

## HR LAW BRIEF: CEE

18/2025



**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.



**Sławomir Paruch** ✉

attorney at law,  
partner at PCS  
+48 604 198 589



**Marcin Sanetra** ✉

attorney at law, partner at PCS,  
qualified to practice in Poland and New York  
+48 502 487 721



**Bartosz Tomanek** ✉

advocate,  
partner at PCS  
+48 502 487 699



## ROMANIA: NEW 12-HOUR CAP TO ADDRESS OVEREMPLOYMENT

Romania has proposed changes to the Labour Code that could impact employees juggling multiple jobs. The proposal introduces a daily working time cap of 12 hours for individuals employed under more than one contract. The measure targets overemployment, requiring workers to declare all concurrent jobs while obliging employers to verify schedules through the database. To enforce compliance, the Labour Inspectorate will monitor employers and impose penalties for violations. The government clarifies that sanctions will not fall on employees who exceed the 12-hour limit, but on employers who allow or tolerate such situations. Employers are encouraged to verify employees' schedules to avoid overlapping working hours.

## BULGARIA: POSSIBLE MINIMUM WAGE INCREASES FROM 2026

With recent negotiations failing to reach a consensus with trade unions, Bulgaria has moved forward with a draft regulation to both raise the minimum wage and formalize the process for setting it in the future. Under the proposal, the minimum wage would rise to BGN 1,213 per month (approx. EUR 620) starting January 2026 — an increase of BGN 136 (approx. EUR 70) from the current rate. The draft would also set the minimum hourly wage at BGN 7.31 (approx. EUR 3.74). Employers should prepare for higher labour costs and begin reviewing their remuneration budgets.

## LITHUANIA: INCOMING TAX REFORM TO AFFECT PERSONAL INCOME AND EMPLOYEE BENEFITS

Starting January 2026, Lithuania plans to implement a tax reform introducing new progressive income tax brackets: 20% on income up to 36 average salaries (approx. EUR 82,962), 25% on income between 36 and 60 average salaries (approx. EUR 82,962–138,270), and 32% on income exceeding 60 average salaries (approx. EUR 138,270). The changes will also concern the income of self-employed individuals. Dividends and selected allowances (e.g. sickness, maternity, childcare) will be taxed at 15% rate. Additionally, voluntary health insurance for employees exceeding EUR 350 will be treated as taxable income. Employers should adjust their payroll systems to ensure the correct tax rates are applied to employee income and benefits. It is also essential to review compensation budgets, factoring in changes when planning raises and bonuses.

## POLAND: EXPANDED POWERS FOR THE NATIONAL LABOUR INSPECTORATE

Poland is planning to expand the powers of the National Labour Inspectorate (PIP). According to the draft bill, starting in January 2026, inspectors would be authorised to reclassify civil law contracts as employment contracts through administrative decisions. Employers will have the right to appeal such decisions to the Chief Labour Inspector within 7 days. The reform would also enable remote inspections and introduce data exchange between PIP, the Social Security Institution (ZUS), and the Tax Office (KAS) to improve enforcement efficiency. Additionally, fines for non-compliance are set to double – from the current range from PLN 1,000 to 30,000 (approx. EUR 235–7,035) to even PLN 90,000 (approx. EUR 21,125). Employers are advised to reassess their contracting practices early to mitigate risks under the upcoming changes.

## LATVIA: PROPOSED CHANGES TO COLLECTIVE AGREEMENTS

Latvia is currently considering a draft amendment, introducing several changes to its labour law. Key proposals include: (i) the option to agree on a 40-hour, 4-day workweek, (ii) a reduction in overtime compensation under collective agreements, setting a new minimum threshold of 50% extra pay (down from the current 100%), (iii) granting either party the right to unilaterally withdraw from all or part of a collective agreement's provisions if no new agreement is reached within two years after expiration — with a mandatory six-month written notice specifying the extent and reasons for withdrawal. The bill is still in the legislative phase. If implemented, employers will need to proactively engage in collaboration with trade unions.

## CZECH REPUBLIC: ELECTRONIC REPORTING OF WORKPLACE ACCIDENTS

Starting 1 January 2026, employers will report workplace accidents electronically through the Labour Inspection portal. The digital platform will allow submission of the accident report and any subsequent updates in a simplified manner. Once submitted, the system will ensure the report is forwarded to the relevant authorities. The accident protocol generated through the portal can be printed and signed by the injured employee, witnesses, and trade union representatives. Employers should review their internal reporting procedures and ensure readiness for compliance with the new digital reporting system.

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