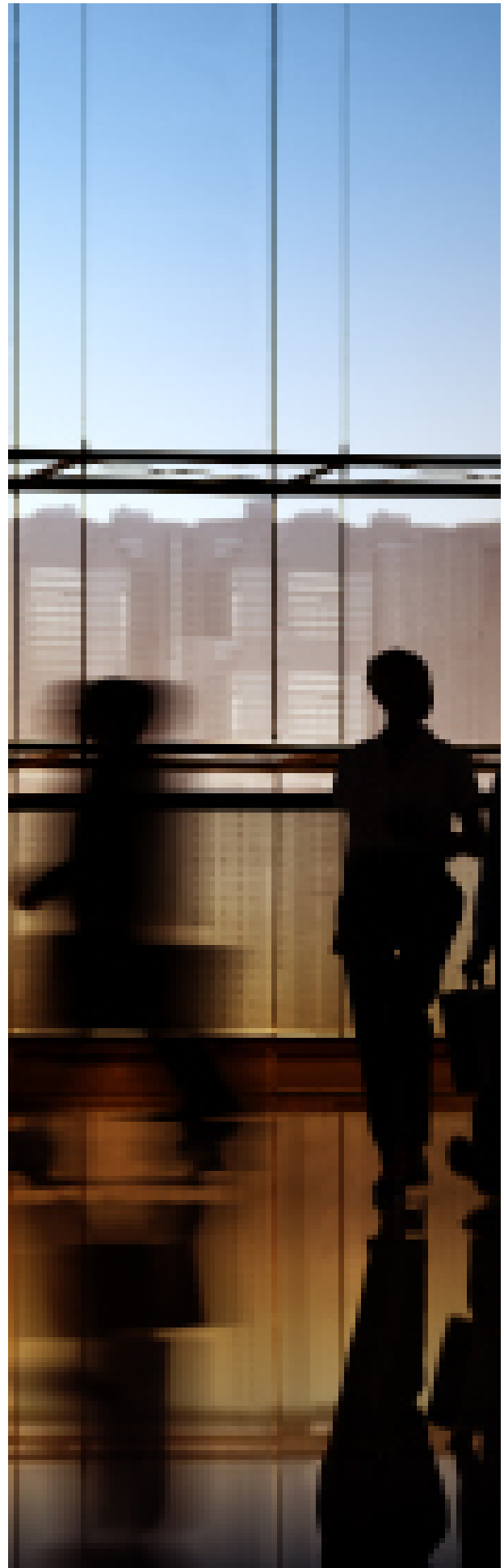
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Bosnia and Herzegovina



COURT Legal nature of the deadline for filing of a lawsuit

The Supreme Court of the Republic of Srpska ruled that the deadline for filing a lawsuit related to employment disputes is strict and final (a preclusive period), meaning that once the deadline passes, the right to take legal action is lost entirely. This is different from a statute of limitations, which allows for the possibility of extending the time to file in some cases.

The Court also clarified that the involvement of the Agency for Peaceful Settlement of Labor Disputes, or when that process ends, does not affect the deadline for filing a lawsuit related to employment rights.

In this specific case, the employees' contracts were terminated on June 7 and 8, 2017 due to a reduction in business. They filed their lawsuits on December 21, 2017—more than six months after their rights were allegedly violated. Because they missed the six-month deadline, they lost the right to pursue their claims in court.



COURT Cancellation of work position

The Supreme Court of the Republic of Srpska confirmed that the employer does not have to prove a reduction in the scope of work performed by the employee, because the cancellation of the work position, by its very nature, automatically eliminates the need for work of the employee whose position was cancelled.

In this specific case, the employer, responding to technological development in the field of geological research, determined that a new approach was necessary, using specialized software for geological interpretation. The employee's previous work could no longer keep up with technological developments or meet competitive market demands.

In conclusion, the employer decided to outsource geological research to a licensed entity, recognizing that this would bring both technological and economic benefits. Consequently, the employee's position was canceled, and the employment relationship was terminated.



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Croatia



COLLECTIVE AGREEMENTS

Collective Agreement for employees in cultural institutions of the City of Zagreb

The Mayor of the City of Zagreb, Tomislav Tomašević, signed on August 28, 2024, III. Annex to the Collective Agreement for employees in the cultural institutions of the City of Zagreb, which will increase the coefficients of workplaces, with the largest increase for those with the lowest salaries. The change will be applied from November 1, 2024.

The aforementioned Collective Agreement applies to all cultural institutions in the area of the City of Zagreb, which are founded by the City of Zagreb.

This is the first increase in coefficients for cultural institutions in almost 10 years, and with this Annex, allocations for salaries in the budget of the City of Zagreb will increase by an average of 11 percent.

The annex to the Collective Agreement is part of the city administration's efforts to organize and modernize the systems of jobs in the cultural sector, stimulate quality employees so that the City of Zagreb remains a desirable employer, and provide a basis for more transparent and efficient management of cultural institutions as a key part of the city's cultural strategy.



LAW

Implementation of the EU Directive on gender balance on corporate boards

The EU Directive 2022/2381 on improving the gender balance among directors of listed companies and related measures, which must be transposed into Croatian legislation by the end of 2024, is primarily important for large employers that are listed on the stock exchange, but based on ESG regulations, it will spill over to supply chains, i.e. smaller companies.

By the end of the year, we will see which alternative the Croatian legislator will choose, whether the women to be represented at least 40% in the positions of non-executive directors (i.e. supervisory boards) or that 33% of all directorships (executive and non-executive) be filled by the female representation. The scope of the Directive can also be regulated differently, for example it will be left to see if the legislator will extend Directive's application to the listed small and medium-sized enterprises (SMEs). The current percentage that Croatia needs to compensate is around 7%.



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Cyprus

Ministerial advisors by personal appointment are now subject to eligibility criteria and conflict checks.



LAW

Framework for the employment of ministerial advisors by personal appointment

Law 20(I)/2024 recently introduced the framework for the fixed term employment of ministerial advisors by personal appointment. Unlike special government advisors, who can be appointed ad hoc by the prime minister at any time, ministerial advisors are appointed directly by, and exclusively serve under, the government minister who appoints them. The right to appoint a ministerial advisor is statutorily reserved for the prime minister, all ministers and deputy ministers, as well as the government's spokesman.

The gross annual salary of a ministerial advisor is covered entirely by each ministry's reserve established for such purpose in the government budget and cannot be less than EUR 25.000 per advisor. For the purposes of employment status and benefits, ministerial advisors are not treated as public sector employees.

They are employed solely for the duration of the government's (or minister's) term of office and their contract of employment is terminable on one month's notice.

For transparency purposes, the full name, qualifications and monthly salary of each ministerial advisor are published, and remain accessible to the public at large, for a period not exceeding two years from the date of termination of the ministerial advisor's tenancy.



LAW

Eligibility criteria and conflict checks for ministerial advisors by personal appointment

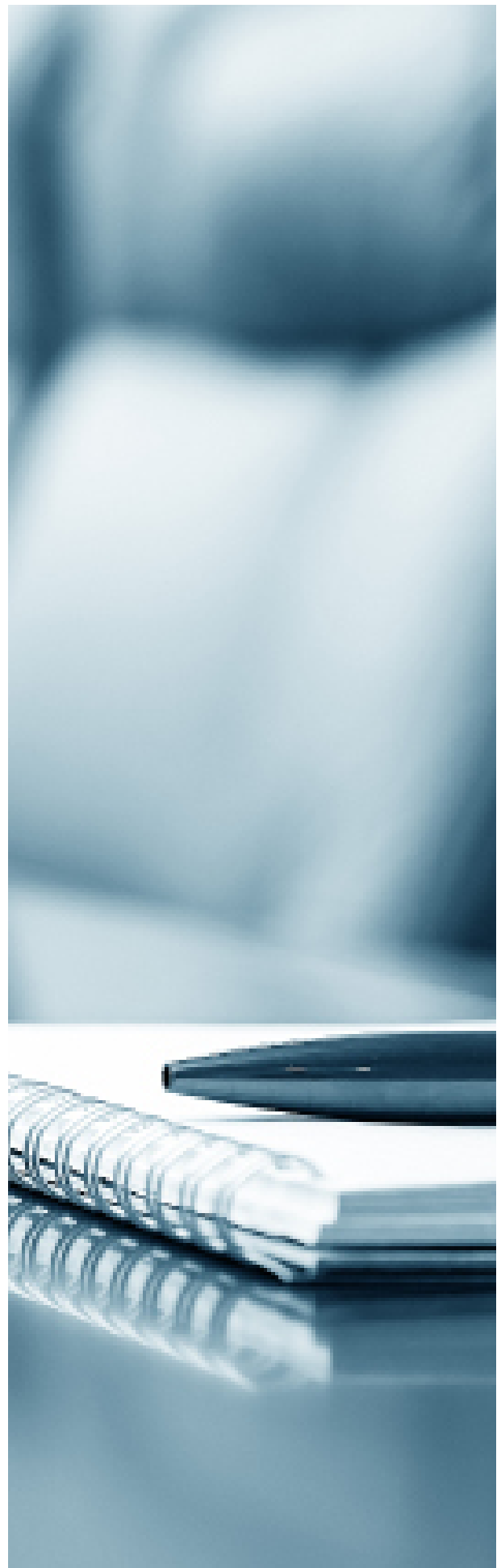
Any person is eligible for employment as a ministerial advisor by personal appointment provided that such person: (i) is a Cypriot or EU citizen residing in Cyprus; (ii) is at least 21 years of age; (iii) holds a degree in any discipline by an accredited university; (iv) has a clean criminal record; (v) has fulfilled any service to the national guard, where applicable; (vi) has not been terminated for disciplinary or other reasons by the public service; (vii) knows Greek and English.

In addition to the eligibility criteria, the following conflicts checks must also be cleared by the prospective ministerial advisor, namely: (i) absence of any other, or parallel, employment; (ii) not related by blood or by marriage (up to the third degree) with the appointing government minister; (iii) not related by blood (up to the first degree) with the prime minister, ministers and deputy ministers or the government's spokesman.

The appointing minister remains responsible to ensure that the statutory eligibility criteria and conflicts checks of the ministerial advisor so appointed remain evidently satisfied at all times.



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Czech Republic

The use of secret recordings when they are the only way to prove misconduct in the workplace is possible when the public interest outweighs the individual's right to privacy.



COURT

Proving workplace misconduct: use of secret recordings

Proving a supervisor's abusive behavior during meetings can be difficult, as formal meeting minutes often fail to capture inappropriate conduct or the workplace atmosphere. In a recent case, a public employee used covert recordings to document her superior's vulgar language, such as "You're an idi*t" or "What the f*ck are you babbling about?". These recordings were crucial in proving misconduct.

The recordings led to the superior's removal. He subsequently challenged admissibility of recordings in court, claiming an invasion of privacy to unnecessary extent as they were taken over a year period and arguing they were unnecessary given the existence of official meeting minutes.

However, the Supreme Administrative Court ruled that the recordings were permissible, emphasizing that in this case the public interest in exposing misconduct outweighed privacy concerns. This ruling – while established in public sector – increases chances of all employees in a bossing cases when other evidence fails.



LAW

Changes in collective bargaining

From 1 August 2024, an amendment to the Labor Code introduced changes to collective bargaining by labor unions. Previously, employers with multiple labor unions had to negotiate with each union to ensure that the collective agreement reflected the interests of all employees.

Under the new rules, unions have 30 days to reach agreement between themselves on the terms of a collective agreement. If they fail to do so, the employer can conclude an agreement with the union representing the largest number of employees. The other unions can only discuss the final version with the employer.

Employees also have 30 days to object to the prepared agreement conclusion. If a majority of all employees objects in writing, they can choose another union to negotiate the agreement.



COURT

Travel expenses reimbursement: change of regular workplace

In one of the recent cases, the Supreme Court dealt with the issue of reimbursement of travel expenses in case of change of place of work.

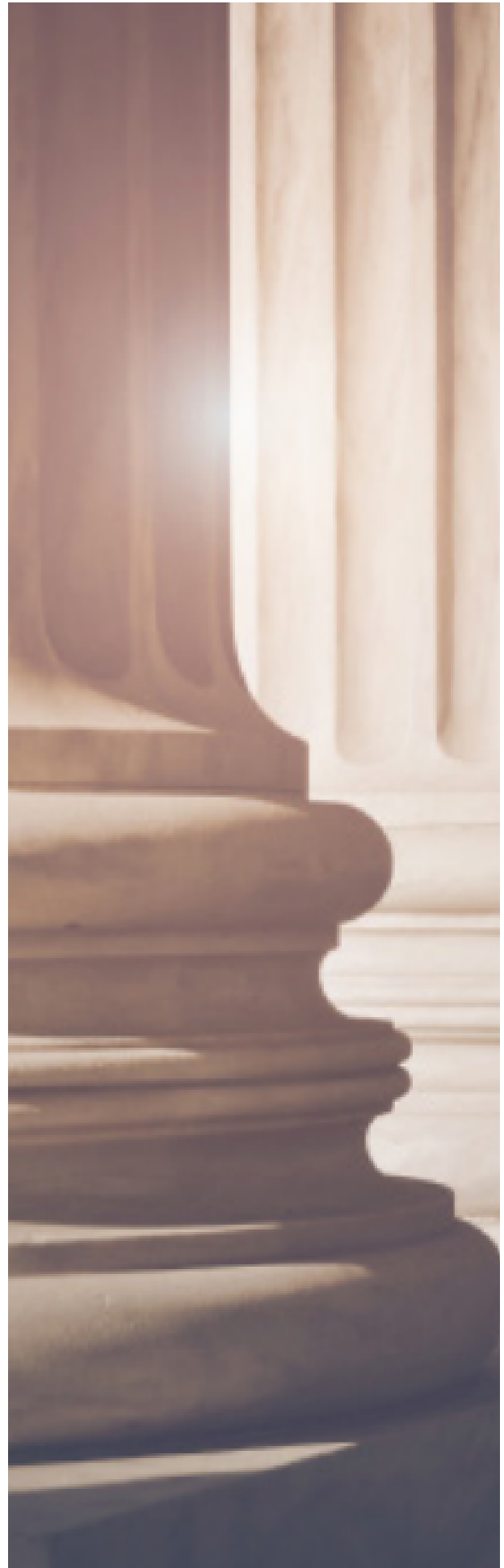
The employee was a driver whose employment contract provided for a broadly defined place of work (the territory of the region), but who regularly started his journeys in a certain city. That was an established practice of the parties, not reflected in any employment document. Subsequently, the employer changed the starting point of the employee's trips to a town approximately 15 km away.

The Court held that if the employment contract does not specify a regular place of work, the established practice of the parties determines it. Therefore, changing the regular place of work requires the consent of both parties and mutual agreement. If there is no agreement and the employer orders the work to be performed in another place, the employer must pay the travel expenses.



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France



LAW

Sick leave and medical check-up

A decree issued on July 5, 2024 specifies the conditions under which an employer may request a medical examination to verify whether an employee's sick leave is justified. The decree specifies that the employee must inform his employer of his place of rest at the start of his sick leave, and the times at which the visit can take place.

The medical examination is carried out by a doctor appointed and paid for by the employer. The examining doctor may choose to carry out the examination at the employee's home or at his or her office. The doctor will decide whether the employee's leave is justified, and for how long.

The result of the medical examination is communicated to the employer, who must inform the French social security system if the doctor concludes that there is no medical justification for the absence. If the employee's absence is no longer justified, he or she may be required to return to work.

In the event of sick leave following an accident, it is a considerable advantage to have a commuting accident recognized.



COURT

Remote working and commuting accidents

A remote-working employee interrupted her work at 1:00 p.m. to go to the market by bicycle to buy fruit and vegetables. On the way to the market, she suffered a fall and claimed coverage for commuting accidents. Under French employment law, daily social security benefits for commuting accidents are calculated by the Assurance-Maladie in the same way as for accidents at work. Daily benefits are therefore increased. In the event of sick leave following an accident, it is therefore a considerable advantage to have a commuting accident recognized.

However, the protected commute is the one between the workplace and the place where the employee usually eats, or the one between the employee's home and the workplace. In the view of the Versailles Tribunal, a journey simply to buy food, which is only eaten when the employee returns home, does not constitute a commuting accident.



COURT

Unfair competition and employer compensation

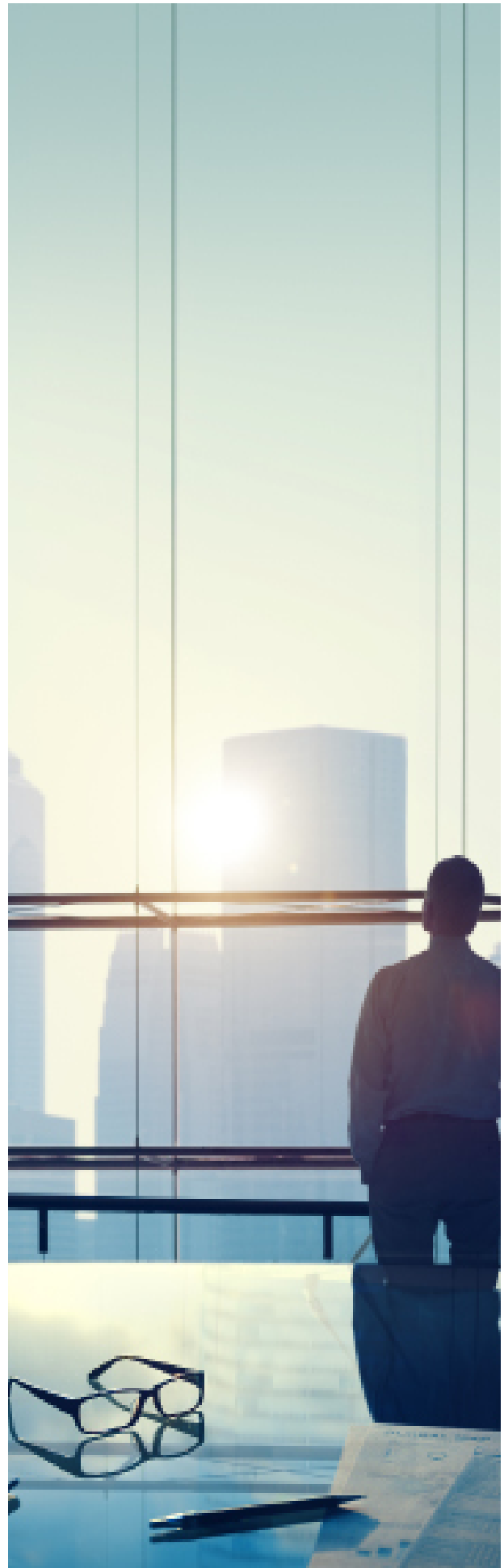
Under French labor law, only gross negligence (“faute lourde” in French) on the part of an employee can entitle the employer to compensation from the employee for the damage suffered as a result of his or her actions. Gross misconduct requires proof of the employee's intention to harm his employer.

For the French Supreme Court, in a decision handed down on June 26, 2024, gross misconduct on the part of a current employee was characterized by the fact that the employee had worked for a rival company in breach of his exclusivity clause, had poached employees for the benefit of the rival company, had denigrated his employer, had misused company resources and had misappropriated job applications. For the judges, this was sufficient to demonstrate the employee's deliberate intent to damage the employer's interests and justify his dismissal for gross misconduct.



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Germany



COURT

Formal requirements for notice letters

Wet-ink notice letters are a crucial requirement for terminating employment contracts in Germany. According to the German Civil Code (Bürgerliches Gesetzbuch, BGB), any notice of termination must be provided in writing and bear the original handwritten signature of the employer (if the company wishes to terminate) or employee (for their resignation).

This wet-ink signature is essential for the notice to be legally valid; electronic or scanned signatures are not sufficient. The notice letter must clearly state the intention to terminate the employment and should specify the effective date of termination. It is also important to ensure that the letter is delivered to the recipient, as proof of receipt may be required in legal disputes. Failure to comply with the wet-ink form makes the termination invalid, as well as failure to prove the delivery of the letter if challenged.

The Regional Labor Court Hessen has recently confirmed that it is not sufficient to attach a signed pdf notice letter to an e-mail; only the wet-ink original will suffice.

Given the strict nature of these regulations, employers and employees in Germany must take care when preparing and delivering notice letters to ensure they meet all formal legal requirements.

Judgment of the Regional Labor Court Hessen, October 10, 2023, 6 SaGa 882/23



COURT

Delivery of a notice letter

The safest way to deliver a notice letter to an employee is through personal handover. This method ensures immediate receipt and allows the employer to obtain a signed acknowledgment from the employee, confirming they have received the letter. If personal delivery is not feasible (e.g. because the employee is sick or because the employee should not come to the office), the next best option is to mandate a person (e.g. from HR department) to deliver the letter to the employee's private address and document the delivery into the private letterbox (without acknowledgement of receipt). Alternatively, notice can be delivered via a courier service that provides similar proof of delivery.

Incorrect delivery can invalidate the notice and lead to legal complications. By the way, it is allowed to terminate an employment relationship even during the employee's sickness.

By judgment of June 20, 2024, the Federal Labor Court decided that a delivery of the letter into the private letterbox by registered letter is deemed to be delivered to the employee at the “usual” times on the place of delivery – assuming that an employee looks into the letterbox at home on a daily basis, which is taken as a principle.

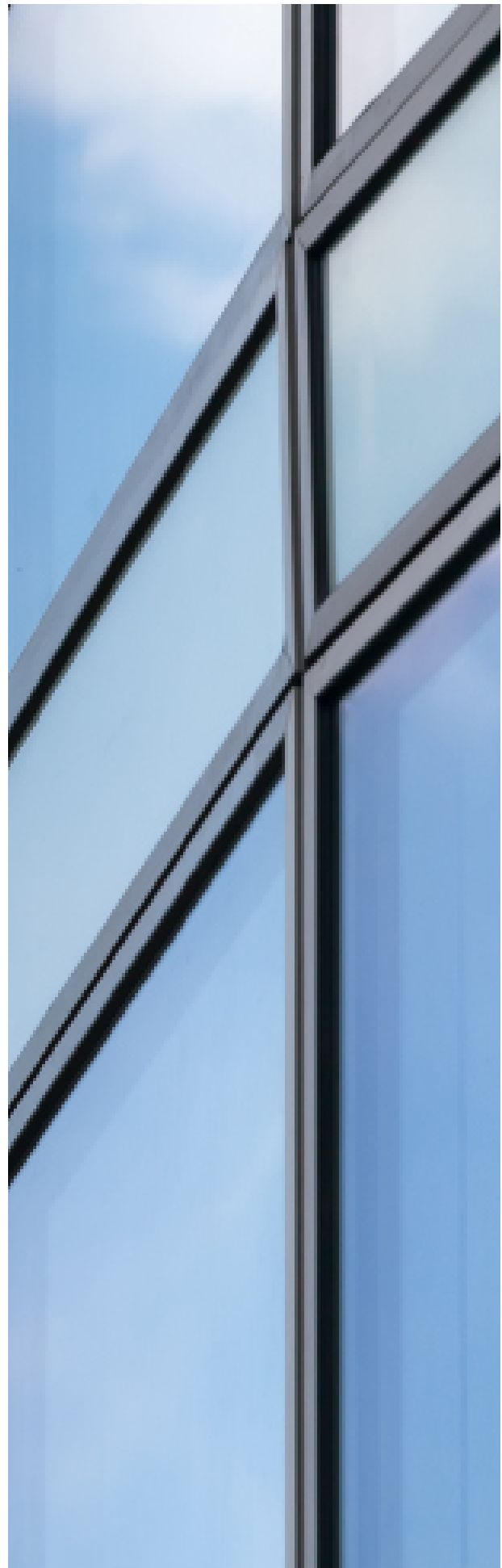
Judgment of the Federal Labor Court, June 20, 2024, 2 AZR 213/23



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Hungary

As of September 1, 2024, the general requirement for mandatory medical examinations to assess fitness for work is abolished, but specific jobs such as work at heights and night shifts may still require them.



LAW

Draft regulation on the mandatory medical examination to assess fitness for work

As of 1 September 2024, the general requirement for a mandatory medical examination to determine fitness for work under the Act on Occupational Safety is abolished. However, regulation may define the types of work (occupations) for which a medical examination to determine fitness for work will continue to be required, and the employer may also order a medical examination.

The draft regulation is now out and lists the exposures for which the assessment of the fitness for work of employees in the occupations covered by the Act on Occupational Safety is foreseen to be mandatory.

The draft regulation, which was submitted for public consultation, was open for comments until 29 August.

Occupational medical examinations would continue to be mandatory for the following jobs, for example: work at heights of more than two meters, night shifts, etc.

The draft regulation is available on the Government's website. Click "READ MORE" to access it.

Read More



GUIDELINES

Guidance issued on the regulation of the provision of personal protective equipment and work clothing

This summer, the Ministry of National Economy issued a guide for employers on the internal regulation of the provision of personal protective equipment and work clothing.

According to the Labor Code, the employer is obliged to employ the worker in accordance with the employment contract and applicable labor regulations. Unless otherwise agreed by the parties, the employer must also ensure that the employee has the necessary working conditions. This may include the provision of work clothing. The employer is legally obliged to set out in writing (e.g. in internal regulations), outlining the benefits scheme for providing personal protective equipment. The benefit scheme must comply with the relevant legislation.

Among other useful information, the guide sets out the main rules on work clothing, the main types of work clothing, the definition of personal protective equipment, the differences between protective clothing and work clothing and summarizes the requirements for selecting and providing personal protective equipment. The guide is available on the website of the Ministry for National Economy (see "READ MORE").

Read More

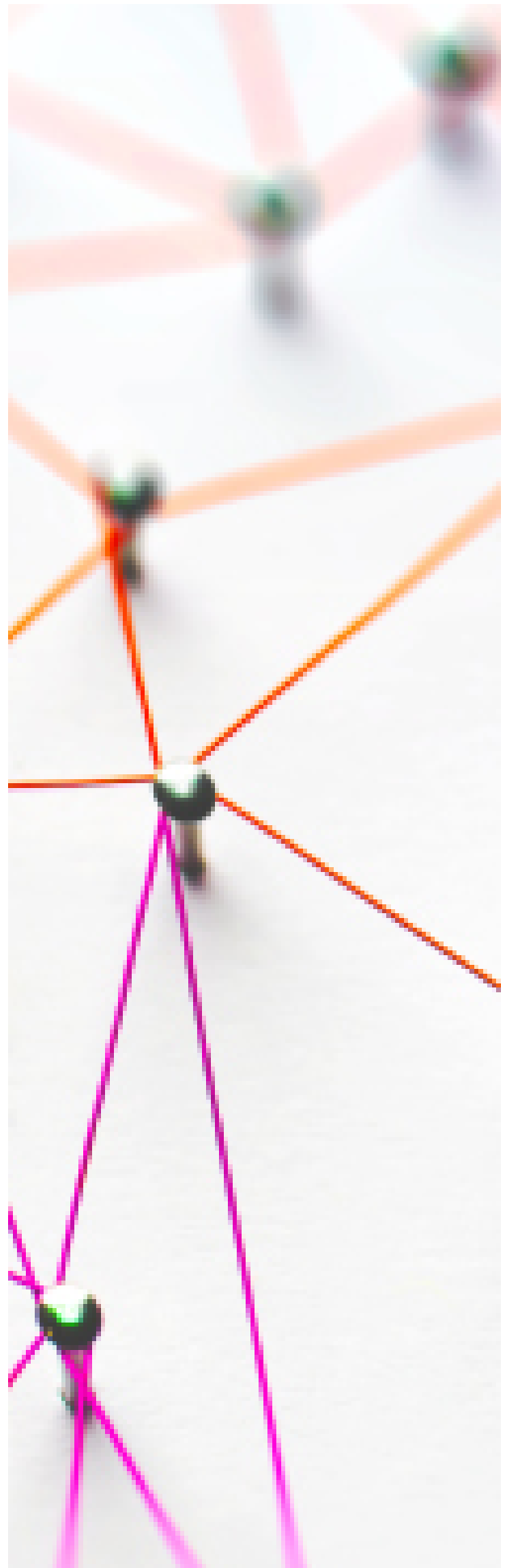


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Italy



COURT

Justified dismissal of employee for engaging in activities that contradict medical leave requirements

With decision of July 30, 2024, the Supreme Court upheld the dismissal for cause of an employee who had engaged in activities incompatible with his illness. With a prognosis of more than seven months, the employee had engaged in activities such as lifting and carrying weights as well as equestrian sports activities deemed inconsistent with the employee's duty to pursue recovery. The matter had become trickier for the company because it had later emerged that the only solution to the health problems was a surgical operation. In fact, the employee complained of a violation of the immutability of the disciplinary facts alleged against him, which he contended to be only focused on allegedly jeopardizing his recovery, eventually contradicted by the unrelated need of a surgery. The Court rejected this subtle claim, noting that the interpretation of a disciplinary letter is an activity reserved to the judge.

Finally, the Court reminded that the performance of other work activity by an employee, during an illness, constitutes a breach of the contractual obligations of diligence and loyalty as well as of the general duties of fairness and good faith, (i) both in the case where such external



activity is, in itself, sufficient to presume the non-existence of the illness, (ii) and in the case where the activity, assessed with "ex ante" judgment, may prejudice or delay the recovery or return to service.

Decision of Supreme Court, No. 21351



COURT

Supreme Court controls on the employees' illness absence are legitimate

In August the Supreme Court confirmed two principles: employers are allowed to hire investigative agencies to monitor employees outside company premises, as long as these checks do not pertain to work performance. Additionally, while employers are prohibited from conducting health investigations into illnesses and accidents (except through social security physicians), they are still permitted to conduct non-health-related investigations aimed at proving either the non-existence of the illness or the fact that the illness did not cause an inability to work such as to justify the absence.

In the case decided, a pharmaceutical company had dismissed an employee for cause, having caught him performing, during an illness leave, other activities, that either ruled out the illness or demonstrated health conditions compatible with work performance.

Decision of Supreme Court, August 2, 2024, No. 23053

HR managers often monitor their companies' supply chains: the decisions suggest they should also prudently review the insurance policies that may need to be invoked in cases similar to the one reviewed by the Court.



COURT

Impact of the unlawful lending of workmanship on the private insurance coverage concluded by the user company in favor of its employees

The Supreme Court ruled that private insurance coverage provided by the user company for its employees also extends to employees unlawfully lent to the company, in a decision issued on July 30, 2024.

An employee, fictitiously employed by a cleaning company, was actually working for the user company. After a serious work accident, the court ordered the user to compensate the employee for damages in excess of those covered by the mandatory governmental scheme.

The insurer, requested to pay said damages, objected that the injured employee, formally hired by the cleaning company, had not been duly registered by the user with the mandatory governmental accidents insurance, as contractually required.

The Supreme Court overturned the merit decision and opined that the contractual condition had to be deemed met because, in the case of unlawful lending of workmanship the law provides: "...all payments made by the unlawful lender, whether by way of wages or social security contributions, are deemed valid for the user who actually used the work performance(...). All actions performed or received by the unlawful lender in the establishment or management of the employment relationship, for the period of lending, shall be deemed to have been done or received by the user..."

HR managers often monitor their companies' supply chains: the decision suggests they should also prudently review the insurance policies that may need to be invoked in cases similar to the one reviewed by the Court.

Decision of Supreme Court, No. 21351



GUIDELINES

The FAQ of the Data Privacy Agency on oncological oblivion rights

On August 9, 2024, the Data Privacy Agency published the FAQs on the right to oncological oblivion, provided by a 2023 law that protects individuals who have recovered from oncological conditions since more than ten years (or five years if the illness arose before the age of 21). The law prohibits employers (but also banks and insurance companies in their respective businesses and Juvenile Courts in adoption proceedings) from requesting information about past oncological illnesses in order to prevent discrimination.

The Data Privacy Agency addressed in general the issue of processing information in the case an absence from work related to an employee or an employee's relative illness, as well as in the recruiting phase and during employment, and therefore the FAQs are also of interest for other situations. The Data Privacy Agency monitors the enforcement of the law and can impose sanctions for violations. We recommend HR professionals to take the FAQs into account in their recruitment and employment management policies.



COLLECTIVE AGREEMENTS

National Collective Bargaining Agreement for ceramic and refractory materials industry employees

On July 22, the employers' associations and the unions signed the renewal of the Collective Bargaining Agreement for employees in the industry of ceramic tiles, refractory materials, sanitary ceramics, porcelain and ceramics for domestic and ornamental use, technical ceramics, and stoneware pipes (affecting more than 26 thousand employees). Said renewal shall now be submitted to employees' approval by September 20.

The renewal provides for increases distributed in four installments between September 1, 2024, and June 1, 2027 (for employees graded "D.1", the total increase will be 205 euro per month) in addition to a "one-time" amount for the period since the expiry of the last collective agreement (on June 30, 2023).

The agreement regulates or modifies various other contractual aspects, including: leaves of absence for women victims of gender-based violence; leaves for the so-called "RLSSA"s (Workers' Representatives for Safety and Environmental matters); joint reviews at company level on reporting systems and risks indicators regarding safety "near miss" events; to the grounds for fixed-term employment agreements longer than 12 months; the expansion of cases of seasonal fixed-term agreements; the addition of new sample job profiles in the classification of employees; amendments to various types of leaves.

The new collective agreement shall expire on June 30, 2027.



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Liechtenstein



GUIDELINES

Collective dismissal in a nutshell

A collective dismissal under Liechtenstein law is defined as the termination of at least 20 employment relationships within 90 days by the employer for operational reasons (which are not related to the person of the employees).

In the case of planned collective dismissals, the employer must consult with the employee representatives or, if none exist, with the employees, and notify the Liechtenstein Office of Economic Affairs in writing. Consultation must begin before a final decision is made, the Office is notified, and the dismissals are announced.

Employee representatives must be given all relevant information in a timely manner and in writing, including: the reasons for the planned collective dismissal; the number and categories of employees affected and the reasons for their selection; the number of employees normally employed; the period of the planned collective dismissals; the procedure for determining severance payments (social plan).

The Office of Economic Affairs will seek ways to mitigate the consequences of the planned mass dismissal. Planned collective dismissals shall take effect at the earliest 30 days after receipt of the notification by the

Office, subject to any contractual or statutory provisions to the contrary.

In practice, the Office of Economic Affairs is heavily involved in Liechtenstein when it comes to mass redundancies. As a matter of principle, companies closely coordinate the procedure with the Office of Economic Affairs.



COURT

Latest Liechtenstein case law on incapacity for work

An employee in Liechtenstein was compulsorily insured against the consequences of incapacity for work due to illness. The health insurance company paid sickness benefits on the basis of 100% incapacity for work from early June 2020 to the end of August 2021. In an expert opinion, a doctor stated that the employee could fully perform any physically appropriate activity in the absence of a significant mental disorder with a pathological value. Based on this report, the health insurance company informed the employee that the sickness benefits would continue to be paid until the end of August 2021 at the longest, considering a 3-month adjustment period. However, the employee wanted sick pay until the beginning of June 2022.

The key issue was whether the employee was obligated to seek alternative employment, as Liechtenstein's health insurance law does not explicitly address whether sickness benefits can be tied to finding new work.

On March 1, 2024, the Liechtenstein Superior Court ruled that social insurance law, including sickness benefits, requires efforts to minimize damages and self-integration. This means the residual work capacity must be assessed early, with certain conditions such as sufficient medical evidence, reasonableness, and income comparison taken into account.

The Liechtenstein Superior Court ruled that employees receiving sickness benefits must try to find alternative work if they have some capacity to work.

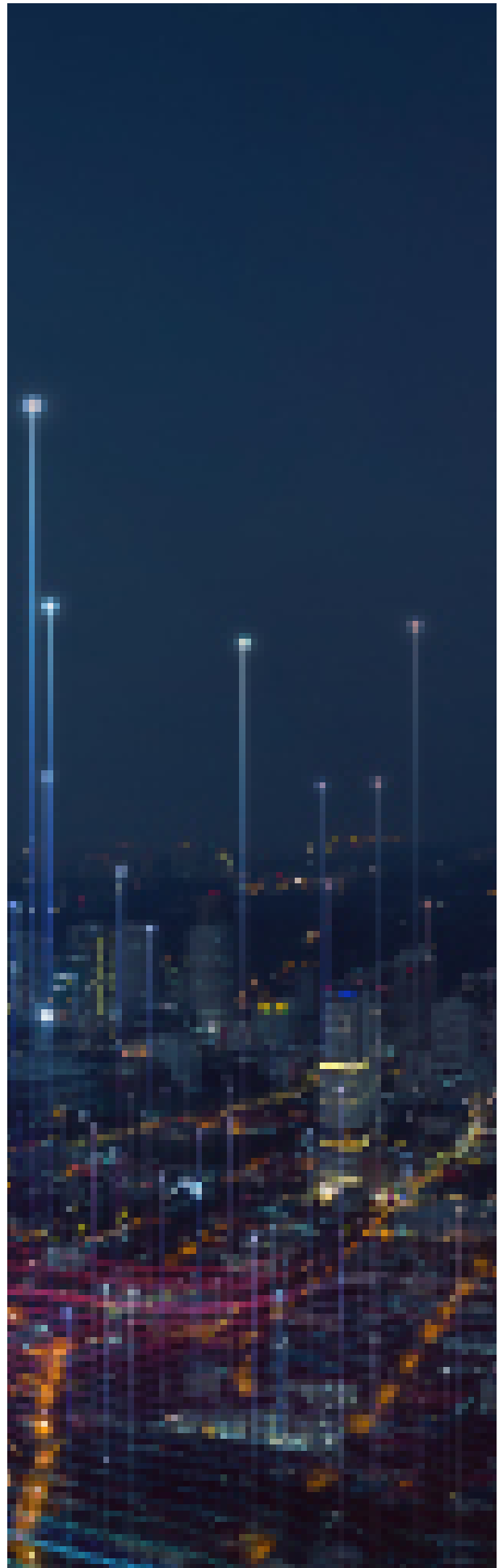


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Lithuania



LAW

Tightening of procedures for employment and residence of foreigners in Lithuania

Starting in the fall of 2024, a new legal framework for employing foreigners in Lithuania will come into effect. The new legislation will impact the conditions of employment for foreigners, as well as the expiration of certain exemptions. Some employment benefits for foreigners who are unable to return to Ukraine will expire on September 1.

As of September 1, this year, a foreigner who is not entitled to temporary protection but cannot return to Ukraine due to the war, and who has applied for a temporary residence permit based on work or humanitarian reasons, will have the right to work only from the date they obtain the residence permit, not from the date of submitting the application (except for highly qualified employees). These changes will not affect the right to work in Lithuania for Ukrainian war refugees currently residing in the country or for newly arrived Ukrainian war refugees benefiting from the temporary protection mechanism introduced by the European Union in Lithuania. To avoid adverse consequences, employers should carefully review these legislative changes and ensure compliance.

Read More

The amendments to Lithuania's Labor Code, effective June 21, 2024, require employees to provide documents confirming their entitlement to specific guarantees (e.g., disability, childbirth) for these to apply.



LAW

Amendments to the Labor Code of the Republic of Lithuania

The amendments to the Labor Code of the Republic of Lithuania, which took effect on June 21, 2024, include changes that impact the organization of work. For example, Article 25 of the Labor Code of the Republic of Lithuania has been supplemented with paragraph 7.

This new provision states that the guarantees will apply to an employee only if the employee submits to the employer a document confirming their disability, the birth of a child, or any other document confirming their entitlement to the guarantee—unless the employer already possesses the necessary data confirming the employee's entitlement.

Therefore, it is the employee's responsibility to prove their entitlement to a guarantee under the Labor Code and, in case of a dispute, demonstrate that they properly informed the employer of this right.

The Labor Code also now includes provisions stating that employees with disabilities may only be assigned to night or overtime work with their consent, provided that a medical certificate does not prohibit it.

[Read More](#)



GUIDELINES

Pay transparency

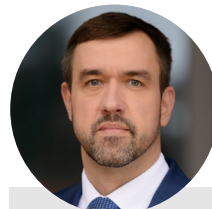
Special attention will be given to enforcing the principle of equal pay for equal work or work of equal value for both men and women. One recent initiative to address this disparity is the approval of the Pay Transparency Directive, which must be incorporated into Lithuanian law by June 7, 2026.

Under the new rules, companies will be required to share pay information and take action if their pay gap exceeds 5%. The directive includes provisions to ensure that employees who have been victims of gender-based pay discrimination have access to compensation.

Notably, the burden of proof in discriminatory pay cases, traditionally placed on the employee, will now shift to the employer, who must demonstrate compliance with equal pay and pay transparency laws. By shifting the burden of proof to employers and requiring greater transparency in pay practices, this directive will promote accountability and encourage proactive measures to achieve pay equity.

Employers are urged to take immediate action to review and adjust their compensation systems, ensuring compliance with these new standards and fostering a more equitable workplace for all.

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Malta



New law ensures that the protection of health and safety at work is promoted and safeguarded on every level, declaring it as a notion which must be considered of public interest.



LAW

New health and safety at Work Act

A new law, Act No. XXXIII of 2024, providing for the regulation of matters relating to health and safety at work, has been enacted in Malta in August 2024. Through the introduction of this new legislation, the legislator seeks to promote and safeguard the health and safety of workers at work, amongst others. It perceives health and safety from a rather holistic point of view, compelling employers to safeguard employees' physical and psychological health, as well as their social well-being.

This new law sets out a list of general principles of prevention and imposes upon every employer the duty to provide such information, instruction, training and

supervision as is required to ensure a safe working environment. Similarly, employees are responsible for taking care, as far as possible, of their own health and safety and that of other people affected by their acts or omissions at work, in accordance with the training and instructions given by their employers. This new law thus ensures that the protection of health and safety at work is promoted and safeguarded on every level, declaring it as a notion which must be considered of public interest.

Click "READ MORE" to access the legislation.

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COURT

The notion of 'Constructive Dismissal' as adopted by the Maltese Industrial Tribunal

In *Walid Antoine El Hayeck vs Le Faiseur de Reves Limited*, the Industrial Tribunal explained how the applicant found himself in a situation whereby his employer breached the contract of employment and stopped paying him. It claimed that it would be grossly unjust if the applicant had to terminate his employment without the employer making good for the loss in wages and breach of contract. In its reasoning, the Tribunal regarded the defendant's breach as constructive dismissal, claiming that the employer made it unreasonable for the employee to continue in employment, thus effectively pushing him out of the company's employment.

The Tribunal explained that the Employment and Industrial Relations Act (Chapter 452 of the Laws of Malta), does not refer to such situations, and thus, it adopted the concept of constructive dismissal found in English law. In doing so, the Tribunal ordered the defendant to pay the applicant all accrued unpaid wages as well as legal fees.

The Tribunal regarded the defendant's breach as constructive dismissal, claiming that the employer made it unreasonable for the employee to continue in employment.



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Norway



An employer may have an obligation to offer an alternative position, even if the dismissal is due to the employee's own shortcomings.



COURT

An employer's obligation to offer alternative work

On June 26, 2024, the Supreme Court of Norway issued a decision regarding an employer's obligation to offer alternative work. A healthcare worker was dismissed from their position in the home care service of a municipality in Norway after losing their authorization due to a lack of professional insight. The employee argued that the municipality had an obligation to offer them another suitable position, which, according to the employee, was not fulfilled.

The Supreme Court held that an employer may have an obligation to offer another suitable position even if the dismissal is due to the employee's own shortcomings. However, this obligation is limited and situation-dependent. The grounds for dismissal do not necessarily preclude the offer of alternative work; the employee's interest in continuing must be particularly

strong, and the employer must have another available position to offer.

The Court found that the employee's age and seniority suggested that the municipality should have offered an alternative suitable position. Nonetheless, the municipality had undertaken several measures to make the employment relationship work and had conducted reasonable searches for other suitable vacancies within the municipality. Therefore, the dismissal was deemed justified, even though no alternative work was offered.

The ruling provides guidance on the extent of an employer's obligation to offer alternative suitable work in cases where dismissal is due to the employee's own issues.

Read More



COLLECTIVE AGREEMENTS **Strike in the public sector**

On May 24, two of the four largest labor organizations in Norway went on strike because the negotiations for this year's collective bargaining agreement did not result in a resolution. The government proposed consolidating all four major labor organizations into a single unified main collective agreement.

The labor organizations that went on strike wanted to retain their current agreement model, where the entire available budget for salary increases is distributed to the individual organizations. Afterward, local negotiations are conducted to determine how the salary funds are allocated within each organization. The Norwegian government eventually intervened and halted the strike through compulsory arbitration.

On November 7, the National Wage Board in Norway will review the case to determine whether the organizations must adopt a unified agreement with the state or not.

According to those who support the strike, central distribution of all or part of the salary increases—as the state desires—results in a highly inefficient use of salary funds and fails to address the specific needs and challenges of the more than 200 different state entities. There are also concerns about losing skilled employees to the private sector, as retaining highly educated workers may become more difficult.



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Poland



LAW

Minimum wage and hourly rate for 2025

As of January 1, 2025, the minimum wage in Poland will rise to PLN 4,666 (approx. EUR 1,090), and the minimum hourly rate will be PLN 30.50 (approx. EUR 7.12), according to a government decree already published in the Official Gazette. This is higher than originally expected. The increase is due to the inflation forecast being raised to 5%. For many months, the Council of Ministers had announced that the minimum wage in 2025 would be PLN 4,626. However, following an adjustment to the inflation forecast in the budget bill, an additional increase was necessary.



LAW

Poland moves to implement EU Directive on Fair Wage

On August 26, 2024, the Government Legislative Center published a new draft of the Minimum Wage Act. The new law aims to implement into Polish law the Directive (EU) 2022/2041, dated October 19, 2022, on adequate minimum wages in the European Union.

According to the draft, the minimum wage will be updated at least once every four years, based on criteria specified in the act, such as the purchasing power of the minimum wage, taking into account the cost of living; the overall level and distribution of wages; wage growth rates; long-term national productivity levels and their changes; and the ratio of the minimum wage to the average wage in the national economy for a given calendar year.

The proposed amendments aim to clarify existing regulations and establish a more fair and transparent framework for the minimum wage and minimum hourly rate, as well as to protect wages based on the minimum hourly rate.

The deadline for implementing the Directive is November 15, 2024, and the law is expected to come into force by this date.

Read More



LAW

Persons on civil law contracts will be covered by collective bargaining agreements?

Work is underway on amendments to the collective labor law. The Ministry of Family, Labor and Social Policy plans to introduce a number of changes that, among other things, are expected to expand the circle of people covered by collective bargaining agreements.

The draft stipulates that persons performing gainful employment with an employer within the meaning of the Labor Unions Act will be covered by company and post-company

collective bargaining agreements, unless the content of the agreements provides otherwise. According to the Trade Union Law, a person performing gainful employment is an employee or a person performing work for remuneration on a basis other than employment.

The introduction of the new regulations will bring persons performing work under a contract of mandate, among others, under the scope of the agreements. The regulations would take effect on January 1, 2025.

Read More



LAW

Work on the project on seniority pensions

The Ministry of Family, Labor and Social Policy has launched a position paper on seniority pension projects. The drafts envisage granting pensions to people before the general retirement age. Acquisition of the right is to depend on sufficiently long service - in the case of women it is to be 35 years, in the case of men 40 years. In this case, it will be possible to acquire the right to a pension before the age.

The condition for retirement is that the pension to which the insured is entitled, calculated according to the defined contribution formula, be equal to or higher than the minimum pension. Work will be carried out over the next months to determine the final content of the proposed legislation. rest in a cool room.



LAW

Forthcoming changes to the regulations on employment of foreigners in Poland

Significant changes are on the horizon that could impact the labor market. The latest draft of the Act on Conditions for Employment of Foreigners, proposed by the Ministry of Family, Labor, and Social Policy, introduces new rules for granting work permits and addresses concerns about outsourcing and civil contracts. The proposal has faced criticism from business representatives for limiting the use of civil law contracts, which many industries rely on for flexibility.

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Portugal



One-time supplement of 100 to 200 euros will be granted to pensioners with low pensions, to be paid in October 2024.



LAW Extraordinary supplement for pensioners

It was announced by the Portuguese government in mid-August that an extraordinary (one-off) supplement would be granted to pensioners with lower pensions, which could vary between 100 and 200 euros depending on the value of the pensions they receive.

The supplement in question will be paid in October this year and it is expected that, in most cases, the amounts to be paid will not be subject to withholding tax. The reason being, the supplement will be subject to the rate of withholding tax that corresponds to the value of the pension and, for the most part, pensions are not subject to tax deduction as they represent low amounts.

Moreover, even in the case of pensioners earning higher amounts, it is estimated that in those instances the supplement will

be paid in full, i.e. not subject to tax, given the updated IRS (personal income tax) withholding tables.



COURT Termination of employment contracts in the event of company closure

According to Portuguese labor legislation, the total and definitive closure of a company results in the expiration of the employment contract. However, it is not enough for the company to notify the termination of the contract, as it is required to follow the formal procedures inherent in the collective redundancy process, with the necessary adaptations. An exception to this rule applies to micro-companies, which are only obliged to inform of the closure in compliance with the prior notice applicable in cases of collective redundancy.

The application of this rule has generated several uncertainties, leading to some companies not complying, in whole or in part, with the collective redundancy procedure, and also raising doubts as to the consequences of not complying with the procedure.

Recently, the Supreme Court of Justice ruled on this matter, concluding that, since the company is not a micro-enterprise, the collective redundancy procedures have not been followed and there is a definitive closure, failure to follow the procedure should be treated as an unlawful collective redundancy.

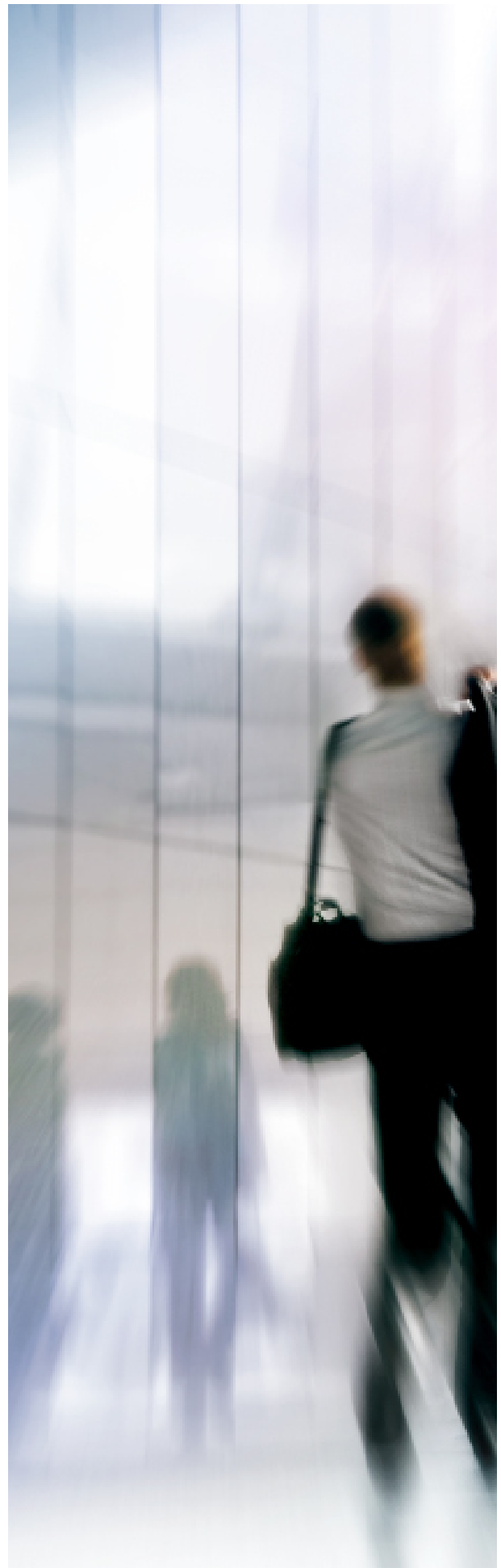
As a result, the higher court ruled that the employee will be entitled to compensation in substitution for reinstatement and the wages they ceased to receive up to the date of the company's closure, thus applying the legal consequences provided for in cases of unlawful collective redundancies, adapting them, however, with regard to the length of service (which, as a rule, refers to the time that has elapsed since the redundancy until the court decision becomes final).

Supreme Court of Justice
4th Section
Process nº 488/12.



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Slovakia

The Supreme Court of the Slovak Republic ruled that only the knowledge of an employee's superior, not a representative of employees, triggers the two-month period for immediate termination of the employment.



COURT

Supreme Court ruling on employer's knowledge and immediate dismissal deadlines

According to the Labor Code, an employer may terminate an employment relationship with immediate effect only within a period of two months from the date on which the employer became aware of the reason for immediate termination, but no later than one year from the date on which this reason arose – this is a preclusive period, and therefore the employer's right to terminate the employment relationship expires upon its expiry.

In the proceedings, the Supreme Court of the Slovak Republic addressed the question of whether the knowledge of the employee's confidant of the reason for the immediate termination of the employment relationship can be identified

with the employer's knowledge, which is decisive for the commencement of the abovementioned period of two months.

The Court concluded that the employer's knowledge of the reason for immediate termination of employment is given if the reason is discovered by one of the employees who has the right to assign work tasks to the employee who has breached work discipline and to give him binding instructions in this respect, i.e. the employee's superior. Therefore, the knowledge of the employee's confidant was not decisive in this case.

Decision of the Supreme Court, May 30, 2024, No. 3CdoPr/3/2024



LAW

Minimum wage will be EUR 816 in 2025 due to lack of agreement between the social partners

The social partners (the Government of the Slovak Republic, representatives of employers and representatives of employees) at the meeting of the Economic and Social Council of the Slovak Republic did not reach an agreement on the minimum wage for 2025.

Under the Minimum Wage Act, the automatic formula is therefore applied – the minimum monthly wage in 2025 will be 57% of the average monthly nominal wage of an employee in the economy of the Slovak Republic, published by the Statistical Office of the Slovak Republic for the calendar year two years prior to the calendar year for which the minimum wage is set (i.e. EUR 1,430).

From 1 January 2025, the minimum wage will therefore rise to 816 EUR. The hourly minimum wage for a 40-hour working week will be EUR 4,690. The increase in the minimum wage has a direct impact on the increase in wage benefits for work at night, on holidays, on weekends and for difficult work performance, as well as on the growth of minimum wage entitlements, according to which the employer must reward the employee, if he does not have a collective agreement that would regulate also remuneration of employees.



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Slovenia

The law gives working parents the right to paid leave on the first day of their child's first school year, regardless of the sector in which they work.



LAW

Accompanying a first-grader on the first day of school

Since September is the month when school-age children start their classes, it is good to highlight the right of workers to take leave to accompany their first-grader. Employment Relationships Act (ERA-1) provides employed parents with the right to paid leave from work to accompany a first-grade student on the first day of school.

In accordance with the ERA-1, the right to paid leave from work for accompanying a child who is a first-grade student applies to both parents and is valid for all workers, regardless of the type of activity or sector in which they work.

The employer is obligated to allow the employee to take leave, and the employee must provide appropriate documentation

(e.g., an enrollment certificate/school attendance certificate) proving that their child will be attending the first grade in the upcoming school year.

Although the law does not specify this, some employers do recognize the right of workers to paid leave for accompanying a second-grader or even a third-grader on their first day of school. Such a right is usually defined by a collective agreement or unilaterally established by the employer through an internal act.



COURT

Compensation for unused annual leave

In the case before the Higher Labour Court (case no. Pdp 165/2024), the court examined whether an employee was entitled to compensation for unused annual leave in 2020.

The leave could not be taken due to work obligations abroad and was not used within the carryover period. The employer failed to actively encourage the employee to use the leave or inform them about the risk of losing the entitlement.

Merely informing the employee of the remaining leave and the carryover period was not enough for the employer to avoid liability. The court stressed that employers must actively ensure employees use their annual leave and warn them of the consequences of not doing so.

While the Employment Relationships Act (ZDR-1) and related directives do not allow for monetary compensation for unused leave except at the end of employment, this doesn't exclude other rights for employees. In cases where the employer fails to properly allow leave during employment, employees may claim compensation. Case law from the Court of Justice of the European Union (CJEU) is relevant for such claims.

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Spain



LAW

Reinforced requirements for equal representation and gender balance on corporate boards

On 1 August 2024, Organic Law 2/2024 was published in the Official State Gazette (BOE), which regulates parity representation and the balanced presence of women and men in the governing and administrative bodies of business entities and listed companies. This regulation, which came into force on 22 August 2024, stems from the transposition of Directive (EU) 2022/2381, with the following main modifications.

It amends the Workers' Statute and the Law on Freedom of Association, requiring equal and balanced representation of women and men in the representative, governing and administrative bodies of business associations, listed companies and trade unions. Specifically, it establishes that neither sex may exceed 60% or be less than 40% in such bodies. If this minimum is not reached, the corresponding entity must justify the causes and detail the measures adopted to correct the imbalance.

In addition, the new law includes reforms in various regulations related to gender equality in the field of sport, public procurement, and budgetary stability, thus consolidating its cross-cutting scope.



COURT

Disciplinary dismissal for failure to record the working day: a case of recidivism and previous sanctions

The judgment of the High Court of Justice of Galicia (Social Division) of 17 June 2024, upheld the disciplinary dismissal of an employee who had been sanctioned on several occasions for failing to record his working hours correctly. Despite having been warned and sanctioned previously, the worker continued to fail to comply with his obligation to register the entrance and exit, which led the company to take the decision to dismiss him.

The judgment emphasises that the repeated offence, classified as very serious in the collective agreement, justifies the termination of the contract. This decision underlines the importance of the obligation to record the working day and the possibility of disciplinary dismissal for repeated misconduct, even when previous sanctions are in the process of being challenged in court.

Sentence of the High Court of Justice of Galicia (Social Division) no. 2934/2024 of 17 June 2024,, Rec. no. 1934/2024.



COURT

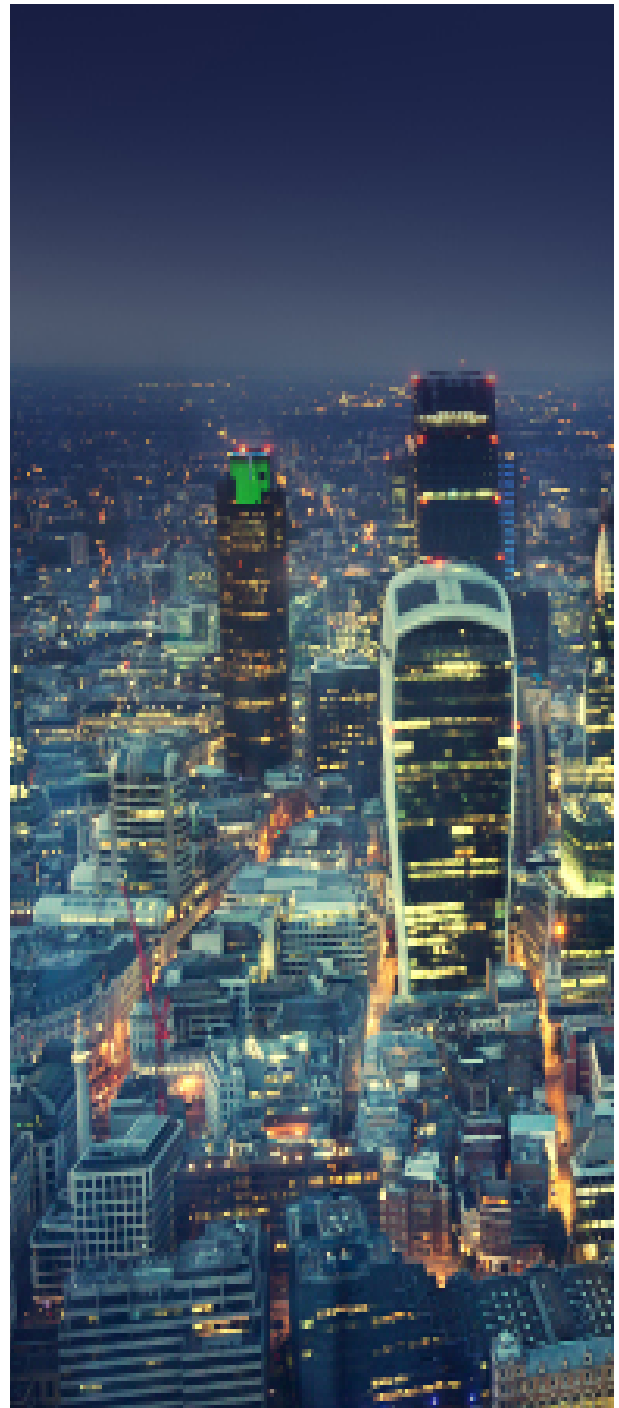
Effectiveness of the notice of dismissal in the event of the employee's refusal to receive the letter

The Judgment of the Madrid High Court of Justice (Social Division) of 5 July, 2024 determines that the lack of accreditation of the receipt of the letter of dismissal by the worker exempts the company from responsibility in the notification of the dismissal in those cases in which the latter has acted with the greatest diligence required, exhausting all the possibilities of notification within its reach.

In the case analysed, the dismissal was firstly declared unfair by the Labour Court, on the grounds that the documentary evidence provided by the company, consisting of the letter of dismissal, was not acknowledged by the employee and lacked a signature certifying its contents.

However, following the appeal lodged by the company, the High Court concluded that it had been accredited that multiple attempts had been made to notify the dismissal via the company's digital platform, acting with due diligence in notifying the dismissal, so that the worker's refusal to receive the letter exempted the company from liability.

Sentence of the Madrid High Court of Justice (Social Division), no. 527/2024 of 5 July 2024, Rec. No. 180/2024.



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Sweden



The parents are now allowed to transfer their parental benefit (and the right to leave) to someone who is not a parent.



LAW

Important changes regarding parental leave

On July 1, 2024, important changes were made in the Parental Leave Act (Sw. "föräldraledighetslagen").

The changes enable the parents to transfer the parental benefit (and the right to leave) to someone who is not a parent. If the parents have joint custody, they can transfer up to 45 days per parent to someone else who is under the sole condition that the person is who receives the benefit is insured in Sweden. A parent with sole custody, can transfer 90 days to someone else. For those who have days transferred, the same rules apply as for other parental leave. The request for parental leave must be made at least two months before the desired leave and there are limits of up to three periods of parental leave per year.

The changes also allow parents to take more days at the same time, also known

as "double days". Prior to the change, both guardians were able to exercise 30 double days. According to the new rules it is now possible to exercise up to 60 double days until the child is 15 months.

For employers, the new rules mean that applications for parental leave can come from employees without children and it is important to be aware of the changes in the law and to have clear information about the procedures for applying for leave.



LAW

The employers' right compensation for high sick pay costs is cancelled

The Swedish Parliament has voted in favor of the government's proposal to abolish compensation for high sick pay costs for employers, ending from the last of June 2024.

In Sweden the employer is responsible for paying the employee's sick pay during the first two weeks of a sickness period. As these costs are difficult for an employer to predict the system of compensation for high sick pay costs was introduced to mitigate the effects. During the pandemic, employers were compensated to a larger extent, up to the entire sick pay costs with no limit on the amount.

The Government identified that the system has negative consequences for the Swedish society and the cost-saving proposal that initiated the change in legislation, was launched as an attempt to better utilize government resources.

The processing of the compensation was largely automated to minimize the administrative burden on employers. This led to limited control possibilities, which in turn could increase the risk of incorrect payments. Furthermore, compensation might have reduced employers' incentives to ensure a good work environment that does not generate sickness absence. Also, incentives to take efforts to enable employees on sick leave to rehabilitate and return to work might have been reduced or not taken at all.



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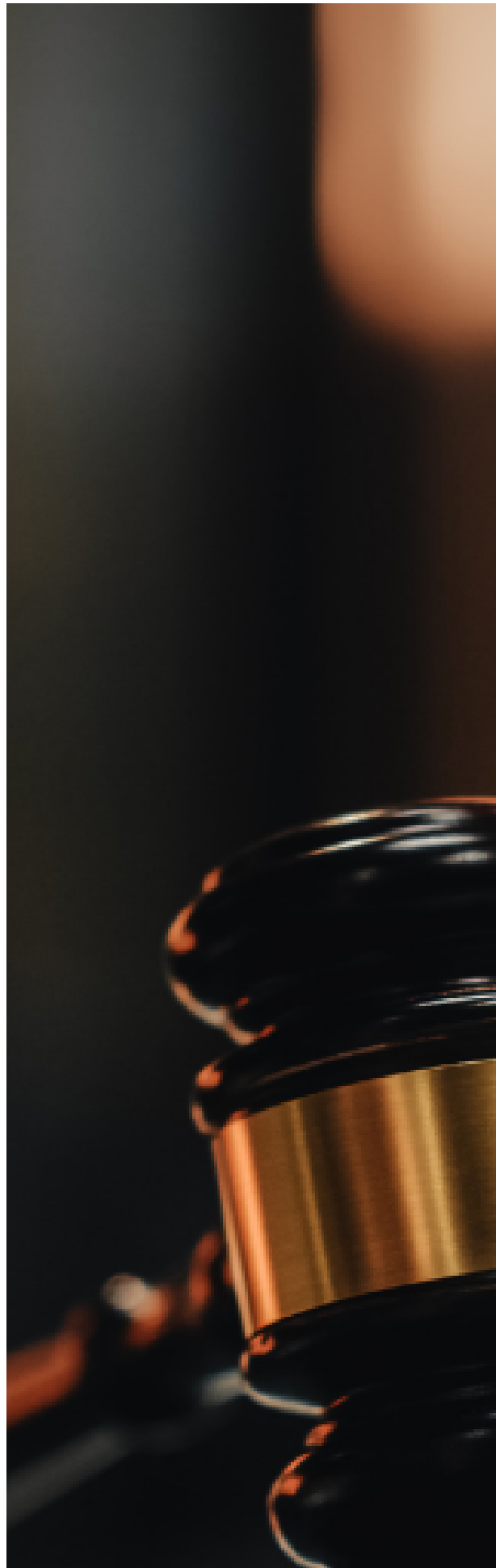


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