

HR LAW BRIEF: CEE

11/2024

Dear Readers,

We are back with another edition of our HR Law Brief: CEE. Again, it's a 3-minutes read to bring you up to speed with the latest news from Central-Eastern Europe.

If you need any support in the CEE region, let us know.



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POLAND: INDEPENDENT CONTRACTORS MAY BE EASILY RECLASSIFIED INTO EMPLOYEES – PROPOSED CHANGE IN LEGISLATION

Labor inspectors may soon be granted the right to order contracts reclassification by administrative decisions. Civil and B2B contracts with previous employer, as well as contractors with only one client, will be subject to closest scrutiny. While only a proposition at this stage, it's both important and symptomatic of a broader enforcement trend. Immediate review and audit of current practices around use of non-employment contracts is recommended given the planned change of the authorities' general, so far very lax, approach.

ESTONIA: FLEXIBLE WORKING HOURS POSSIBLE SOON

The Estonian Parliament is working on Employment Contracts Act amendments to offer greater flexibility for certain categories of employees. The parties to the employment relationship may be granted an option to agree on flexible working hours, which include both core and extra hours. Such additional hours will not be considered overtime. For example, an employee's time norm may be 20-30 hours. The additional hours (10h from 20 to 30 hour) will not constitute overtime. Making working hours more flexible can be a benefit to both employers and employees.

CZECH REPUBLIC: CHANGES TO THE EMPLOYMENT ACT

The Czech government amended the Employment Act to support employment opportunities of people with disabilities, and to enhance the effectiveness of illegal employment controls. The key changes cover: (i) modification of conditions for obtaining financial support to employ people with disabilities and (ii) the right of inspection authorities to issue administrative decisions against employers engaging in illegal employment. Such decisions will disclose the name of a punished company on the official State Labor Inspectorate's website for a year, creating significant PR and employer branding risks.

LITHUANIA: PENALTIES FOR ILLEGAL EMPLOYMENT MORE SEVERE

As of July 1st, penalties for illegal employment in Lithuania have significantly increased. The fines now range from EUR 2.772 with a maximum of EUR 11.088 per illegally employed person and are doubled for repeat offenders. Illegal employment inspections will intensify, and information on employers violating the law will be disclosed on the official website of the National Labour Inspectorate. It's worth verifying the legitimacy of employment to avoid not only fines, but also the negative PR impact.

UKRAINE: NEW GROUNDS FOR TERMINATION OF EMPLOYMENT ON THE EMPLOYER'S INITIATIVE

On June 26th, President Zelensky signed the Act confirming employers' right to terminate an employment agreement in two cases: (i) if an employee does not respect the rules of conduct of the employer – i.e. the rules codified in an internal document governing e.g. confidential information and rules for working with such information, and (ii) for committing a crime against Ukraine's national security. In practice, the law is expected to facilitate easy separation of employees suspected of collaborating or sympathizing with Russia, and will enter into force on September 27th.

SLOVAKIA: RIGHT TO REMUNERATION IN SUBCONTRACTING RELATIONSHIPS

Amendment to the Labor Code allows employees to claim unpaid wages from employer's business partner. An employee may only claim wage compensation up to the statutory minimum hourly wage applicable at the time of work under the subcontractor relationship. The business partner has the right to refuse payment if it demonstrates having exercised due diligence in selecting the contractor, and no ability to foresee that the contractor would not pay its employees. Regulations will come into effect on August 1st.



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