## **PCS**

# HR LAW BRIEF: CEE

16/2025



#### **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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#### UKRAINE: FEATURES OF EMPLOYMENT TO BE LEGALLY DEFINED

On 18 July 2025, Ukraine introduced draft legislation aimed at formally defining the characteristics of an employment relationship. Under the proposal, courts will be able to reclassify work/services as employment if seven or more of the following features are present: (i) personal work based on qualifications, (ii) full control of the ordering party over form and timing, (iii) working time and duties set by the ordering party, (iv) integration into the ordering party's operations or hierarchy, (v) regular pay (cash/in-kind) making up 80%+ of total income from one source, (vi) reimbursement of work-related expenses by the ordering party, (vii) access to paid leave and other labour code entitlements, (viii) equipment and materials provided by the ordering party, (ix) training funded by the ordering party. Employees are encouraged to conduct a contract assessment to minimize the risks associated with contract reclassification.

#### HUNGARY: NEW PENALTIES FOR UNREPORTED EMPLOYEES

As of 1 July 2025, Hungary has introduced new enforcement measures aimed at ensuring the proper reporting of employment relationships. The procedure specifically targets situations where employers fail to declare employees, resulting in unpaid taxes and social security contributions. In case of non-compliance, the employer will first receive an official notice and will have 15 days to remedy the violation. If no action is taken within this period, the employer may be subject to a penalty of HUF 100,000 (approx. EUR 250) per unreported employee. Employers are advised to review and update employment records, ensuring that both start and end dates are properly reported and that social security contributions are declared for the entire duration of employment.

### POLAND: NEW RULES FOR MATERNITY LEAVE AFTER MISCARRIAGE

From 6 August 2025, women in Poland will be entitled to maternity leave and benefit without the need to establish the sex of the child. Currently, access to maternity leave is only possible after the birth of a stillborn child, based on a civil birth certificate. In early miscarriages, when the child's sex cannot be determined, no certificate is issued, and as a result, the mother is not eligible for leave or benefits. Under the new rules, a medical certificate issued by a doctor or midwife confirming a stillbirth will be accepted in place of a birth certificate. Employers should update internal leave procedures and ensure that miscarriage-related absences are handled in line with the new requirements.

#### SLOVAKIA: POSSIBLE MINIMUM WAGE INCREASES FROM 2026

Starting January 2026, the minimum monthly wage in Slovakia is expected to increase to EUR 915, representing a rise of approximate 11% compared to the current EUR 816 — unless a different agreement is reached with trade unions. This change aligns with existing rules that set the minimum wage at 60% of the average salary from two years prior. However, it appears that trade unions may push for a higher increase. We are monitoring the situation and will share any important updates. Employers will need to adjust their remuneration policies accordingly and verify that their salary structures comply with the new threshold.

#### LITHUANIA: PAY TRANSPARENCY LAW IN PROGRESS

Lithuania is moving forward with the implementation of the EU Pay Transparency Directive. The draft legislation was officially presented in May 2025, and further discussions were held on 22 July 2025. Key provisions of the draft include: (i) a requirement for employers, regardless of size, to establish formal pay structures based on specified key factors, (ii) an employee's right to request pay information, (iii) a prohibition for employers to limit salary disclosure. Penalties for non-compliance will include a minimum EUR 400 and a maximum of EUR 6,000 for failing to report or disclose required pay data or failing to maintain a compliant pay structure. Employers are encouraged to review and adjust their pay structures and policies to ensure fair and equitable compensation across all employee groups.

#### CZECH REPUBLIC: NEW OBLIGATION OF CONTRIBUTION TO RETIREMENT SAVINGS

Beginning January 2026, employers may be required to contribute to retirement savings for employees performing physically demanding work classified in the third category of risk (e.g. exposure to extreme temperatures, strong vibrations, or heavy physical workload). Under the draft law, eligible employees will be able to retire early without a reduction in pension. To qualify, the employee must notify the employer, who will then be required to contribute 4% of remuneration for every three shifts worked, starting from the following month. Failure to comply could result in fines of up to CZK 2 million (approx. EUR 81,500). Employers should identify eligible employees and allocate budget resources to prepare for the anticipated increase in costs.

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