HR LAW BRIEF: CEE

15/2025

Dear Readers,

We are back with another edition of our HR Law Brief: CEE. Again, it's a 3-minute 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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LITHUANIA: CHANGES FOR EMPLOYEES WORKING WITH CHILDREN

On 17 June 2025, Lithuania expanded the list of criminal offences that disqualify individuals from working with children. No action is currently required from employers regarding employees who are already authorized to work with children. However, between 1 August and 1 September 2025, employers must recheck the validity of all authorizations that were last verified before 16 June 2025. Employers running businesses involving employee interaction with children are urged to complete all mandatory verifications according to the planned schedule.

UKRAINE: MARTIAL LAW EXTENSION

Ukraine has extended martial law for another 90 days, from 7 August to 5 November 2025. As a result, the special wartime labour regulations will remain in effect during this period. As highlighted in CEE update 13/2025, employers should take note of the key provisions that remain in effect: (i) suspension of employment contracts without pay or benefits, (ii) prohibition on dismissals due to absence caused by work in active war zones, and (iii) obligation to maintain communication for both employers and employees. Employers should also consider monitoring any further updates or changes to the wartime labour regulations during this period.

HUNGARY: NEW GRANT SCHEME TO IMPROVE WORKING CONDITIONS

On 1 July 2025, Hungary launched a project aiming to improve working conditions. Starting in autumn of 2025, approx. HUF 2 billion (approx. EUR 5 million) in grants will be available to micro-, small-, and medium-sized enterprises for the acquisition of protective equipment, safety systems' implementation, and upgrades to workplace infrastructure. Employers will be able to apply for grants between HUF 500 000 (approx. EUR 1 250) and 20 million (approx. EUR 50 080), with a maximum of HUF 1 million (approx. EUR 2 500) per employee. Applications are expected to open in early September 2025, to be submitted through local government offices. Funded projects must be completed within six months from the signing of the grant agreement. Employers are encouraged to consider applying for the programme and assess the potential benefits of participation, particularly if they meet the eligibility criteria.

POLAND: VAPING IN THE WORKPLACE PROHIBITED

On 5 July 2025, new rules came into force introducing a ban on the use of electronic vapes in the workplace. The regulation extends the existing smoking ban to include nicotine-free e-cigarettes, which were previously outside the scope of the law. Smoking is prohibited on workplace premises except for designated areas, and violations of this ban may lead to employee dismissal. In light of the amendment, employers are advised to update internal work regulations and health and safety policies to explicitly reflect the prohibition of vaping on workplace premises.

ROMANIA: REDUCED SICKNESS BENEFIT RATE

As of 1 August 2025, the amount of sickness benefit paid for standard illnesses will be reduced. For absences of up to 7 days, the benefit will be lowered from the current 75% to 55% of the contribution base. Absences lasting between 8 and 14 days will be compensated at 65%, while absences longer than 15 days will continue to be compensated at 75%. The change is expected to reduce the cost of short-term sick leaves, providing potential cost savings for employers. Employers should update internal payroll systems and HR policies accordingly and ensure that employees are appropriately informed about the upcoming changes.

CZECH REPUBLIC: CHANGES IN EMPLOYEE BENEFITS TAXATION

The Czech Republic has approved an amendment to the Income Tax Act, introducing changes to the taxation of employee benefits. A new exemption will apply to non-monetary benefits that are not considered wages, salaries, remuneration, compensation for loss of income or other type of consideration related to work performance, within defined limits. Additionally, a new taxation regime will be introduced for qualified employee stock and option plans. Income from exercising qualified stock options by eligible employees will be reclassified from employment income to an "other income" category, exempting it from social and health insurance contributions. Employers are advised to review their employee non-monetary benefits and stock option plans to optimize tax and contribution savings while ensuring compliance with the new rules.