PCS Littler

HR LAW BRIEF: CEE

04/2025



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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ESTONIA: TAX-FREE BENEFITS FOR EMPLOYEE WELL-BEING

As of 2025, Estonian employers have the opportunity to support employees' mental well-being in a tax-efficient manner. The new regulations allow employers to cover the costs of psychological services aimed at preventing work-related stress or detecting mental health issues early. Such "income" for the employees will be exempt from taxation. Tax-efficient reimbursement will be applicable up to EUR 400 per employee annually. These provide businesses with greater flexibility to enhance employee well-being, positioning them as more competitive in the labour market.

POLAND: CHANGES IN CIVIL LAW CONTRACTS

Poland is set to introduce significant changes regarding the hiring of independent contractors, which could impact employment structures. New regulations under discussion will grant the State Labour Inspectorate the authority to reclassify civil law contracts into employment contracts when specific conditions are met. Regardless of these changes, employers are strongly advised to proactively conduct audits of all civil law contracts to ensure ongoing compliance with the law.

CZECH REPUBLIC: FLEXIBLE CHANGES TO THE LABOUR CODE COULD BE SOON EFFECTIVE

The so-called Flexible Amendment will be now subjected to a third reading meaning it could take effect on either 1 April or 1 May 2025. The most significant possible changes are the possibility of termination without cause for non-vulnerable employees with severance pay set at least twice the standard amount. Other important changes that are still to be discussed include prohibiting wage confidentiality clauses, raising unemployment benefits, permitting salary payments in foreign and eliminating mandatory currency, pre-employment medical exams for low-risk jobs. Employers shall pay attention to this process as they might be obliged to adapt those changes in their regulations and day-to-day practice.

LATVIA: OHS INSPECTIONS OF CONSTRUCTION COMPANIES BEGIN

The State Labour Inspectorate will conduct its annual series of inspections at construction sites through the end of the year. These inspections will primarily focus on hazardous work conditions, including tasks at heights, work on roofs, scaffolding, stairs, and in excavations or construction trenches. Employers should prepare for health and safety compliance inspections and take proactive steps to address any potential irregularities.

UKRAINE: PLANNED GRADUAL INCREASE OF MINIMUM WAGE

Ukraine is planning to introduce a gradual increase in both monthly and hourly minimum wages starting in April 2025. The proposed changes are as follows:

- from 1 April: UAH 9,100 (~EUR 210) per month;
 UAH 55 (~EUR 1,3) per hour;
- from 1 July: UAH 10,100 (~EUR 235) per month;
 UAH 61 (~EUR 1,4) per hour;
- from 1 October: UAH 11,184 (~EUR 260) per month; UAH 68 (~EUR 1,6) per hour.

If implemented, the current monthly minimum wage of UAH 8,000 (~EUR 185) will rise by nearly 30% by the end of 2025. This increase will result in higher labour costs, requiring employers to adjust their pay structures and budgets accordingly.

ROMANIA: NEW REQUIREMENTS REGARDING WORKPLACE HARASSMENT

On 3 February 2025, an amendment to the Methodology for Preventing and Combating Gender-Based and Moral Harassment in the Workplace came into effect. Key changes include: (i) the introduction of anonymous complaints submission, and (ii) the requirement for employers to implement a comprehensive procedure detailing support for victims and preventive measures, such as specialized counselling and guidance for individuals reporting harassment. Employers should establish a process for managing anonymous reports, revise internal procedures as needed, and prioritize providing support to those affected by harassment.

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