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INTRODUCTION

This is the 4th comparative legal study conducted by the European Law Firm members. The chosen focal point this time is the labour law rules applied across Europe, especially with respect to redundancies and termination of employment. Despite the European Union's efforts to align European labour law, substantial local differences still apply especially regarding collective bargaining, employment protection and redundancy procedures.

Although a comprehensive study, this guide should not be considered a complete source of information regarding all the relevant aspects of the covered topics. Since the law is constantly changing, we recommend that local legal advice is sought before any action is taken in the particular matter. Contact details for all European Law Firm members are, for said purpose, available throughout the booklet.

The foregoing notwithstanding, we hope that this guide will be interesting and beneficial to you. As always, we look forward to supporting you in your efforts to grow business.

C fts

Christian Steden Chairman of the Board

Björn Yrlid & Carl Johan Friis Editors and lawyers, Lindskog Malmström

Sarah-Louise Green European Law Firm

Central Office

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APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

Which acts govern employment in general and the termination of employment in particular?

The important acts are:

- The Labour Constitution Act (Arbeitsverfassungsgesetz, ArbVG).
- The Austrian Employee Act (Angestelltengesetz, AngG).
- The labour contract law (Arbeitsvertragsrechts Anpassungsgesetz, AVRAG).
- Working Hours Act (Arbeitszeitgesetz, AZG).
- The law on rest periods (Arbeitsruhegesetz, ARG).
- The Austrian Civil Code (Allgemeines Bürgerliches Gesetzbuch ABGB).
- Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The ArbVG applies to all employees. The AngG applies to employees except workers, for whom the Austrian Trade regulations (GewO 1891) applies. The AZG and the ARG apply to all employees, except for managing employees. These acts may not be contracted out (except in favour of the employee).

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? No formal requirements exist but certain elements of the contract must be presented to the employee in writing (§ 2 AVRAG).

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Employment may be agreed (except protected employees) for an indefinite term, a specific period of time or a probationary period.

3. Are there any minimum salary level requirements that an employer needs to follow?

Minimum salaries are established through collective bargaining agreements and minimum wage rates.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The duty of loyalty stipulates that the employee must not take any action that might harm the employer. Unless otherwise agreed, the duty of loyalty ends when the employment terminates.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? In principle, the same rules apply but in the case of collective dismissals, the employer has to inform the agency of employment.

2. For what reasons may the employer terminate an employment?

An employment may be terminated for any reason (except in some collective bargaining agreements) that is not unfair. The employee may challenge a dismissal as being unfair before a labour court.

3. What notice period applies if the employment is terminated?

In the case of indefinite term contracts, the notice period for the employee is 1 month, for the employer 6 weeks. Unless the employment contract stipulates a longer notice period, the employee is entitled to a period of notice for years of service of:

2 months for 2 but less than 5 years, 3 months for 5 but less than 15 years, 4 months for 15 but less than 25 years and 5 months for 25 years and over. If there is no special individual agreement, the period of notice must end at the end of the quarter. A collective bargaining agreement may provide longer or shorter periods of notice.

4. To what extent is the employee obliged to work during his or her notice period? The employment continues in full force during the notice period. The employer may send the employee on gardening leave.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

The employer may freely choose which employees should be made redundant.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

Severance pay is required by law for employments commencing before 2003. Other employments have no specific regulation, but the parties often come to an agreement of consensual termination including a severance pay.

7. Are there any procedural rules that apply in case of termination of an employment?

Notice to governmental authorities is required in the case of redundancies involving 5 or more employees. If there is a work council, the employer has to inform the work council 2 weeks before the termination.



8. How may an employee dispute or challenge a termination of employment?

The employee may challenge an unfair dismissal before a labour court. A labour dispute may take between 6 months and 2 years.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? When a termination is found to be in violation of applicable rules by a labour court, the employee is entitled to reclaim his or her position. The employee receives no compensation for legal fees but may not need to compensate the employer for legal fees even if the termination is found to be correct.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The duty of regulation ends with the termination of the employment. Individual contracts may contain a competition restraint clause. There is a legal obligation for the employer to provide the employee a certificate of employment. There is no obligation for a letter of reference.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Non-compete undertakings which prohibit an employee from working with a new employer are not applicable if the employment has been terminated by the employer irrespective of the reason.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

1. Which acts govern employment in general and the termination of employment in particular?

The legal framework may primarily be found in the following acts: 1) Wet betreffende de arbeidsovereenkomsten (Law on Labour Agreements -03/07/1978): contains the bulk of provisions and regulations governing the relationships between employers and employees as for what concerns the closing, content and ending of an employment contract. 2) Arbeidswet (Law on labour hours - 16/03/1971): contains provisions concerning the maximum number of hours worked per day or other time intervals. 3) Wet betreffende de bescherming van het loon der werknemers (Law concerning the protection of wages -12/04/1965): contains provisions concerning the wages (minimum wages, indexation, etc.) 4) Wet betreffende de collectieve arbeidsovereenkomsten en de paritaire comités (Law concerning collective employment contracts and joint committees - 05/12/1968). 5) Wet betreffende het welzijn van de werknemers bij de uitvoering van hun werk (Law concerning the wellbeing of employees during working hours - 04/08/1996). 6) Sociaal strafwetboek (06/06/2010): stafrechtelijk gesanctioneerde inbreuken in het kader van Arbeidsrecht (A Criminal code containing penal sanctions for infringements on Belgian Labor Law in general - 06/06/2010). The specific provisions concerning the termination of employment contracts can be found in The Law on Labour Agreements (03/07/1978) as modified by the Law concerning the introduction of a "Unified Status" between laborers and employees - 26/12/2013.

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

Workers who perform their work independently, i.e. who are self-employed with no link of subordination (consultants or contractors) are not protected by employment law. Government officials are also excluded from the protection of "common" labour law, even though a great deal of legal texts is included by reference in special legislation. Employers and employees are free to negotiate their conditions of employment but the margin of negotiation is limited by "mandatory provisions" in the legislation. Provisions of collective bargaining agreements in conflict with legal norms or instruments (i.e. federal laws, decrees, international treaties) are considered null and void.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? There is no legal requirement to receive a written employment contract when it concerns a contract with full-time work for an indefinite period. In this case, a verbal agreement is sufficient and the mandatory provisions of the Belgian law are applicable. For all other employment contracts, a written employment contract is required. Certain provisions must be in writing in order to be valid, e.g. notice and non-compete clauses. The use of languages in industrial relations is regulated. Dutch must be used when the employer has his or her headquarters in the Dutch-speaking region, French when it is in the French-speaking region, and German when it is in the German-speaking region. Undertakings established in the bilingual Brussels Capital Region must draw up documents in Dutch for Dutch-speaking staff and in French for French-speaking staff.



 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Generally an employment contract is agreed for an indefinite term, but a specific period of employment may be agreed freely. Probation has been abolished since 2014, except for a few limited exceptions.

3. Are there any minimum salary level requirements that an employer needs to follow?

Minimum salaries are often set in collective bargaining agreements by a consultative committee between the employers' union and the union of employees' representatives. These agreements may be declared legally binding after which, the wage scales serve as an absolute minimum, binding all employers regardless employer's federation membership.

4. Is there a duty of loyalty between the employer and employee during the term of employment? During the period of employment it is forbidden for an employee to take part in any activities that are competitive to those of the employer. Moreover, during the employment relationship the employee has to refrain from exposing or distributing sensitive company information, distributing false or harmful information about the employer.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different rules apply. For example, an employer who is contemplating collective redundancies is under an obligation to inform the employees' representatives and start consultations with them on the matter.

2. For what reasons may the employer terminate an employment? The employer may terminate an employment with reference to business circumstances or reasons related to the individual employee. The employer may communicate the reason to the employee at the employer's own initiative. If not communicated the employee may request a motivation by registered letter within a certain period.

3. What notice period applies if the employment is terminated?

Different notice periods apply depending on the reason of termination. An employee may be dismissed immediately and without notice or indemnity for "serious cause". A "serious cause" is legally defined as "any fault that makes any collaboration between employer and employee immediately and definitively impossible". A contract for an indefinite period may be terminated by serving notice or with immediate effect subject to payment of a lump-sum compensation in lieu of notice. From January 2014 notice periods depend on the time of service.

4. To what extent is the employee obliged to work during his or her notice period? The employee is obliged to provide services during the notice period. Releasing the employee form attending work during the period of notice will require the employee's approval and payment in lieu. Changes of duties during the notice period require the employee's approval. The employee is entitled to time off during the notice period in order to find a new position.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? In principle the employer is free to determine which employees he wishes to dismiss. In the case of "collective dismissal", the law does not specify any method of selection of the employees to be made redundant but the employer is expected to be objective and act in line with all anti-discrimination law. Future legislation dictates that dismissals have to be divided equally and proportionally over the different age categories.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

There is no legal right to severance pay.

7. Are there any procedural rules that apply in case of termination of an employment? In case of collective dismissal there is an obligation of the employer to consult labour unions and to advice governmental authorities. Notice of termination must be provided in writing and set out the starting point and duration of the notice period, the option of outplacement (only if the employee is older than 45 years or in the case of a notice period of at least 30 weeks).

8. How may an employee dispute or challenge a termination of employment?

An employee may challenge a termination before the Labour Court. The procedure will take approximately 1 year to resolve.

 What would be the consequences if a termination of employment is found to be in violation of applicable rules? The employee will be entitled to damages. Furthermore, a legally fixed sum to compensate the employee for legal expenses may be awarded.

SECTION 4:

POST TERMINATION RULES

- Are there any post termination rules or regulation that a former employer needs to keep in mind?
- In principle, no right of re-employment or reference letter exists according to Belgium law.
- 2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

A non-compete clause for an ordinary employee will only be enforceable if agreed in writing and all required conditions are met (e.g. salary threshold, territory, duration, similarity of activities and financial compensation). A non-compete clause will only be enforceable if the employment agreement is terminated by the employee or by the employer for serious cause.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The Labour Code ("Кодекс на mpyda" or "LC") covers employment in general and the termination of employment in particular. To obtain an English translation of the LC, please contact Milanova&Partners law firm.

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

LC is mandatory for all personnel. Freedom of contract applies but, in most instances, only with respect to terms that are to the benefit of the employee. Collective labour agreements often take precedence over LC (as well as individual employment agreements).

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? Formal requirements exist for the employment agreement and certain terms and conditions must be stipulated in a written form (e.g. place of work; position; period of employment; notice period; remuneration). The employer is obliged to register the employment agreement with the National Revenue Agency within 3 days of its signing.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Bulgarian employment contracts are concluded for an indefinite period. Contracts for specific period of time may only be entered into under certain circumstances (e.g. until the completion of a project; seasonal work). A probationary period of up to 6 months may be agreed. During this period, termination without cause is permitted by the employer.

3. Are there any minimum salary level requirements that an employer needs to follow?

According to law there is a minimum fixed wage in Bulgaria. Furthermore, there is a National Classification Code of professions, which provides minimum salary for each profession. If an employer has entered into a collective labour agreement and negotiated a higher minimum wage, the employer is obliged to follow it.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The duty of loyalty stipulates that the employee must not take any actions that might harm the employer. Unless otherwise agreed, the duty of loyalty ends when the employment terminates.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?

Generally the same rules apply in both cases. However, in the case of redundancy, the employer must first make consultations with the trade unions and must inform the Employment Agency of the redundancy.

2. For what reasons may the employer terminate an employment? Except for termination of employment during the probationary period, LC provides explicit grounds when an employer may terminate the permanent employment (e.g. full or partial wind-up of the enterprise; termination of the position of the employee; decrease of the work volume; poor performance, or lack of qualification of the employee; change of the professional requirements for the position that the employee does not cover). The employer is not authorized to terminate the employment on grounds different from the ones explicitly stipulated in the act.

3. What notice period applies if the employment is terminated?

The notice period for permanent employment for both employer and employee is at least 1 month and at most 3 months. The notice period for fixed-term employment is at least 3 months but may not exceed the remaining period of the contract. The employment contract with a probation clause may be terminated without a notice period.

4. To what extent is the employee obliged to work during his or her notice period? The employment continues in full force during the notice period. The employee is entitled to retain salary and other employment benefits during the notice period (even if no tasks are provided) if the employee is available to provide services in accordance with the employment contract. The employee is entitled to a daily paid leave of 1 hour during the notice period to attend job interviews. This rule applies only if the employment has been terminated by the employer. An employee that has received notice of termination may only be forced to carry out normal duties during the notice period.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

The employer may not cherry pick in the case of redundancy, instead the employer is obliged to make a selection of the personnel. The selection represents a complex evaluation of the employees with identical or similar positions. The employer is entitled to keep the employees with higher qualification and better performance.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

Only salary is due during the notice period. Where the employee remains unemployed after termination of the employment, the employee is entitled to compensation from the employer for the unemployed period up to a maximum term of 1 month.

7. Are there any procedural rules that apply in case of termination of an employment? Termination must be made in writing and must also indicate the amount (if any) that shall be paid to the employee for the unused paid leave. The employer must notify the National Revenue Agency within 7 days of the date of terminating the employment contract. Certain category of employees (e.g. pregnant employees; employees with certain diseases) may only be dismissed after receiving written permit from the Labour Inspectorate. Notices to governmental authorities are required in the case of redundancies. In the case of redundancy, the employer must initiate consultations with representatives of the employees and try to reach an agreement to reduce the negative effect of the redundancy. The employer must also inform the employees of the planned redundancies. A notice of termination shall be handed to the employee personally.



8. How may an employee dispute or challenge a termination of employment?

The employee may initiate court proceedings within 2 months for employment termination. The court proceeding for employees is free. The dispute is handled by the respective Regional Court according to employee's permanent address. Rulings by the Regional Courts are employee the District Court. The final instance is the Supreme Court of Cassation. Employment disputes are subject to a fast track court procedure that usually takes about 1 year per court instance.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? If the court finds that the termination of the employment was in violation of the applicable rules, the employee may depending on the claims made obtain: 1) admittance of the illegal termination of the employment and its revocation; 2) re-employment; 3) compensation for loss of income during the period until re-employed, but not more than 6 months; and/or 4) correction of the termination grounds entered into his or her labour book. In the case of violation of the notice period by the employer, the employee is entitled to a compensation for the correct notice period.

The duty of loyalty ends with the termination of the employment.

forced after the employment ends. There is a legal obligation for the

employer to fulfil the employee's labour book with the employment

Confidentiality and non-competition, when agreed upon, may be

period and the position, but unless otherwise agreed, there is no

SECTION 4:

POST TERMINATION RULES

obligation for a letter of reference.

- Are there any post termination rules or regulation that a former employer needs to keep in mind?
- Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Enforcement by the employer of non-compete undertakings against employees is a subject of controversial court practice. However, courts predominantly consider that the labour freedom of the employees may not be limited. The same rules are applied in case of redundancy.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

- 1. Which acts govern employment in general and the termination of employment in particular?
- The Termination of Employment Law (N. 111 (1) 2003) is the fundamental act governing employment, although other acts are also relevant. There is no official English translation of the act.
- Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The relevant legislation is mandatory for all personnel. The parties to an employment contract may contract freely but the legislation takes precedence when the provisions of the contract are less favorable to the employee. Collective bargaining agreements do not take precedence over the legislation or the personal employment agreement.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

Employment terms have to be in writing, in the form of an agreement, a recruitment letter or any other document signed by the employer. The written terms must be in a language that both parties understand. If no written document exists, the rights of the employee are not adversely affected.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? The law does not limit the term of an employment agreement, although it differentiates between long and short term employment. Different rules apply depending on the term. The parties are free to determine the duration of the employment and may agree to a probationary period of 6 months or less during which the employer may terminate the employment without cause.

3. Are there any minimum salary level requirements that an employer needs to follow?

As a common practice the salary is agreed between the 2 parties, or established though collective bargaining. The law only provides minimum salary policies for an exhaustive list of occupations. Additional compensation to what is agreed in an applicable collective bargaining agreement is permitted. An employer who is not a member of the employer's federation that has agreed a collective bargaining agreement does not have to apply the salary agreed for the relevant industry.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The degree of loyalty required within each occupation varies according to the nature of the said occupation. The breaching of privacy and confidentiality policies or common practices of the employee may result in the dismissal of the employee.



SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? The rules governing the termination of an employment differ according to the cause of the said termination.

2. For what reasons may the employer terminate an employment? Employer may terminate the employment with reference to:

1) Insufficient performance; 2) Redundancy as defined in Part IV of the Termination of Employment Act; 3) An event that the employer could not control or is not responsible; 4) Expiration of the term of the employment or retirement. 5. The employee's resent personal conduct. When an employer terminates an employment for personal reasons or reasons other than those permitted by the Termination of Employment Act, the employee is entitled to compensation.

3. What notice period applies if the employment is terminated?

The period of notice depends on the duration of the employee's employment. In the case of probationary employment, no notice is required.

4. To what extent is the employee obliged to work during his or her notice period? Unless the parties agree otherwise, the employee must continue to perform all daily tasks until the end of the employment. The employee cannot be forced to perform other duties during the notice period. The employer may, however, choose to pay the employee compensation in lieu of the notice. The employer must only allow the employee to take time off during the notice period to search for a new job if provided for in the employment agreement and that the time off does not exceed 8 hours per week and 40 hours in total.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? Cyprus law does not provide a clear answer as to whether an employer may cherry pick the employees to be made redundant. The "first in, last out" principle applies, but not restrictively, and different rules may apply according to the number of employees made redundant.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? If the employer terminates the employment of an employee for reasons other than those provided by law the employee is eligible for compensation.

7. Are there any procedural rules that apply in case of termination of an employment? In the case of termination due to redundancy, the employer has to notify the Minister of Labour, Welfare and Social Insurance at least 1 month prior to the termination of the employment. There is no obligation to contact or negotiate with labour unions. In the case of an individual dismissal notification is only given to the employee. The notice must be given in writing and must contain a justification and cause of the termination. Settlement agreements (or waiver and release forms) are usually signed in conjunction with termination of employment when any dispute between the parties is settled out of court.

8. How may an employee dispute or challenge a termination of employment?

An employee may dispute the termination by bringing an action against the employer at the District Labour Court. The case normally takes a couple of years to go on trial unless the parties decide to settle. The rulings of the District Labour Court are appealed at the Supreme Court of Cyprus. The statute of limitations for employment disputes is 1 year.

 What would be the consequences if a termination of employment is found to be in violation of applicable rules? The position is reinstated. This is decided only if such outcome is desirable and favorable for the employee. The court has the power to award damages for the legal fees the employee has suffered. In the case of a correct termination, the employee might have to compensate the employer for the legal expenses incurred by the employer. The employer would not be liable towards unions in case of a wrongful termination of employment.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The rule is that employees are bound by a duty of loyalty only for as long as the employment continues, unless otherwise agreed by the parties. If requested by the employee, the employer has a duty to provide the employee with a certification of the duration and type of the employment and duties.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Generally non-compete undertakings (or loyalty duties) do not apply after the termination of an employment, regardless the type of termination. Such undertakings are only exercised in extreme situations, for a specific and reasonable amount of time.

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? Labour Code (zák. č. 262/2006 Sb., zákoník práce) covers both employment contracts and termination of contract in general. In addition there is an Employment Act and a Collective Bargaining Act.

The acts are available in English at: www.lexadin.nl/wlg/legis/nofr/eur/lxwecze.htm

2. Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

Labour Code is not fully mandatory for all categories of personnel. When the special acts do not regulate certain rules, the Labour code shall be used. Freedom of contract is applied to such extent which is described by the principle "what is not forbidden is allowed". The Labour Code allows setting the employment rights and obligations differently. Also the Labour Code allows setting rights and obligations that are not determined in this code at all; in this case the parties must follow the Charter of Fundamental Rights and Freedoms. Collective bargaining agreements allow better working conditions to be set. The labour unions usually recommend and encourage employers to agree on better conditions.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? According to the Labour Code, the contract must be in writing and signed by both parties (the general rules for concluding the contracts are determined in Civil Code). Where this legal condition is breached, the sanction of invalidity of contract is not set, so the oral agreement is valid as well but the employer risks imposition of a Labour inspection fine. The employment agreement must be in language that both parties understand. There are only 3 obligatory content terms that must be contained in employment contract: 1) the kind of work, 2) the place/s of work and 3) the date of the commencement of employment.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? The labour-law relationships are divided into 2 categories:

1) Employment (concluded for definite or indefinite period of time);

2) Agreements to work outside the scope of employment (those are concluded with time or other kind of limitation). The probationary period, agreed in writing, must not last longer than 3 consecutive months from formation of employment.

3. Are there any minimum salary level requirements that an employer needs to follow?

The salary might be: 1) agreed by the parties, 2) stipulated by the law or 3) set in collective contract. The minimum salary is regulated by government decree. Employers are not bound by any existing industry recommendations of Employer's federation. Employers are bound only by the content of a collective bargaining agreement that was signed between employer and labour union/s that was/were formed at the employer.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The loyalty during the term of employment is interpreted as "not taking any action that might harm the employer". The duty to maintain confidentiality follows from the certain situations (employees working with certain personal information, trade secrets etc.). The duty to maintain confidentiality remains after the termination of employment.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different rules apply for individual dismissal and collective dismissal due to redundancy in case of 1) existence or 2) non-existence of labour unions. 1) When the employee is dismissed, the cause of redundancy must be determined and the labour union shall be informed. The collective dismissal can be used only due to organisation reasons. Before giving notice to individual employees, the intent to dismiss shall be announced to company labour union, work council and to the competent labour office. 2) When the employee is dismissed, the cause of redundancy must be determined. Individual dismissal takes place only between the employer and employee. When the collective dismissal takes place, the employer must follow the same procedure as if the labour unions exist. Instead of informing the labour unions, employer shall in advance inform each employee individually.

2. For what reasons may the employer terminate an employment?

If the employment is not terminated by mutual agreement, the law offers other possibilities of termination: 1) The employee can give a notice without any reason. 2) The employer has to determine one of the legal reasons. The institute of instant termination of employment can be used by both parties only under certain legal conditions. The employer carries the burden of proof that the circumstances permit the termination of employment in case of legal dispute.

3. What notice period applies if the employment is terminated?

The notice period is same for both parties and must last at least 2 months. A collective agreement may stipulate a longer notice period.

4. To what extent is the employee obliged to work during his or her notice period?

During the notice period, the employee carries out regular work. The employer may decide to send the employee on gardening leave, usually to remove the employee from confidential business information. The employee still has a right to average salary compensation for the time spent on the gardening leave. The employee is entitled to take time off for job interviews.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

Czech labour law does not regulate any method for choosing which employee will be dismissed. The employer is obliged however to follow the non-discrimination principles.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

Severance pay is provided by employer only on the basis of certain type of dismissal notice or agreement due to organisation reasons. The severance pay is regulated by labour law and relates to the length of the employment. The other kind of severance pay, known as "golden parachute", is not regulated by law but can be agreed on under the contractual freedom.



7. Are there any procedural rules that apply in case of termination of an employment? Notice or instant termination of employment must be discussed with labour unions in advance, if any exist. If a termination of employment is concerning a member of labour union body, the previous consent from this union body must be obtained. When the institute of instant termination of employment is performed by any of the parties, the reasons of termination must be given precisely and in writing.

8. How may an employee dispute or challenge a termination of employment?

If an employee receives an invalid notice and still insists on the contract, the employee shall claim in writing to employer continued employment. The labour disputes are solved by district courts with local jurisdiction based on registered office of employer. The employee must initiate court proceedings no later than 2 months from the day of the employment termination to challenge the legality of the termination.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules?

If there is an invalid termination of employment and the employee has conveyed to the employer this invalidity and the wish to remain at work, the employment continues. The employee has the right to compensation for the period of time when the contract was considered as invalid until the employee is allowed to continue to work or the employment is legally terminated. The employer shall inform the existing labour unions of the intent to dismiss an employee. Where this legal duty is breached, employer risks imposition of a fine from the labour inspection.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The duty of loyalty ends with the termination of employment. The employer is obliged to provide verification of employment and employment reference, when demanded. If the content of employee reference and verification of employment do not meet the employee's expectations, the employee may, within 3 months, demand the court to force the former employer to change the documents.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Institute of non-compete undertaking can be agreed by both parties in an employment contract only if the employer's request is justified by its nature and is reasonable. It can be enforced only when the financial compensation is paid to the former employee. The period of enforcing may last only for a reasonable period - up to 1 year maximum.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The Salaried Employees Act ("Funktionærloven") governs salaried employment contracts and termination thereof. The Employment Contracts Act ("Ansættelsesbevisloven") governs the employer's obligation to inform the employee of essential employment terms in writing. The Holiday Act ("Ferieloven") governs the holiday rights of an employee. The Main Agreement ("Hovedaftalen") covers the right for employees and employers to form unions as well as governing basic rules of the Danish labour market when collective bargaining agreements apply.

2. Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out? The Salaried Employees Act is mandatory although managerial personnel and blue-collar workers are exempt. The Employment Contracts Act and The Holiday Act are mandatory. Freedom of contract applies but, in most instances, only with respect to terms that are to the benefit of the employee.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

No formal requirements exist for the employment agreement. Certain terms and conditions must, however, be presented to the employee in writing within 1 month from the first day of work.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Danish employment contracts are for an indefinite period, unless otherwise agreed. A specific period of time can thus be agreed upon. An initial probationary period of up to 3 months may be agreed upon according to The Salaried Employees Act. During this probationary period, termination without cause is permitted by the employer.

3. Are there any minimum salary level requirements that an employer needs to follow? There is no minimum wage according to law in Denmark. Instead minimum salaries are established through collective bargaining agreements. Employers not bound by a collective bargaining agreement do not have to apply the salary for the relevant industry.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The duty of loyalty stipulates that the employee must not take any action (or refrain from performing mandatory actions) that might harm the employer. Unless otherwise agreed, the duty of loyalty ends when the employment terminates.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?

Yes. When terminating an employment due to redundancy or personal reasons, the basic principle is that the decision to terminate employment must be reasonably justified. The employer has the right to terminate employment for the employee he chooses if reasonably justified for the employee in question. The termination procedure differs if more than 10 employees are being made redundant.



2. For what reasons may the employer terminate an employment? Except for termination of employment during a probationary period, a "good cause" ("saglig grund") is required for termination by an employer. "Good cause" covers incompetence, failure to co-operate or non-loyal actions or most common restructuring and redundancy caused by financial circumstances (as decided by the employer). However, a termination without good cause will not cause the termination to be invalid. Instead the employer will have to pay damages to the employee.

3. What notice period applies if the employment is terminated?

The notice period for both employer and employee (after a probationary period) is at least 1 month according to The Salaried Employees Act, unless the employment agreement stipulates a longer notice period. The employee is entitled to a period of notice depending on the years of service: 1 month notice for up to 6 months service; 3 months for up to 2 years and 9 months service; 4 months up to 5 years and 8 months service; 6 months after 8 years and 7 months service. A collective bargaining agreement in force at the time of termination may provide longer or shorter periods of notice.

4. To what extent is the employee obliged to work during his or her notice period? The employment continues in full force during the notice period. The employee is entitled to retain salary and other employment benefits during the notice period (even if no tasks are provided) provided that the employee is able and willing to perform in accordance with the employment agreement. The employer may send the employee on gardening leave. The employee is entitled to paid leave to attend job interviews. An employee that has received notice of termination may only be forced to carry out normal duties during the notice period.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? The employer may cherry pick in the case of termination of employment. It requires a "good cause" ("saglig grund") to choose which employee should be made redundant.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? According to The Salaried Employees Act, the employee may be entitled to 1, 2 or 3 months of severance pay when employed for at least 12, 15 or 18 years by the same employer.

7. Are there any procedural rules that apply in case of termination of an employment? Notices to governmental authorities are required in case of redundancies involving 10 or more employees due to Collective Dismissal Act ("Lov om kollektive afskedigelser"). The foregoing companies employing 20 or more employees. In case of redundancy covered by the Collective Dismissal Act, the employer must consult with employees and/or unions as early as possible to see whether it may be possible to avoid or reduce the redundancies. Notice of termination shall be given to the employee and if the employee demands an explanation regarding the termination, the employer is obligated to supply this.

8. How may an employee dispute or challenge a termination of employment?

Different rules apply depending on whether a collective bargaining agreement applies. If a collective bargaining agreement is in force, the dispute is automatically referred to the Danish Labour Court ("Arbejdsretten"). Otherwise, the dispute is handled by the Civil Courts.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? According to The Salaried Employees Act, if an employment is terminated despite lack of "good cause", the employee may initiate legal proceedings and claim up to 6 months salary as damages The damages may be up to 12 months salary if other legislation was violated, e.g. equal treatment of employees. The employee is entitled to compensation for legal fees decided by the Court if the termination is deemed wrongful. The Salaried Employees Act does not state reemployment.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The duty of loyalty ends with the termination of the employment. Confidentiality and non-competition clauses, when agreed upon in the employment contract, may be in force after the employment ends. If the employment was terminated by the employer, the employer must provide a fair and viable explanation to employ another employee for the same job.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Non-compete undertakings are only enforceable with respect to key employees and may not be applied for a longer period than what is considered reasonable, usually not longer than 1 year. Non-compete undertakings, which prohibit an employee from working with a new employer, are only enforceable if the employee is reasonably compensated for the undertaking. If the employer provides notice of termination due to redundancy, the non-compete undertaking may no longer be enforceable.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? Employment is governed by the Employment Contracts Act ("Töölepingu seadus or "ELA") The translation of the act is found at: https://www.riigiteataja.ee/en/eli/509012015006/consolide

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The provisions concerning employment contracts are not applicable to an individual who is to a significant extent independent in choosing the manner, time and place of performance of the duties, a member of the directing body of a legal person or a director of a branch of a foreign company. An agreement derogating to the detriment of the employee from the provisions of ECA and the Law of Obligations Act is void, unless the possibility to derogate has been prescribed by ECA. The same applies to collective bargaining agreements.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? An employment contract shall be in writing, unless the duration of the employment does not exceed 2 weeks. There are specific terms in ECA what an employment contract shall contain but there is no requirement as to language.

May employment be agreed for (a) an indefinite term;(b) a specific period of time; or (c) a probationary period? It is presumed that an employment contract is entered into for an unspecified term. An employment contract may be entered into for a specified term of up to 5 years if reasons arising from the characteristics of the work are justified. A probationary period of 4 months may be agreed. A probationary period may be reduced and agreed in the employment contract.

3. Are there any minimum salary level requirements that an employer needs to follow? Salary is agreed by the employer and the employee. The Government of the Republic shall establish by a regulation the minimum wage corresponding to a specific unit of time. If an employer is not a member of the employer's federation that has agreed a collective bargaining agreement, the employer doesn't have to apply the salary agreed for the relevant industry.

4. Is there a duty of loyalty between the employer and employee during the term of employment? An employee shall perform duties loyally and in accordance with his or her knowledge and skills, bearing in mind the benefit to the employer and with the necessary diligence arising from the characteristics of the work. The employer may determine which information an employee is obligated to keep as a production or business secret.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? The rules for termination are the same, but some additional stipulations apply with regards to the collective dismissals, e.g. information and consultation of employees upon collective cancellation and notification of Estonian Unemployment Insurance Fund of collective cancellation.

2. For what reasons may the employer terminate an employment? An employment contract may only be cancelled with good reason and the employer must justify extraordinary cancellation (i.e cancellation of an employment for unspecified term) in writing. Cancellation of an employment contract without a legal basis or in conflict with the law is void.

3. What notice period applies if the employment is terminated?

An employment contract may be cancelled during the probationary period by giving no less than 15 calendar days' advance notice. An employer shall give an employee advance notice of extraordinary cancellation if the employee's employment relationship with the employer has lasted: 1) less than 1 year of employment - no less than 15 calendar days; 2) 1 to 5 years of employment - no less than 30 calendar days; 3) 5 to 10 years of employment - no less than 60 calendar days; 4) 10 or more years of employment - no less than 90 calendar days. An employer may extraordinarily cancel an employment contract with good reason arising from the employee without adhering to the term for advance notice. An employee shall notify the employer of ordinary cancellation no less than 30 calendar days in advance.

4. To what extent is the employee obliged to work during his or her notice period?

The employee is obliged to provide services during the notice period. If an employer cancels an employment contract extraordinarily, the employer shall grant the employee within the period of advance notice time off to a reasonable extent to find new employment. If an employer or employee gives advance notice of cancellation later than provided by law or a collective bargaining agreement, the employee or the employer may receive compensation.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? Upon cancellation of an employment contract, the employer shall take into account the principle of equal treatment. Upon cancellation of an employment contract due to lay-off, the employees' representative and an employee who is raising a child under 3 years of age have the preferential right of keeping their job.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

Upon cancellation of an employment contract due to lay-off, the employer shall pay servance of 1 month's average wages of the employee.

7. Are there any procedural rules that apply in case of termination of an employment? Procedural rules apply in regards to the collective dismissals, but not to individual dismissals. In either case an employment contract may be cancelled by a declaration of cancellation made in writing. Settlement agreements are usually signed in conjunction with termination of employment.

8. How may an employee dispute or challenge a termination of employment?

An action with the court or an application with a labour dispute committee for establishment of voidness of cancellation shall be filed within 30 calendar days as of the receipt of the declaration of cancellation.



9. What would be the consequences if a termination of employment is found to be in violation of applicable rules?

If a court or labour dispute committee establishes that cancellation of an employment contract is void, it shall be deemed that the contract has not expired by cancellation. The court or labour dispute committee shall, at the request of the employer or the employee, terminate the employment contract as of the time when it would have expired in the case of validity of the cancellation. Upon unlawful cancellation of an employment contract, if the employment relationship continues. an employee has the right to demand compensation for damage, in particular wages not received. In case of unlawful cancellation of an employment contract by an employee, the employer has the right to claim reasonable compensation from the employee. If the court or labour dispute committee terminates an employment contract the employer shall pay the employee compensation equal to 3 months' average wages. The court or labour dispute committee may change the amount of the compensation, considering the circumstances of the cancellation of the employment contract and the interests of both parties. No legal fees are granted in labour dispute committee. Legal fees in court are covered by the party against whom the court decides.

SECTION 4:

POST TERMINATION RULES

- Are there any post termination rules or regulation that a former employer needs to keep in mind?
- 2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

If requested by the employee, the employer is obligated to provide the employee with information about the wages calculated and paid or payable to the employee, and provide other notices characterising the employee or the employment relationship.

A generally applicable written non-compete undertaking is applicable after the expiry of an employment contract only if reasonable monthly compensation is paid for it and it does not extend beyond 1 year from the expiry of the employment contract.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

- Which acts govern employment in general and the termination of employment in particular?
- It is mainly the French labour code ("Code du travail") which is the basis of employment in general and termination in particular. The French labour code was established on 02/01/1973 and revised on 01/05/2008. Furthermore, provisions from the employment agreement or from a specific collective bargaining agreement, if applicable, have to be taken into account if they are more favourable to the employee. Unfortunately, there is no official translation of the French labour code.
- Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

All employees are subject to these acts which are mandatory. However, collective bargaining agreements can distiguish between the employees depending on their personal situation (e.g. family life, age etc.) and years of experience. Moreover, there are specific rules concerning protected employees ("salariés protégés") such as staff representatives or trade union representatives. Protected employees are harder to dismiss than other employees.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? For permanent contracts there is no formal requirement (but most permanent contracts are in writing). The French labour code stipulates that temporary contracts or part-time contracts must be in writing. All written contracts have to be in French. If this is not the case, it is not a condition of nullity. The employee can only demand it from the employer.

2. May employment be agreed for (a) an indefinite term; (b) a specific period of time; or (c) a probationary period?

The temporary contract is supposed to be an exception permitted as an exception, e.g. in case of temporary increase of the workload. However, in practice, temporary contracts are as numerous as permanent contracts. The trial period is proportional to the specificity of the job (2 months for a worker, 4 months for executives). During this trial period, termination without a cause is allowed.

3. Are there any minimum salary level requirements that an employer needs to follow?

Generally, the salary is agreed through individual negotiation. There is a legal hourly minimum gross salary ("SMIC") set by the government. Some collective bargaining conventions may also establish professional minimum salaries.

4. Is there a duty of loyalty between the employer and employee during the term of employment?

There is a duty of loyalty during the employment. The employee always has to abide by the law even during a suspension of the contract (sick leave). The employee cannot, however, be dismissed because of a simple lack of loyalty. It has to be more serious to justify a dismissal.



SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Redundancy and individual dismissals have common rules and some specific ones. For common rules, a real and serious reason (personal or economic) has to be justified by the employer and procedures are both similar. For respective rules, redundancy has to be proved by the employer who has an obligation of reassignment ("obligation de reclassement") to another position.

2. For what reasons may the employer terminate an employment? Concerning individual dismissals, the employer has to prove a real and serious reason ("cause réelle et sérieuse"). To be justified, this reason has objectively to exist and be relevant. Concerning redundancy, the employer has to prove the economic difficulties. For both, a complete justification in the letter to the employee is necessary and the employer has the burden of proof.

3. What notice period applies if the employment is terminated?

If the employment is terminated by the employee, the notice period can be fixed by law, contract or collective bargaining agreements but if it is not the case, there is no period notice. In the case of dismissal or redundancy, employees who spent less than 6 months in the company do not have any notice period. Between 6 months and 2 years of service in the company, the employee is entitled to 1 month's notice and, for more than 2 years of service, the employee should receive 2 months' notice period. Collective bargaining agreements or the employment agreement may be more favourable to the employee and have to be taken in account in the individual case.

4. To what extent is the employee obliged to work during his or her notice period? In principle, the employee has to work during the notice period. Some collective bargaining agreements allow the employee to be absent for job interviews during the notice period. The employer sometimes allows the employee to be exempt to abide by a period notice.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

In principle, cherry picking is allowed in France. The French labour code establishes, however, some criteria relating family obligations, elder employees, disabled employees, years of experience and professional qualities that the employer should follow.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? Legal severance pay can be calculated as follows: 1/5 of a monthly salary per year of service if the employee has from 1 to 10 years employment. 1/5 of a monthly salary by year of service plus 2/15 of a monthly salary beyond 10 years of employment. However, if the individual dismissal or redundancy cannot be justified by the employer, a compensation for no reason can be added to the severance pay and is paid at the end of the contract.

7. Are there any procedural rules that apply in case of termination of an employment? Individual dismissals or redundancies are subject to common procedural rules. The employer is obliged to organise an interview before an individual dismissal. Further, a registered letter (with acknowledgement of receipt) setting out the reasons for the dismissal should be sent to the employee by the employer. To dismiss protected employees (staff representatives or trade-union representatives), the employer has to inform the labour administration ("Inspecteur du travail").

8. How may an employee dispute or challenge a termination of employment?

To challenge the termination, the employee can bring a lawsuit before the labour court ("conseil de prud'hommes"). The employee can claim for compensation in case of an individual dismissal or redundancy with no real and serious reason. Time spent before a labour court depends on the place of the court. For example, in Paris, it can take 2 years in the first instance.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? In case of termination without "real and serious reason", a compensation of at least 6 months' salary may be allowed. In principle, instead of this compensation, the employee could be entitled in his or her position back but practically, most of the time, the employees refuse and it is rarely proposed. The compensation for violation of applicable rules is added to the severance pay. In case of violation of a collective bargaining agreement, unions can make a lawsuit against the employer to force him to fulfil his or her obligations in application of the agreement, but the union cannot obtain compensation on behalf of the employees.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The obligation of loyalty can go on after termination but without the same strength. There is a right of reemployment in case of redundancy.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

1. Which acts govern employment in general and the termination of employment in particular? The acts governing employment in general are vast and rather complex - a total of more than 50 acts apply. In addition, many of the relevant foundations are derived from case law on the basis of § 611 of the German Civil Code ("Bürgerliches Gesetzbuch" or "BGB"). An English translation of BGB is provided (www.gesetze-im-internet. de/englisch_bgb/index.html). Other relevant acts are the Part Time and Limited Term Act ("Teilzeit- und Befristungsgesetz" or "TzBfG"), the Working Hours Act ("Arbeitszeitgesetz"), the Vacation Act ("Bundesurlaubsgesetz" or "BUrlG"), the Minimum Wage Act ("Mindestlohngesetz"), the Collective Bargaining Agreement Act ("Tarifvertragsgesetz" or "TVG") and the Works Constitution Act ("Betriebsverfassungsgesetz" or "BetrVG"). The termination of employment is governed by the Protection against Dismissals Act ("Kündigungsschutzgesetz" or "KSchG").

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out? The KSchG is mandatory for all personnel, except those legally representing the entity of the employer. However, it is only applicable in entities with more than 10 full time employees and only for employees who are already employed with this employer for more than 6 months. The provisions of the KSchG may not be contracted out. Other labour acts are not mandatory and some may be substituted by collective bargaining agreements.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

No formal requirements exist for the employment agreement. Certain terms and conditions must, however, be presented to the employee in writing within 1 month from the first day of work. Some specific clauses have to be set out in writing to be effective, e.g. an employment agreement on limited term is only effective, if set out in writing before the employment starts. If not, the employment is for an unlimited period.

- 2. May employment be agreed for (a) an indefinite term; (b) a specific period of time; or (c) a probationary period?
- a) Yes. b) Yes, the requirements are provided by the TzBfG. If the agreed term does not exceed 2 years and if the employee hasn't been employed by the same employer prior to this employment, no specific reasons are required for the term to be effective. c) Yes, an initial probationary period of up to 6 months may be agreed.
- 3. Are there any minimum salary level requirements that an employer needs to follow?

In general the salary is freely negotiable. However, from 2015, the Mindestlohngesetz provides a minimum hourly wage. Moreover, some of the collective bargaining agreements in certain industries (especially construction) have been declared as mandatorily binding by the German authorities.

4. Is there a duty of loyalty between the employer and employee during the term of employment? Yes, there is a duty of loyalty during the term of employment. This especially includes non-competition and confidentiality duties. Confidentiality is limited to facts which are only known to a specific number of people within the organization of the employer. There is no duty of confidentiality where the employer acts unlawfully.

SECTION 3:

TERMINATION OF EMPLOYMENT

- Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?
- In general the same rules do apply in case of redundancy. There are some additional rules to be observed in case of mass dismissals. For example, if a certain number of employees are dismissed, the employment agency has to be informed prior to executing the dismissals.
- 2. For what reasons may the employer terminate an employment?

If the KSchG is applicable, the employer must have valid reasons for the dismissal. The reasons may be personal (e.g. long term illness), conduct related (e.g. non observance of relevant orders) or operational reasons (e.g. company closing). The employer carries the burden of proof for the existence of valid reasons.

3. What notice period applies if the employment is terminated?

The basic notice periods are provided by § 622 BGB and range from 4 weeks to 7 months for the employer, calculated on the period of employment. However, longer periods may be agreed between employer and employee for both employee and employer. Moreover, collective bargaining agreements may include differing notice periods.

4. To what extent is the employee obliged to work during his or her notice period? The employee is obliged to work during the notice period. Payment in lieu of notice does not exist. The employer needs valid reasons to send the employee on gardening leave for a longer period of time. Unless there are valid reasons, the employee in general may not be forced to carry out different duties during the notice period. The employee may take off time during the notice period to go to interviews or to go to the "Arbeitsagentur" (public employment agency).

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

Cherry Picking is very restricted in case of redundancy and only specific key employees may be exempt. Instead, employees to remain employed have to be selected on basis of the following criteria: age, years of service, obligations to support depending persons and disability.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

In general, there is no entitlement to severance pay. However, in most cases a severance is paid either to avoid or to settle a dismissal lawsuit. Employer and Works council may agree on severance payments for employees in the case of redundancy.



7. Are there any procedural rules that apply in case of termination of an employment? In the case of redundancy, if a specific number of employees are dismissed, the Arbeitsagentur has to be notified. In the case of disabled employees, the integration offices have to give their approval before the employee may be dismissed. If a works council exists and it is planned to dismiss a specific number of employees, the employer has to negotiate a social plan with the works council. At all times, termination must be provided in writing. The employer has to inform the employee about the employee's duty to contact the Arbeitsagentur within 3 days following receipt of the termination letter.

8. How may an employee dispute or challenge a termination of employment?

The employee has to file a lawsuit before the Labour Courts ("Arbeitsgericht") within 3 weeks of receiving the termination letter. Dismissal lawsuits may be settled during the first hearing, which usually takes place within 2 months. If the court has to make a judgement, a dismissal lawsuit will take 6 to 12 months in the First Instance and may take a couple of years to be decided in the last instance.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? The employee is entitled to and obliged to return to his or her position. The employee will only be entitled to receive compensation for legal fees if successful in the second and third instance.

If no post contractual non-competition clause is agreed there are only

confidentiality duties to be obeyed for the employee. The right of re-

employment is limited to cases where an employer's forecast proves

wrong in follow-up to a dismissal. The employer has to provide his or her

employer with a qualified reference as well as a documentation of the

SECTION 4:

POST TERMINATION RULES

employment ("Arbeitsbescheinigung").

- Are there any post termination rules or regulation that a former employer needs to keep in mind?
- 2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for

(i) personal reasons; or

(ii) redundancy?

Post contractual non-competition clauses are only valid if a specific compensation is agreed upon. The reason for the termination of employment does not affect the non-compete undertaking.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

Act 2112/1920. Act 3863/2010 and Act 4093/2012 (Official Gaz.

222/A/2012) govern the employment and the termination thereof.

the exercise of the trade unions rights, social insurance issues, etc.

Collective Employment Agreements (CEA) regulate issues arising from

- Which acts govern employment in general and the termination of employment in particular?
- 2. Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

Act 4093/2012 and General National CEA are mandatory for all personnel although the distinction between blue collar employees and white collar employees exists regarding the termination of employment. Legal provisions protecting employees are equally applicable to the employment of senior executives and directors. However, provisions relating to overtime, night work and holiday bonuses are not applicable

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

to senior executives.

1. Does any formal requirement exist with respect to the employment agreement? There are no particular legal requirements in relation to the form and the content of an employment agreement. Contracts may be oral or written, except in respect of part-time employment where the contract must be evidenced in writing. The foregoing notwithstanding, the employer is obliged to inform the employee of the substantial terms of the employment contract within 2 month of the start date of the employment.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Employment may be agreed for indefinite term, specific period or a probationary/trial period. The probationary period must not exceed the time needed by the employer to assess the capabilities of the employee concerned.

3. Are there any minimum salary level requirements that an employer needs to follow?

Pay may be freely negotiated between the employer and the employee but is subject to the minimum amount specified in the applicable Collective Labour Agreement (CLA). If the employee falls within the scope of some sectoral, or other CLA because the area of specialisation, the most favorable CLA to the employee will apply.

4. Is there a duty of loyalty between the employer and employee during the term of employment? As part of the obligation to perform the contract of employment in good faith, employees are obliged to protect the company's material and non-material interests. Employee duty of loyalty obligations include the obligation to report any imminent or recent damage to the employer's interests and to ensure the proper maintenance and operation of the company's machinery and tools, and the obligation to refrain from divulging the employer's trade secrets to the competition. Contravention of the duty of loyalty by an employee entitles the employer (a) to claim compensation, and (b) to impose disciplinary sanctions, or even, dismissal.



SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different rules apply depending on the reason for the termination of employment. In collective dismissals employers must firstly inform employee representatives in writing of their intention. Relevant information must be sent to various authorities. In the case of individual dismissal of an employee with a regular contract, written notification is due to the employee and to OAED local office. This last notification is made through the electronic system of "ERGANI" of Ministry of Labour, Social Security and Welfare.

2. For what reasons may the employer terminate an employment? The employer is not obliged to provide grounds for termination by stating specific objective reasons that justify the ending of employment relationship (just cause). In Greek law termination is discretionary. However, on the legislative basis of a general prohibition of the improper exercise of a right, the courts have imposed significant restrictions on the freedom to terminate, thereby limiting to some extent the arbitrary nature of dismissal

3. What notice period applies if the employment is terminated?

There is no notice period for blue collar employees. For white collar employees, the basic notice period depends on the employee's length of service as follows: 1 month notice for 1 but less than 2 years, 2 months for 2 but less than 5 years, 3 months for 5 but less than 10 years, and 4 months notice for a length of service from 10 up to a total of 28 years.

4. To what extent is the employee obliged to work during his or her notice period? The employment continues in full force during the notice period. The employee is entitled to retain salary and other employment benefits during the notice period if the employee is able and willing to perform in accordance with the employment contract. If the employee absents himself from work during the notice period, the employee shall be deemed to have terminated the employment contract. In this case he is not entitled to compensation.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? In case of redundancy the employer is required to be fair in selecting the particular employees to be dismissed. Infringement of this obligation means that dismissal constitutes improper use of the right to terminate the contract. In selecting candidates for dismissal from among employees of equal efficiency, the employer must choose those who will be least badly affected by it.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? If an employee is provided notice of termination, he/she is entitled to severance pay equal to 50% of the severance pay due in case of dismissal without notice. The 1st year of an open-ended contract is probationary, during which the contract can be revoked without compensation being payable. If the duration of the employment is between 1 and 4 years, the employee is entitled to compensation equal to 1 month's salary. 4 to 6 years of service = 1½ month's salary; 6 to 8 years = 2 month's salary; 8 to 10 years = 2½ month's salary; 10 years = 3 month's salary; 11 years of service = 3½ month's salary; 12 years = 4 month's salary, 13 years = 4½ month's salary, 14 years = 5 month's salary, 15 years = 5 month's salary, 16 years = 6 month's salary, 17 years = 6 month's salary plus extra compensation equal to ½ month if number of 17 years with the same employer are reached on 12.11.2012.

7. Are there any procedural rules that apply in case of termination of an employment? The employer must notify the OAED through the electronic system/database of "ERGANI" of Ministry of Labour, Social Security and Welfare within 8 days following the termination of a contract. Notices to governmental authorities (Prefect, Labour Inspection) are required in the case of redundancies or collective dismissals involving at least 7 employees in firms of 20-150 employees or 5% of the personnel and at least 31 employees in firms with more than 150 employees. Notification to employee representatives of the reasons for collective dismissals is also required.

8. How may an employee dispute or challenge a termination of employment?

The employee may challenge a termination of employment by initiating court proceedings before the ordinary courts. There are no special labour courts in Greece. The deadline for appealing to Greek jurisdiction with respect to Labour disputes is 3 months after the termination of the contract.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? If a termination of employment is found to be in violation of applicable rules, the dismissal is rendered null and void. The consequence of nullity is that the contract of employment is deemed to have continued to exist without interruption and the employer is obliged to pay the employee the remuneration due for the whole of the intervening period since the date of the nullified termination.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind?

The duty of loyalty ends with the termination of the employment. Agreed confidentiality and non-competition provisions may be in force after the employment ends. A certificate of employment may be provided to the employee upon request, but it is not compulsory.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Non-compete clauses are not necessarily used upon on a standard basis, but they are frequently used in contracts with employees working for local subsidiaries of international companies. If the employer provides notice of termination due to redundancy, a non-compete undertaking may no longer be enforced.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? Act I of the 2012 on the Labour Code ("2012. évi I. törvény a munka törvénykönyvéről" or "Mt."). (hereinafter: "LC")

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

Application of the LC is mandatory; deviation is generally only permitted to the benefit of the employee. Freedom of contract only applies for cases not regulated or expressly permitted by the LC. Collective bargaining agreements may take precedence over the LC if allowed by the LC. Collective bargaining agreements do not take precedence over individual employment agreements that were agreed and signed at the time of the bargaining.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? The employment agreement must be made in writing. If not in writing the employment relationship is valid but the employee may request its annulment. No language requirements apply. However, if the employment contract is prepared in a language that is not spoken by the employee, then it will be valid only if an authenticating person has explained the contract and the agreement contains reference to this fact. The employment contract must set out at least the salary, duties, term and place of work.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Employment may be agreed for either an indefinite or definite period of time. Most contracts are for indefinite period and the law favours these over definite term contracts, which may not exceed 5 years. Probationary period up to 3 months may apply to both types of employment. During the probationary period, either party may terminate the relationship with immediate effect and without reason.

3. Are there any minimum salary level requirements that an employer needs to follow?

The salary is subject to the free agreement of the parties; however the government sets a minimum salary annually by a government decree.

4. Is there a duty of loyalty between the employer and employee during the term of employment? Yes, employees may not engage in any conduct (during or outside their working hours) that may potentially damage the employer's reputation, legitimate economic interests or the intended purpose of the employment relationship. The employee's right to express an opinion is also restricted to the extent that it does not harm or endanger the business reputation, the lawful economic and organizational interest of the employer. The employee shall maintain confidentiality of the business secrets obtained in the course of work.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different rules apply. Where several positions are terminated the employer is obliged to inform and engage in negotiations with the work council and inform the government employment agency of its intention.

2. For what reasons may the employer terminate an employment?

Employment for an indefinite duration may only be terminated by the employer because of the conduct or the abilities of the employee or because of reasons stemming from the operation of the employer. Employment for a definite duration may be terminated by the employer due to liquidation proceedings, or due to the abilities of the employee or if the employment becomes impossible due to external reasons. Termination without reason by the employer is only permitted if made during the probationary period or if the employee is entitled to receive pension or in case of managerial employees. Termination without notice may only take place if either the employee has willfully, or by gross negligence committed a material violation of any substantive obligations; or otherwise engages in conduct that would render the employment relationship impossible. Since the burden of proof is always carried by the party that terminates the relationship, the employer has to prove that the reasons of the termination were valid and justified.

3. What notice period applies if the employment is terminated?

The general notice period for termination for both parties is 30 days. This increases proportionally with the length of the employment.

4. To what extent is the employee obliged to work during his or her notice period? If the employment is terminated by the employer then the employer is obliged to excuse the employee from work for at least half of the notice period, according to the employee's request. If the employment is terminated by the employee then the employer is not obliged to excuse the employee from work. Payment in lieu of notice may agreed by mutual consent. Gardening leave is possible even if the employee objects as long as the employee is remunerated during this period.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? There are no definite rules for selection. Instead the employer must set up and follow specific selection criteria, in the individual matter. The employer is obliged to inform the work council about the criteria chosen.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? The employee is entitled to severance pay if a) the employment is terminated by the employer for reasons that do not concern the conduct or the abilities of the employee; and b) the employee has been employed for at least 3 years. The amount of severance pay increases proportionally with the length of the employment.



7. Are there any procedural rules that apply in case of termination of an employment? In the case of individual dismissal, the employer shall make all payments and shall hand over the statements and certificates within 5 days after the last working day. In the case of individual dismissal, notices to governmental authorities, or contact with labour unions are not required. In the case of redundancy, the employer is obliged to inform the government employment agency and initiate consultations with the works council. Settlement agreements (or waiver and release forms) are often signed in conjunction with termination of employment as they mostly include more favourable financials for the employee. In return the employee usually waives the right to challenge or dispute the termination.

8. How may an employee dispute or challenge a termination of employment?

The employee may dispute or challenge the termination in the competent administrative and labour courts. It generally takes 1-3 years to obtain a final and non-appealable ruling.

 What would be the consequences if a termination of employment is found to be in violation of applicable rules? The employee may request reinstatement at the employer or compensation for damages suffered in relation to the unlawful dismissal, including loss of income. Compensation for loss of income may not exceed 12 months' previous salary. The losing party is responsible for the legal fees of the winning party.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? A former employee is obliged to maintain confidentiality of the business secrets of the former employer. Non-competition obligations only apply if included in the employment agreement or if agreed separately by the employer and the employee. The employer shall provide the employee with a certificate of employment but there is no obligation for a letter of reference. There is no right to re-employment.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

Which acts govern
 employment in general
 and the termination of
 employment in particular?

The Terms of Employment (Information) Act 1994 www.irishstatutebook.ie/1994/en/act/pub/0005/

Unfair Dismissal Acts, 1977 to 2001 www.irishstatutebook.ie/1977/en/act/pub/0010/

The Employment Equality Acts 1998 and 2004 www.irishstatutebook.ie/1998/en/act/pub/0021/

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The relevant legislation regarding employment and termination of employment is mandatory for all personnel except where a contract states otherwise, e.g. temporary agency workers. Anyone who is employed legally is within the scope of the legislation. Freedom of contract between employer and employee applies only where said contract states so. A series of National Partnership Agreements provided a non-binding framework for pay bargaining from 1987 to 2009. However, the most recent agreement in 2008 was unable to withstand the economic crisis, and Ireland has returned to company level bargaining in the private sector, although in the public sector the government reached agreement with the unions following pay cuts.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

The contract of employment need not be in writing. However, an employee must be given a written statement of terms of employment (in English) within 2 months of starting work. This does not apply, however, to someone who has been in employment for less than 1 month.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Yes, employment may be made for all 3 terms mentioned here.

3. Are there any minimum salary level requirements that an employer needs to follow?

Yes, there are minimum wage requirements that an employer needs to follow. An employer is also obliged to apply the salary agreed for the relevant industry if it has been made into law by the Oireachtas.

4. Is there a duty of loyalty between the employer and employee during the term of employment? Only if provided for in a contract of employment. There may be clauses in a contract which states that the employee cannot compete with the employer for a specific period of time after employment and of course during employment.



SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Where the number of employees being made redundant does not reach the threshold required to amount to a collective redundancy, they are treated as individual dismissals.

2. For what reasons may the employer terminate an employment? An employer can terminate employment if the employee has breached the contract of employment but the grounds for dismissal must be fair according to the legislation. The fair grounds set out in legislation are: incapability, incompetence, invalid qualifications, misconduct, redundancy, contravening the law and other 'substantial grounds'. Fair dismissal procedures as per the legislation must have been followed.

3. What notice period applies if the employment is terminated?

The following notice periods apply for the following amount of time employed: From 13 weeks - 2 years employment: 1 week notice. From 2 years - 5 years employment: 2 weeks notice. From 5 years - 10 years employment: 4 weeks notice. From 10 years - 15 years employment: 6 weeks notice. From 15 years upwards employment: 8 weeks notice.

4. To what extent is the employee obliged to work during his or her notice period? Employment legislation sets down that if an employer and an employee agree, the employee can waive their right to notice. In addition, where the employer and employee agree, the employer can pay the employee in lieu of notice. An employer may dismiss without notice for serious misconduct, although this can be contested regarding whether employer was justified in such action.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? The employer must use a fair and consistent method to choose for redundancy. Accordingly, cherry picking can cause unfair dismissal. Examples of such situations include where the custom and practice in the workplace has been "last in, first out" and your selection did not follow this procedure. Under the unfair dismissals legislation, selection for redundancy based on certain specific grounds is considered unfair. These include redundancy as the result of an employee's trade union activity, pregnancy or religious or political opinions.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? The statutory redundancy payment is a lump-sum payment based on the pay of the employee. All eligible employees are entitled to: 2 weeks' pay for every year of service over the age of 16 and 1 further week's pay. The amount of statutory redundancy is subject to a maximum earnings limit per week.

7. Are there any procedural rules that apply in case of termination of an employment? There are no legal obligations for this.

8. How may an employee dispute or challenge a termination of employment?

An employee may dispute a challenge of termination on the basis that it is deemed an 'unfair dismissal'. The unfair dismissals legislation allows the employee to make a claim for unfair dismissal but this must be done within 6 months of the date of dismissal. This time limit may be extended to 12 months in cases where exceptional circumstances have prevented the lodgement of the claim. If the employee qualifies under the unfair dismissals legislation, the employee may bring a claim to a Rights Commissioner. If the employee or employer objects to the claim being heard by a Rights Commissioner it may be made directly to the Employment Appeals Tribunal (EAT). Complaints of discriminatory dismissal under equality legislation should be referred to the Equality Tribunal only. If a claim is heard by a Rights Commissioner, the Rights Commissioner will issue a recommendation and the employee or employer may appeal it to the Employment Appeals Tribunal. Where a claim or an appeal is heard by the Employment Appeals Tribunal, the Tribunal will issue a determination. There is a right of appeal by either party to the Circuit Court from a determination of the Tribunal.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? There are 3 options; 1) Reinstatement; 2) Re-engagement; 3) Compensation (most common). The employer must only deal with a Union if an employee is a member of one. Generally the Union will represent the employee if a member.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? None legally, unless a contract has a specific clause which takes these factors into consideration.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Non-compete undertaking can be applicable if the employment contract states a date that the undertaking would end after dismissal or redundancy. In court it has been held that a reasonable period for the application of a restrictive covenant was 6 months from the date of termination of employment of the employee.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

- Which acts govern employment in general and the termination of employment in particular?
- The most important piece of legislation is the so called "Employees Statute", Law no. 300/1970" ("Statuto dei Lavoratori"), containing rules regarding wrongful termination. Additional acts concerning specific aspects of the employment relation exist. There is an ongoing discussion whether to pass an unified new "labour code".
- Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

In general, the system is based on mandatory acts which apply to all employees. Collective bargaining agreements may only provide additional regulation and protection, if and to the extent allowed according to law. As an exception, directors ("dirigenti") are exempt from employment protection but collective bargaining agreements may provide similar protection as established by the law. The individual employment contract may only provide additional benefits to the employee.

SECTION 2:

N 2: THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? The employment agreement does not need to be in writing. A written employment contract (which may be in any language understandable to the parties) is required for a part time, fixed term or agency work contract.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? The employment is for an indefinite term. By means of a written document, parties may agree a fixed term or a probation period. Fixed term contracts do not need any specific justification, provided that the term does not exceed 36 months.

3. Are there any minimum salary level requirements that an employer needs to follow?

There are a minimum wages in Italy, which are set in the national collective bargaining agreements. The minimum wage applies also to employers that do not apply the collective agreement. In the individual employment contract parties may agree for pay or benefits, beyond what is provided for in the collective agreement.

4. Is there a duty of loyalty between the employer and employee during the term of employment?

There is a duty of loyalty for the employee in favor of the employer. The employee is forbidden to disclose any information concerning the method of production or the names of the clients of the employer. The foregoing notwithstanding, freedom of speech allows the employee to criticise the employer, given that truth and appropriate means of expression are observed.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different rules apply in the case of individual or collective dismissal. The main differences relate to compulsory consultation with unions in the case of collective dismissal.

2. For what reasons may the employer terminate an employment? "Just cause" must exist for termination of employment. Legitimate reasons include breach of contract by the employee (misconduct of the employee and business related circumstances (e.g. decrease in production, reorganization of the business). In all cases of termination to business purposes, the employer has to check in advance that no other positions are available. The employer always carries the burden of proof.

3. What notice period applies if the employment is terminated?

A notice period is always due both by the employer and by the employee in the case of a termination of the relationship. The term of notice is established in the national collective agreements and depends only on seniority. As an exception, a notice period is not due in case of grave misconduct by the employee (i.e. sexual harassment, fraud, stealing and other material breaches of contract).

4. To what extent is the employee obliged to work during his or her notice period? The terms and conditions of employment apply during the notice period. Accordingly, the employee is obliged to perform his or her normal duties during the notice period, but may take time off as long as the employer agrees. Payment in lieu of notice does exist.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

Cherry picking is not permitted. Courts have ruled to void collective agreements that, even indirectly, cause such effect. Legal criteria concerning the selection of employees whose contract may be terminated (business reason, the shortest time spent working in the firm, the least number of children or other dependent relatives) may be modified through a collective agreement but such agreement have to comply with anti-discrimination rules.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

Severance pay is a deferred compensation, which accrues every year during employment (1 monthly salary for every year worked). This is intended to assure the employee money during possible unemployment time after termination. Accordingly, severance is always paid and due, regardless of the type of employment and the reasons for termination.

7. Are there any procedural rules that apply in case of termination of an employment? In the case of a collective termination the employer has a legal obligation to consult and negotiate with the unions. If an agreement is not signed, negotiations between the parties continue with the mediation of governmental authorities. Should the parties fail to agree, the employer may proceed with a termination applying the legal criteria in order to select the employees whose contract is to be terminated. In the case of an individual termination for business reasons, a negotiation between the employer and the employee before a governmental authority must take place before termination is effective. In the case of termination due to misconduct of the employee, the employee must be informed in advance of the reasons for termination and has a right to offer his or her explanations and defences before termination is communicated and effective. Termination always has to be communicated in writing.



8. How may an employee dispute or challenge a termination of employment?

The employee may challenge termination by filing a claim with the local labour Court. Summary judgement is expected to be delivered within 3 months. If either party appeals the summary judgement, an ordinary first instance labour court trial takes about 18 months. The labour court's decision may be appealed further, first to the Court of Appeal and finally to the Supreme Court.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? A monetary allowance is the consequence of a wrongful termination, up to a maximum of 24 monthly salary payments. The specific amount is decided by the Court. In addition to monetary damages, reinstatement in the workplace is also granted under certain circumstances.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The duty to respect industrial secrets (formulas, technical or production methods) is due after the end of the contract. Right of the employee to be preferred when the employer hires new people exists only after fixed term contracts. The former employer is not obliged to present a letter of reference or other documentation to a former employee.

 Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy? Non-compete agreements are possible in general. They are not affected by termination provided that the employee keeps the possibility of finding another job, is remunerated with an amount deemed reasonable which may not last a period of more than 3 years (5 for "dirigenti" or "directors").

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The relevant act in Latvia is The Labour Law ("Darba likums" or the "Labour Law"). The English translation is available at: www.vvc.gov.lv/export/sites/default/docs/LRTA/Likumi/Labour_Law.doc.

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The Labour Law, it is mandatory for all personnel. A written employment contract shall be entered into prior to commencement of work. Collective bargaining agreements apply to all employees who are employed by the relevant employer or in a relevant undertaking of the employer, unless otherwise provided in the collective bargaining agreement.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

There are formal requirements according to law. For example, it is compulsory to indicate in the employment contract the workplace, the profession, the remuneration and a general description of the contracted work. The Employment contract shall be drafted in Latvian. However, it is not prohibited to draft the contract in 2 languages (in columns) or to add translation to the desired language.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period?

Generally, agreements are entered into for an indefinite term, but the agreement may stipulate the term of employment. Agreements concluded for a specific period of time may only be concluded in cases prescribed in the Labour Law (e.g. for seasonal work). A probationary period (which may not exceed 3 months) may be specified in order to assess the performance of an employee.

3. Are there any minimum salary level requirements that an employer needs to follow?

Any agreed salary shall not be less than the minimum level determined by the Regulations of the Cabinet of Ministers. Amounts of supplements shall be determined by a collective bargaining agreement or the employment contract.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The Labour Law prescribes a duty of non-disclosure for the employee regarding information which is a business secret of the employer. The employer has a duty to indicate in writing what information is to be regarded as a business secret. An employee may have several employments simultaneously unless otherwise stated in the employment contract.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? According to the Labour Law, different regulations are attributed to collective dismissals compared to the case of individual dismissals.



2. For what reasons may the employer terminate an employment? The employer may terminate an employment for any reason, even one that is not directly related to the performance of the employee. However, some form of reasoning must be provided to explain the need for dismissal. The employer carries the burden of proof to prove that there are legal grounds for termination of the agreement. Should the employee challenge this at court, the same condition applies.

3. What notice period applies if the employment is terminated? Notice periods depend on the party terminating the work relation and on the grounds for the action. If a work relation is terminated by the employee, the general notice period is 1 month. If the employer terminates the employment, the notice period varies from immediate effect to 1 month depending on the grounds of termination. For example, if the employee has acted unlawfully, the work relations can be terminated with immediate effect, while in case of redundancy, the notice period is 1 month.

4. To what extent is the employee obliged to work during his or her notice period?

The employee is obliged to continue fulfilling the agreed duties. The employee should not be forced to perform duties different to those prescribed prior to the notice period.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? In the case of redundancy, the employees that have been working for the longest have an advantage. It is the duty of the employer to do everything in their power to reduce the number of people to be made redundant as well as ensure that all social guarantees are in place.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? The entitlement to severance pay depends on the grounds of termination and length of service. The severance varies from 1 month average earnings up to 4 months average earnings if the employee has been in service for longer than 20 years.

7. Are there any procedural rules that apply in case of termination of an employment? A collective dismissal should be discussed in advance with the representatives of the persons to be dismissed. The notice of termination and certain other documentation must always be presented in writing and signed by both parties. All sums due should be paid to the employee upon termination of the employment.

8. How may an employee dispute or challenge a termination of employment?

Generally, the notice for termination can be challenged in court within a month of the date of the dismissal. The Labour Law disputes are handled in the respective region court of first instance. The Civil Procedure Law regulates also the procedural aspects of labour law disputes.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? The employee, who has been wrongly dismissed, may be reinstated by the court. Moreover, the employee is entitled to average monthly pay for the entire period of forced absence from work. This applies also if, by the request of the employee, the court terminates the employment legal relationship.

SECTION 4:

Mile and dispersioning

POST TERMINATION RULES

- Are there any post termination rules or regulation that a former employer needs to keep in mind?
- 2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

When dismissing an employee, all sums the employee is entitled to shall be paid on the day of dismissal. The employer must compensate losses caused to the employee. Upon the written request of an employee or the request of a state or local government authority for the performance of its legal functions, an employer has a duty, within 3 working days, to provide a written statement to the employee about employment details.

Restrictions on occupational activities of the employee (restriction on competition) after the termination of employment can be applied. A written agreement must be signed by both parties for this to be in force. However, the agreement must confirm the features set out in the Labour Law. For instance, the con-compete term may not exceed 2 years and the employer must pay adequate monthly compensation. If the employer gives a notice of termination on the basis of certain provisions of the Labour Law, the employee will lose the right to receive compensation for the observance of non-compete undertaking. The employer may withdraw from the agreement regarding restriction on competition prior to the termination of the employment contract.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The Labour Code of the Republic of Lithuania governs all major issues of the employment relationship.

2. Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The Labour Code is mandatory for all personnel although issues regarding managerial personnel (i.e. manager's dismissal, appointment, salary setting) are regulated by the Law on Companies. Freedom of contract applies but only with respect to terms that are to the benefit of the employee. Collective bargaining agreements may take precedence over the Labour Code in certain matters as specified by the Labour Code

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? The written form of the employment agreement and its amendments is compulsory. Each employment contract should include the following essential conditions: the employee's place of work and job functions. In respect of certain types of employment contracts, acts and collective agreements may also provide for other essential conditions, which shall be agreed by the parties in concluding such an employment contract (the term of the contract, the nature of seasonal work, etc.). In every employment contract, the parties shall agree on the conditions of remuneration for work (system of remuneration for work, salary, payment procedure, etc.). The employee may start working from the next calendar day after the agreement is signed.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Lithuanian employment contracts are for an indefinite period, unless otherwise agreed. Employment contracts may be concluded for specific terms. A fixed-term employment contract may be concluded for a period not longer than 5 years. It is prohibited to conclude a fixed-term employment contract if work is of a permanent nature, except for the cases when this is permitted by law or collective agreements. A probationary period for the benefit of employer or employee for up to 3 months may be agreed. Employment agreements during a probationary period may be terminated with 3 days prior written notice.

3. Are there any minimum salary level requirements that an employer needs to follow?

The Lithuanian government sets the minimum monthly salary and hourly rate. These requirements should be followed.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The duty of loyalty stipulates that the employee must not take any action (or refrain from performing mandatory actions) that might harm the employer. Unless otherwise agreed, the duty of loyalty ends when the employment terminates.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? The procedure for individual dismissals and redundancy differs. Collective dismissals are regulated by the Labour code. When a certain number of employees are dismissed in 30 calendar days, these are considered as redundancies. The expiry of a fixed-term, seasonal, short-term contract is not considered as a redundancy. In case of planned redundancies, the employer must follow the procedure and give notice in writing to the territorial labour exchange after consultations with employees' representatives, and before serving notices of termination of employment. Failure to adhere to the foregoing will make the termination of employment illegal.

2. For what reasons may the employer terminate an employment?

Employment agreements may be terminated by an employer due to "valid reasons". This covers circumstances, which are related to the qualification, professional skills or conduct of an employee, as well as economic, technological grounds or due to the restructuring of the workplace. Valid reasons do not exist if the employer could reasonably provide the employee other duties within the same legal entity. In these cases severance payments and notice periods are applied, also there are restrictions to certain groups of employees, whose dismissal is restricted. In certain cases the employment may also be terminated due to the fault of employee without notice period and severance payment.

3. What notice period applies if the employment is terminated?

If the employment is terminated by the employee, the notice period, should be 14 working days. If the employment is terminated by the employer, the common notice period is 2 months, except in cases where a 4 month notice period is required by law.

4. To what extent is the employee obliged to work during his or her notice period?

The employment continues in full force during the notice period. During the period of notice the employer must grant the employee not less than 10% work time to seek a new job.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? In the event of reduction in the number of employees, the employer must follow rules setting priority to retain the job. The priority is granted to employees 1) who were injured or contracted an occupational disease at that workplace; 2) who are raising children under 16 years of age alone or caring for other family members recognised as disabled; 3) whose continuous length of service at the workplace is at least 10 years, with the exception of employees, who have become entitled to the full old age pension or are in receipt thereof; 4) who will be entitled to the full old age pension in not more than 3 years; 5) to whom such a right is granted in the collective agreement; or 6) who are elected to the representative bodies of employees.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? Upon termination of the contract by employer without fault of the employee, the dismissed employee shall be paid an amount of severance pay as indicated by law.



- 7. Are there any procedural rules that apply in case of termination of an employment?
- Notices to territorial labour exchange are required in the case of redundancies involving a group of ten or more employees. Notice of termination shall be handed to the employee personally.
- 8. How may an employee dispute or challenge a termination of employment?

The employee may apply to court within 1 month counting from the last day of employment.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? If termination of employment is illegal the employee may be reemployed or awarded severance payment or compensation for loss of income during the period until re-employed. The employee may also be awarded moral damages.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The duty of loyalty ends with the termination of the employment. Confidentiality and non-competition, when agreed by parties in writing, may be in force after the employment ends. Maximum term of non-competition is 2 years. According to court practice, a non-competition agreement is valid only if the employee is compensated for non-competition during the whole period. If the agreement is terminated due to fault of employee or initiated by the employee without valid reason, the employer may ask to be compensated for the expenses incurred for employee's internships, professional development and/or studies during last year of employment.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Unless the non-competition agreement states otherwise, there is no difference regarding applicability depending on the reason for termination.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The Employment and Industrial Relations Act ("EIRA") regulates contracts of employment in general, including their termination. Subsidiary legislation (e.g. the Organisation of Working Time Regulations, the Transfer of Business (Protection of Employment) Regulations and several Wage Regulations Orders covering different industrial sectors) regulate employment conditions in more detail. All Maltese laws may be found at http://justiceservices.gov.mt/LOM.aspx

2. Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The EIRA is mandatory for all personnel except for 1) public employees (subject to exceptions); and 2) members of the Armed Forces. Parties may negotiate additional or different terms, including by collective bargaining agreement, as long as these are not less favorable to the employee than those prescribed by law.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

No formal requirements exist and, hence, the employment agreement may be verbal. However a number of terms and conditions (e.g. overtime rates and the normal hours of work) must be presented to the employee in writing by not later than 8 working days from the commencement of employment. The employer must also notify the Employment and Training Corporation (a state corporation) of the commencement of employment by not later than the same day.

2. May employment be agreed for (a) an indefinite term; (b) a specific period of time; or (c) a probationary period?

Employment may be for a fixed term (automatically converted to an indefinite term after 4 years, subject to exceptions), for an indefinite term, or in respect of a specified task, undertaking, work or service. The first 6 months of any employment consists of probationary employment (or 1 year in case of technical, executive, administrative or managerial posts) unless a shorter period is otherwise agreed by both parties. During probation, the employment may be terminated by either party without cause, subject to 1 week's notice if employee has been in employment continuously for more than 1 month.

3. Are there any minimum salary level requirements that an employer needs to follow?

A national minimum wage applies. This is increased annually according to the Cost of Living Adjustment. More beneficial national minimum wages apply to certain categories of employment that are regulated by specific Wages Regulations Orders. Employers are also required to pay Statutory Bonuses and Allowances in quarterly payments. Collective bargaining agreements in the private sector are negotiated at company level between the workers' union representing the majority of the employees in the workforce and the employer. It is only in the public sector that common conditions may be negotiated across a range of workplaces. Compensation in addition to what is agreed in an applicable collective bargaining agreement is permitted.

4. Is there a duty of loyalty between the employer and employee during the term of employment? No. Nonetheless, loyalty and confidentiality clauses are typically inserted into contracts of employment. A material breach of such clauses would likely be deemed to consist of a good and sufficient cause for dismissal.



SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Employment may be terminated by either party without notice and without compensation when there is a good and sufficient cause. In addition, indefinite contracts may be terminated by the employee without giving any reason by giving the prescribed notice to the employer, and by the employer on grounds of redundancy upon giving the prescribed notice to the employee. An employee in a fixed-term contract who abandons the employee. An employee in a fixed-term contract who abandons the employment or resigns without a good and sufficient cause before its expiry must pay the employer as compensation a sum equal to half the basic wage the employee would have been entitled to for the remainder of the term. This also applies vice-versa to the employer.

2. For what reasons may the employer terminate an employment? See 1 above.

3. What notice period applies if the employment is terminated?

The notice period depends on the length of service and varies as follows:
• Probation (but after 1 month) 1 week, • 6 months to 2 years = 2 weeks,
• 2 to 4 years = 4 weeks, • 4 to 7 years = 8 weeks, • more than 7 years =
8 weeks + 1 week for every subsequent year of service (or part thereof) up to a maximum of 12 weeks. Longer periods of notice may be agreed in the case of technical, administrative, executive or managerial posts.
Notice of termination may generally not be given during maternity or injury leave. In the case of collective redundancies, the employer must notify in writing the Employees' Representatives and the Department of Industrial and Employment Relations, about such intention while giving the said representatives an opportunity to consult. Termination cannot take place before the lapse of 30 days from notification except in certain circumstances.

4. To what extent is the employee obliged to work during his or her notice period? On receiving notice from the employer, the employee may continue to work the notice period or request the employer to pay half of the wages that would be due for the rest of the notice. If the employee terminates employment during the notice period, the employee must pay the employer half of the wages that would be payable for the rest of the notice.

5. To what extent may the employer chose which employee should be made redundant (cherry picking)? The employer shall apply the "last in first out" principle except when the employee is related to the employer by consanguinity or affinity up to the third degree, in which case the employer may instead terminate the employment of the person next in turn.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? No severance pay is required by law although this is often negotiated to avoid litigation. All outstanding wages and leave has to be settled by the next pay date following the termination of employment.

- 7. Are there any procedural rules that apply in case of termination of an employment?
- 8. How may an employee dispute or challenge a termination of employment?
- Disputes may be referred to the Industrial Tribunal by not later than 4 months from the date of termination. In practice, the statutory 1 month period for award of decisions is rarely observed and cases tend to be decided within 1 year. The parties may appeal to the Court of Appeal on a point of law.

The Employment and Training Corporation must be notified by the

employer within 4 days of termination. Notice of termination to the

employee is not required to be provided in writing, although this is

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? The employee may be reinstated if upon the employee's request, the Tribunal considers that that this would be just and practicable (e.g. employee was not in a post that requires special trust). Otherwise the Tribunal grants compensation, taking into consideration the real damages and losses incurred by the employee as well as other circumstances (e.g. age, skills and employment potential of worker). The Tribunal usually condemns the party who loses the case to pay the other party's legal fees. These amounts are, however, notoriously low. A labour union is not entitled to receive compensation for damages from terminations wrongfully carried out by the employer towards one of its members.

SECTION 4:

POST TERMINATION RULES

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- Are there any post termination rules or regulation that a former employer needs to keep in mind?
- The employer is legally bound to re-engage an employee previously dismissed on the basis of redundancy if the same post becomes available within a period of 1 year from the date of dismissal. Unless otherwise agreed there is no obligation for a letter of reference.
- 2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?
- Maltese law does not regulate non-compete clauses. The Maltese Courts have held that the absence of justifying circumstances would render such clauses void. Irrespective of the reason for termination, a non-compete restraint may apply as long as this does not place a disproportionate burden on the employee's employment prospects. Lack of compensation for restraint and excessive duration of non-compete (more than 5 years in case of managerial positions, or generally 2 years) would likely void the clause.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The information provided handles legislation that will come into effect on either 01/01/2015 or 01/07/2015, depending on the different sections of the Amendment Act. The Employment Agreement Act has been laid down in title 10 of Book 7 of the Dutch Civil Code ("DCC"), and covers both employment in general and termination of employment. No legislation translations are available.

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out? Most of the DCC articles are mandatory for all personnel. Some exceptions exist with regard to Board members of companies and domestic help. Freedom of contract applies in most instances, but only if the terms benefit the employee. Collective bargaining agreements often contain exceptions and supplements to DCC (allowed under certain conditions) and they often overrule individually agreed terms and conditions

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? No formal requirements exist with respect to an employment agreement, but the terms and conditions must be presented to the employee in writing within 1 month after the first day of work. Some terms and conditions (i.e. a non-competition clause or a probationary period clause) have to be set out in writing to be legally binding.

May employment be agreed for (a) an indefinite term;(b) a specific period of time; or (c) a probationary period? Employment agreements are for an indefinite or a fixed period of time. DCC allows the agreement of a probationary period, if the employment agreement equals or exceeds a period of 6 months. The probationary period is 2 months maximum.

3. Are there any minimum salary level requirements that an employer needs to follow?

The Minimum Wage and Minimum Holiday Allowance Act covers minimum salary level requirements. Collective bargaining agreements also cover minimum salary requirements as well. Employers may be forced to comply with a collective bargaining agreement if this agreement has been declared binding for an entire industry. Employer and employee may in most cases agree on compensation in addition to minimum salary requirements.

4. Is there a duty of loyalty between the employer and employee during the term of employment? There is a duty of loyalty between the employer and the employee based on general principles of fairness. The employee is obliged to preserve secrecy with regard to any information of a confidential nature that is acquired because of the employment agreement.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different further rules apply depending on the reason for termination. In case of redundancy, the reflection principle ("afspiegelingsbeginsel") mostly applies, which means that job losses must be proportionally distributed among various age groups, in order to maintain a balanced age structure. An employee within a certain age group is made redundant by the last in/first out principle. The employer may terminate the employment agreement if: 1) there are reasonable grounds and 2) if the reassignment of the employee (within a reasonable term, either with or without training), to a different suitable position is not possible. Reassignment will in any event not be deemed appropriate in the event of imputable acts or omissions by the employee.

2. For what reasons may the employer terminate an employment?

Article 7:669 DCC specifies a limited number of reasonable grounds for termination: a) Business shutdown and economic circumstances; b) 2 years of sickness; c) Frequent sickness; d) Inadequate performance after improvement plan; e) Imputable acts or omissions; f) Conscientious objections; g) Strained employment relationship; h) Other circumstances. The specific requirements an employer must meet when terminating the employment, are set out in a ministerial decree.

3. What notice period applies if the employment is terminated? The notice period for an employee is 1 month, unless otherwise agreed (subject to limitations). The notice period an employer must observe depends on the length of service of the employee: 0 to 5 years: 1 month; 5 to 10 years: 2 months; 10 to 15 years: 3 months; more than 15 years: 4 months. The notice period may be subject to a collective bargaining agreement. The duration of the procedure to terminate the employment agreement will be set off against the notice period. If the employer or the employee has urgent cause ("dringende reden") to give notice, no notice period applies.

4. To what extent is the employee obliged to work during his or her notice period?

The obligation to work remains in force during the notice period, but it is not uncommon for the employee to be (partially) on gardening leave during the notice period.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? The employer may not cherry pick in the case of redundancy; instead the reflection principle applies in most instances.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? With certain exceptions, every employee (including temporary employees) is entitled to a Transition Payment in the event of involuntary termination of the employment agreement, if the agreement has lasted at least 2 years. The Transition Payment is calculated by the following formula: 1/3 monthly salary per year of service (1/6 per 6 months), 10 or more years of service —> from the 10th year of servicecompensation equals 1/2 monthly salary per year of service (1/4 per 6 months). The Transition Payment is EUR 75,000 maximum or the value of a yearly salary, if the yearly salary exceeds EUR 75,000. Until 01/01/2020, several transitional rules apply.



7. Are there any procedural rules that apply in case of termination of an employment? An employer who wants to give notice or terminate an employment agreement, has to address either the Dutch Social Security Agency ("UWV") or the Sub district Judge, depending on the grounds for termination. In both cases, the employer files a request and the employee files a defence. If the Sub district Judge is addressed, a hearing will be organised. Both procedures take about 2 months and the decision may be appealed. With respect to temporary agreements, the employer is obliged to notify the employee no later than 1 month before expiry whether the agreement will be continued and, if so, on what conditions. If the employer does not comply, he is liable to a penalty equal to (a part of) a monthly salary. With respect to termination of employment by mutual consent, a period of reflection of 2 weeks applies, in which the employee may revoke agreement. If the employer has not notified the employee about the reflection period, a 3 week reflection period applies.

8. How may an employee dispute or challenge a termination of employment?

The employee may appeal against a decision - to allow the employer to give notice - by the Dutch Social Security Agency ("UWV") or a decision by the Sub district Judge to terminate the employment agreement. Cassation is open as well.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? Where reasonable grounds for termination are found to be missing, the Judge may order re-employment or payment of an additional fair compensation. If the employer is ordered to re-employ the employee, the Judge may order the employer to compensate the employee for the period of time that the employment agreement has been interrupted. The employee is entitled to fixed legal costs. Normally, this does not cover all costs and fees involved.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind?

If employment has been terminated because of redundancy, the employer is obliged to make the employee a job offer if a vacancy occurs for the same job within a period of 26 weeks after termination.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

In most cases of redundancy, the employer cannot hold the employee to a non-compete clause. Whether the employer can hold the employee to the non-compete clause if employment has been terminated for personal reasons, depends on the interests of both parties.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The Working Evironment Act of 17/06/2005 no. 62 ("Arbeidsmiljøloven") or ("AML") relates to working hours and employment protection. Translated Norwegian labour legislation act may be found at www.arbeidstilsynet.no.

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The AML is mandatory (and therefore may not be contracted out of) for most personnel. Employees in the 1) Shipping, hunting and fishing (including processing of the catch on board ship industries);
2) The military or aviation business; and 3) Government employees are, however, outside of the AML. Special rules may be contracted for executive management.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

The employment agreement shall be in writing but does not need to be in Norwegian. The AML lists the minimum essential inclusions in a employment contract, such as: 1) The identity of the parties; 2) The place of work; 3) A description of the scope of work/title; and 4) Start date.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Norwegian employment agreements are for an indefinite period, unless otherwise agreed. An initial probationary period of up to 6 months may be agreed.

3. Are there any minimum salary level requirements that an employer needs to follow?

There is no minimum wage according to Norwegian law. Minimum salaries may be established through collective bargaining agreements.

4. Is there a duty of loyalty between the employer and employee during the term of employment? There exists a duty of loyalty stipulating that the employee may not take any action (or refrain from performing mandatory actions) that might harm the employer. Unless otherwise agreed, the duty of loyalty ends when the employment terminates.

SECTION 3:

TERMINATION OF EMPLOYMENT

1. Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?

Different rules apply depending on the reason of termination. When terminating an employment due to redundancy, the basic principle "first in/last out" applies generally. The procedure differs when terminating an employment for personal reasons and depending on the number of employees being made redundant.

2. For what reasons may the employer terminate an employment?

"Good cause" (i.e. justifiable reason) is required for termination by an employer.



3. What notice period applies if the employment is terminated?

If nothing else is agreed; 1 month. The employee is entitled to a longer period of notice for years of service of: 2 months for 5 years, 3 months for 10 years.

4. To what extent is the employee obliged to work during his or her notice period?

The employment continues in full force during the notice period and, accordingly, the employee is obliged to provide normal services.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

The employer must inform and interview each employee, before the decision is taken. If no other options are available "first in/last out" applies.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? Only payment of salary is due during the notice period and no severance pay is required.

7. Are there any procedural rules that apply in case of termination of an employment? Before termination of employment due to personal reasons, the employer must notify the employee in writing in due time before acting. Notice must be made in writing and must indicate what the employee has to do to contest the termination or demand damages.

8. How may an employee dispute or challenge a termination of employment?

An employee must inform the employer of his or her intentions to challenge the termination no later than 2 weeks after receiving the notice of termination.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? A wrongful termination may entitle the employee to 1) re-employment; and/or 2) compensation for loss of income; and/or 3) limited additional damages for the employer's wrongful treatment.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The employer has to provide the employee with a letter of reference.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

If the employment has been terminated by the employer, non-compete undertakings do no longer apply.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The Act of 26/06/1974 Labour Code (Ustawa z dnia 26 czerwca 1974 r. Kodeks pracy) covers both employment in general and the termination of employment in particular. In addition, termination of employment in extraordinary circumstances (i.e. collective redundancies), is governed by the Act of 13/03/2003 r. on specific terms and conditions for terminating employment relationships with employees for reasons not related to the employees (Ustawa z dnia 13 marca 2003 r. o szczególnych zasadach rozwiązywania z pracownikami stosunków pracy z przyczyn niedotyczących pracowników) (the "Act of 13/03/2003").

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

Mandatory rules are mainly stipulated in the Labour Code and in the Act of 13/03/2003. A collective bargaining agreement may prevail over employment legislation and the individual employment agreement, but only to the benefit of the employee.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? A contract of employment should be in writing and signed by both parties. However, an oral contract is valid and binding upon the parties. The employer is obliged to confirm the conclusion in writing and to inform the employee of certain rights listed in the Labour Code. A contract of employment should define the parties to the contract, the date of conclusion of the contract and the conditions of work and payment. The contract of employment should be concluded in Polish however a contract in another native language may be applied for. The employer is obliged to inform the employee about his or her right to demand a Polish language version of the contract.

2. May employment be agreed for (a) an indefinite term; (b) a specific period of time; or (c) a probationary period? The employment may be agreed for both a limited and unlimited duration. Moreover, the employment may be concluded for the period necessary to perform a specific task and for a probationary period of up to 3 months. Furthermore, during the time of a justified absence from work of an employee, a temporary replacement may be hired. The Labour Code does not provide for the maximum duration of contracts of employment for limited duration. However, an agreement for an extensive fixed period of time may be regarded as a circumvention of law.

3. Are there any minimum salary level requirements that an employer needs to follow?

A legal minimum salary level, set annually exists in Poland. In general, however, salary is agreed individually between employer and employee. The Labour Code stipulates that the conditions of remuneration for work and conditions of granting other work related benefits are determined in collective bargaining agreements, or in absence of them, in the remuneration regulations. Additional compensation in addition to what is agreed in collective bargaining agreements is permitted. An employer who is not a member of the employer's federation does not have to apply the salary agreed for the relevant industry collective bargaining agreement.



4. Is there a duty of loyalty between the employer and employee during the term of employment?

The employee has to respect the interest of the employer, protect the employer's property and keep confidential business secrets. The employer may decide what information is confidential and may specify this in employment contracts.

SECTION 3:

TERMINATION OF EMPLOYMENT

1. Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?

If the employer employs at least 20 employees, the Act of 13/03/2003 governs collective redundancies. The act explicitly differentiates individual reasons and redundancy providing, to some extent, different rules. If the employer employs less than 20 employees only the Labour Code applies. The Labour Code does not regulate collective dismissals.

2. For what reasons may the employer terminate an employment?

Subject to notice, an employment with unlimited duration may be terminated by the employer for any justified reason. The employer may terminate the employment without notice if: 1) there was a serious breach of the employee's basic duties; 2) a criminal offence was committed by the employee; 3) the employee lost (through his or her own fault) any necessary license to perform work in the current position; 4) the employee becomes unable to work due to an illness lasting for a certain duration; 5) employee's absence from work longer than 1 month for reasons other than illness. The burden of proof rests with the employer. It is, however, the employee who must show that the dismissal was unfair.

3. What notice period applies if the employment is terminated?

Where the employment is terminated with notice, the period of notice depends solely on the type of employment contract and the duration of employment. Neither reasons of termination, nor the person terminating the contract (employee or employer) are relevant in this regard. The period of notice for an unlimited duration contract of employment amounts from 2 weeks to 3 months depending on years of service. As a general rule, a contract for a limited duration cannot be terminated with notice. Different notice periods may apply in specific circumstances (e.g. employer's bankruptcy or liquidation).

4. To what extent is the employee obliged to work during his or her notice period?

As a general rule during the notice period an employee has the right and a duty to work. The employee is obliged to use any remaining leave and entitled (if a period of notice is of at least 2 weeks) to certain time off for the purpose of seeking new employment.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

Polish law does not explicitly provide criteria for selecting employees in redundancy cases. Rules for the selection are instead subject to consultations with trade unions or other employee representatives. The adopted criteria need to reflect the reasons of redundancy and may not be discriminatory.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? Only an employee made redundant in a collective dismissal is entitled to severance pay, the amount of which depends on the length of service.

7. Are there any procedural rules that apply in case of termination of an employment?

Polish law provides different sets of procedural regulations to the employers employing at least 20 employees and the ones employing less. Particularly in case of collective dismissal, employer should consult its intentions with trade unions. Trade unions have right to express opinions and to propose alternatives to collective dismissals solutions. An employer and the trade union are supposed to reach an agreement. Both, intention to make collective dismissal and the following agreement with trade union have to be submitted with the district labour office. A statement of will by either party on the termination of employment should, as a general rule, be in writing. Moreover, the notice should cover information of the right to appeal to the Labour Court.

8. How may an employee dispute or challenge a termination of employment?

An employee who considers the termination of employment unfair or unlawful may commence a legal action before a Labour Court. Depending on the circumstances of the case, the employee may demand compensation or reinstatement. Prior to the case being referred to a Labour Court, an employee may seek an out-of-court settlement before a conciliation commission.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules?

If a termination is found unfair or unlawful, the Labour Court may: 1) declare ineffectiveness of the notice of termination; 2) order employee's re-employment; and/or 3) award compensation to the employee. The losing party should, upon request of the adverse party, reimburse costs of legal proceedings, to the amount determined in the court. Labour unions have no action towards the employer if the court finds termination to be wrongful.

SECTION 4:

POST TERMINATION RULES

1. Are there any post termination rules or regulation that a former employer needs to keep in mind?

Duty of loyalty between a former employer and a former employee is defined by general rules of law (e.g. protection of trade secrecy). Confidentiality agreement or non-compete clause may be agreed. In the event of re-hire after redundancy, former employees have priority, if suitable for the open position. Under the Labour Code, the employer is obliged to supply the employee with certificate of employment immediately following the termination or expiry of the employment.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

There is no specific regulation on non-compete undertakings in case the employment has been terminated by the employer for personal reasons or redundancy.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? Labour Code (Código do Trabalho) - Law no. 7/2009, 12/02 and subsequent alterations cover the employment relation.

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The Labour Code is applicable to all labour relations except for public employees (who are subject to a specific legalisation which often refers to the Labour Code). In several matters Labour Code articles are mandatory. Certain terms may be agreed but in most cases only to the benefit of the employee. Collective bargaining agreements (CBA) may take precedence over the Labour Code unless otherwise specifically stipulated by law. In certain matters CBA may only establish different rules if these are to the benefit of the employee.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? In general, employment contracts do not need to be in writing, except in particular cases (e.g. fixed term contracts or contracts with non EU citizens). Certain specific agreements (e.g. exemption from working times) must be in writing.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Employment may be for an indefinite duration (the main rule) or for a term, fixed or uncertain, provided that the employer has a justified temporary need. All employment (unless otherwise agreed) has a probationary period which varies depending on type of contract and employee's occupation. This period may not be increased through agreement. During probation, termination without cause is permitted by either party.

3. Are there any minimum salary level requirements that an employer needs to follow?

There is a minimum wage fixed by law. CBA may also establish minimum salaries for each professional category. Employers bound to CBA may pay salaries in excess of the agreement. Employers not bound by a CBA do not have to apply the salaries for the relevant industry but most employers are nevertheless bound by the CBA applicable to their industry due to Extension Ordinances by the government.

4. Is there a duty of loyalty between the employer and employee during the term of employment? By law, the employee must be loyal to the employer. The employee may not negotiate on his or her own or on others' behalf, in competition with the employer or disclose information regarding the employer's organization, production methods or business.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different rules apply depending on the reason for termination and the number of positions terminated. A collective dismissal includes at least 2 or 5 employees (depending on the size of the employer) simultaneously or within 3 months. Individual dismissals include dissolution of position, employee's inadaptability or just cause (disciplinary reasons).

2. For what reasons may the employer terminate an employment? An employer may only terminate employment as follows:

1) for convenience during the probationary period; 2) expiration of term contracts; 3) termination upon mutual consent;

4) dismissal with just cause (for disciplinary reasons); 5) dismissal due to employee's inadaptability; 6) dismissal due to dissolution of the position; or 7) collective dismissal. The employer carries the burden of proof to show that circumstances and legal requirements to permit termination are met.

3. What notice period applies if the employment is terminated?

Notice periods for fixed term contracts are 15 days for the employer and 8 days for the employee. For uncertain term contracts, 7, 30 or 60 days notice for the employer depending on the duration. Employees may terminate a contract at any time with no reason with a notice period of 1 month (2 years of service or less) or 2 months (more than 2 years of service). In dismissal due to inadaptability, dissolution of the position or collective dismissal, the employee is entitled to 15 days for 0 to 1 year of service, 30 days for 1 to 5 years of service, 60 days for 5 to 10 years of service, 75 days from 10 years of service. In cases of dismissal with just cause the termination is immediate upon the communication of the disciplinary process decision.

4. To what extent is the employee obliged to work during his or her notice period?

Employment continues in full force during notice period and the employee may only carry out normal duties. If the notice period is not respected, the employer must compensate the employee. In dismissal due to inadaptability, dissolution of the position or collective dismissal, the employee is entitled to paid leave (up to 2 days per week). In the foregoing cases of dismissal the employee may terminate the employment with a notice period of 3 working days (maintaining right to severance).

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

Employer may not cherry pick in the case of redundancy. In collective dismissals, the employer defines the criteria. The criteria must be objective and connected to the motives invoked to justify the redundancy. In dismissals due to dissolution of the position, a set of criteria, stipulated by law, determines which employees remain.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? In dismissal due to inadaptability, dissolution of the position or collective dismissal, the employee is entitled to mandatory severance corresponding to 12 days payment per year of service. In case of notice for termination of term contracts, the employee is entitled to mandatory severance corresponding to 18 days payment per year of service (in uncertain term contracts after the third year of duration severance lowers to 12 days payment per year). There are transitory norms that stipulate different (higher) severances for contracts initiated prior to 01/11/2011.



7. Are there any procedural rules that apply in case of termination of an employment? Termination of employment contracts must be communicated to the social security. Termination of a contract with a non-EU citizen must be communicated to governmental authorities of the labour sector. In cases of dismissal due to inadaptability, dissolution of the position or collective dismissals several initial written notices may need to be filed with the employees' commission, the union commissions that represent involved employees, the employees involved and to governmental authorities of the labour sector. A representative of the government labour sector may intervene in the subsequent procedures to ensure the law is complied with. The final decision of dismissal is communicated in writing to the same persons or entities. The dismissal of a pregnant, puerperal or lactating woman is subject to previous evaluation by the Commission for Equality at Labour and Employment.

8. How may an employee dispute or challenge a termination of employment?

Labour disputes are handled in Labour Courts. In cases of dismissal due to inadaptability, dissolution of the position or collective dismissals, in order to dispute the dismissal immediately, the employee must after receiving severance, inform the employer and simultaneously return the full severance. In cases of termination agreement with the employee (unless the employee's signature is notarized) the employee may within 7 days revoke said agreement provided the employee returns in full the received severance. Preventive suspension of the dismissal may be required in court within 5 working days after receiving notice. To oppose dismissal (with just cause, due to inadaptability or to dissolution of the position), employees must submit a request form in court within 60 days after receiving notice. To oppose collective dismissals, employees must present a lawsuit within 6 months after receiving notice.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? Should dismissal be considered illicit the employee is entitled to:

1) Compensation for all losses; 2) Reemployment; or additional severance (15 to 45 days per year of service); 3) Salary from termination date to final court decision date (less salary between dismissal and 1 month before issuing of the lawsuit and unemployment subsidy). In general, the losing party must also compensate the winning party for court fees and legal expenses.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? If no specific loyalty clause is signed, the loyalty duty ends with the employment termination. For 30 days after termination of a fixed term employment the former employee has preference in admittance if the employer recruits for a similar position in an indefinite duration employment. There is a legal obligation for the employer to provide the employee with a certificate of employment and an unemployment social security form. There is no legal obligation for a letter of reference. Successive term employments with different employees for the same position are forbidden, with exceptions.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Non-compete undertakings have a maximum period of 2 years after termination (3 in special cases). Non-compete agreements must grant the employee compensation during the limitation period. Should dismissal be considered illicit or the employee terminate contract with just cause (illicit conduct by the employer) compensation is increased to the employee's last salary (with certain limits) or the non-compete undertaking is no longer enforceable.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? Law No. 53/ 2003 (the "Labour Code") covers employment and the termination thereof, while Law No. 62/ 2011 concerns the social dialog and covers the right to form unions and employer organizations and negotiate collective bargaining agreements. English translations may be found at: http://www.codulmuncii.ro/en.

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

The Labour Code is mandatory for all personnel categories and may in general not be contracted out of.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? An individual employment contract shall be concluded on the basis of the parties written consent and in the Romanian language.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? An individual employment contract shall be concluded for an unlimited duration. By way of exception, the individual employment contract may also be concluded for a limited duration.

3. Are there any minimum salary level requirements that an employer needs to follow?

The national minimum gross basic pay (with guaranteed payment), corresponding to a normal work schedule, shall be established by Government Decision, after consulting trade unions and employers organisations.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The duty of loyalty stipulates that the employee must not take any action (or refrain from performing mandatory actions) that might harm the employer. Unless otherwise agreed, the duty of loyalty ends when the employment terminates.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?

Different rules apply for collective and individual dismissals. Redundancy is at hand in case of one or several dismissals, within a timeframe of 30 calendar days for reasons not related to employees personally.



2. For what reasons may the employer terminate an employment? A dismissal may be decided for personal reasons related to the employee or for reasons not related to the employee. An employer may dismis an employee for personal reasons when: a) repeated offences of labour discipline rules are at hand; b) the employee has been taken into preventive custody for more than 30 days, under the terms of the Code of Criminal Procedure; c) the competent medical examination body states physical or mental inability of the employee, not allowing fulfilment of the duties corresponding to the position held; d) the employee is not professionally fit for the workplace; e) the employee reaches the standard age and period of pension contribution and has not requested retirement.

3. What notice period applies if the employment is terminated?

The persons dismissed shall have the right to a notice of at least 20 working days.

4. To what extent is the employee obliged to work during his or her notice period? The employment continues in full force during the notice period.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? The employer may not cherry pick in the case of redundancy.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? The employees dismissed for reasons not related to their person shall benefit from active measures designed to fight unemployment and may enjoy compensations under the terms of the law and the applicable collective labour agreement.

7. Are there any procedural rules that apply in case of termination of an employment? When the employer contemplates a collective redundancy, the employer shall initiate, in good time and with a view to reaching an agreement, under the terms provided for in the law, consultations with the trade union or, as the case may be, with the representatives of the employees.

8. How may an employee dispute or challenge a termination of employment?

The employee may initiate court proceedings no later than 30 days after the end of the notice period.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? If an employment is terminated in spite of a lack of "good cause", the employee may initiate legal proceedings and claim (a) damages for losses suffered; or (b) 1) re-employment; 2) compensation for loss of income during the period until re-employed; and 3) limited additional damages for the employer's wrongful treatment.

SECTION 4:

POST TERMINATION RULES

- Are there any post termination rules or regulation that a former employer needs to keep in mind?
- 2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

The duty of loyalty ends with the termination of the employment. Subject to agreement, confidentiality and non-competition undertakings may be in force after the employment ends. There is a legal obligation for the employer to provide the employee with a certificate of employment but unless otherwise agreed there is no obligation for a letter of reference.

Non-compete undertakings cannot be enforced toward an employee for a longer period than what is considered reasonable. A reasonable period is never longer than the estimated life of the conservation value of the "know-how" in question. Non-compete undertakings which prohibit an employee from working with a new employer are only enforceable if the employee is reasonably compensated for the undertaking. If the employer provides notice of termination due to redundancy, a non-compete undertaking may no longer be enforceable.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? Employment in general is comprehensively regulated by the Employment Relationship Act ("Zakon o delovnih razmerjih" or "ZDR-1"). Certain other acts govern specific labour issues, e.g. the Representativeness of Trade Unions Act ("Zakon o reprezentativnosti sindikatov") regarding the formation of trade unions and the Collective Agreements Act ("Zakon o kolektivnih pogodbah") covering the procedure for collective bargaining agreements. Unofficial translations of Slovenian labour acts may be found at www.mddsz.gov.si/en/legislation.

Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

Besides the general acts, specific legislation applies for certain categories of employees (i.e. public employees, mobile workers and seafarers). Certain rights and obligations arising from the employment relationship may be regulated differently in ZDR-1 for the managerial personnel (i.e. managers and procurators). Freedom of contract applies to the extent that rights and obligations of the employee are more favourable than those provided in the ZDR-1 or in the collective bargaining agreement. Collective bargaining agreements may determine employee rights and obligations provided these are not less favourable than the ZDR-1.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? ZDR-1 determines that the employment agreement shall be concluded in a written form. However, the breach of written form only creates an obligation of the employer to provide the employee with a written employment agreement. If certain terms or types of employment agreements are not agreed in writing, certain legal consequences occur (which are for the benefit of the employee). There is no requirement in regards to the language of the employment agreement.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? In principal, Slovenian employment agreements are for an indefinite period. Fixed-term employment agreements may only be entered into under certain conditions. A probation period of up to 6 months may be stipulated in the employment agreement.

3. Are there any minimum salary level requirements that an employer needs to follow?

Salary is agreed between employer and employee in the employment agreement. However, the employer must take account of the minimum wage determined by law or the collective bargaining agreements which are binding upon the parties. Compensations, in addition to what is agreed in an applicable collective bargaining agreement are permitted. The employer must (irrespective of membership) consider the salary agreed by the collective bargaining agreement for the relevant industry.

4. Is there a duty of loyalty between the employer and employee during the term of employment? During the term of employment the employee must 1) refrain from all actions which might cause damage to the employer or harm the business interests of the employer (general duty of loyalty); 2) not conduct competitive activity; and 3) protect the employer's business secrets.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? In the case of redundancy, the same rules as for individual termination of employment apply. In addition, the employer must fulfill certain other obligations.

2. For what reasons may the employer terminate an employment?

The employer may terminate employment, either with a notice period (ordinary termination of employment) or without a notice period (extraordinary termination of employment). The employer may ordinarily terminate employment, if a justified reason (as set in ZDR-1), prevents the continuation of work under the conditions set in the employment agreement (e.g. business reason, incompetence or misconduct). The employer may extraordinarily terminate employment, if specific reasons exist (certain severe violations) and the employment cannot continue until the expiry of the notice period. In addition certain employees enjoy special legal protection and their employment agreement may only be terminated for specific reasons. Employment may also be terminated by an agreement between the employee and employer (settlement agreement).

3. What notice period applies if the employment is terminated?

The notice periods differ based on the reason for termination of employment and the years of employee's service with the present and all former employers: (a) In the event of ordinary termination by the employee, the notice period shall be 15 or 30 days (depending on the years of service); (b) In the event of the ordinary termination by the employer, the notice period shall be 15, 30, up to 60 or up to 80 days (depending on the reason for termination of employment and the years of service). In addition, different notice periods apply if the employment is terminated due to bankruptcy or compulsory liquidation (15 days), compulsory settlement or other cases of winding-up (30 days) or if the employment is terminated due to unsuccessful probation period (7 days)

4. To what extent is the employee obliged to work during his or her notice period? During the notice period the employee continues to perform services which were agreed with the employment agreement and cannot be forced to perform other duties. Instead of enforcing part or the entire notice period, the employee and employer may agree on adequate compensation. If the employer instructs the employee to stay at home, the employer is obliged to pay wage compensation to the employee. When employment is terminated by the employer, the employee may be entitled to absence from work to search for new employment or to integrate into activities of the Employment Service.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? The employer must use the criteria for determination of redundant workers set in the collective bargaining agreements. However, in agreement with the trade unions at the employer, the employer may draw up his or her own redundancy selection criteria, as permitted by ZDR-1. Social hardship should prevail if several employees fall under the same selection criteria.



- 6. To what extent is an employee who is provided notice of termination entitled to severance pay?
- 7. Are there any procedural rules that apply in case of termination of an employment?

An employer is obliged to pay severance only when employment was terminated due to reasons specifically determined in ZDR-1 and if the employee has been employed for more than 1 year. The minimum amount is determined by ZDR-1 and is enforceable before court.

The notice of termination of employment must be in writing and must be served to the employee or employer, respectively, in accordance with ZDR-1. When employment is terminated by the employer, the employer is also obliged to explain the reason for termination and inform the employee of certain rights and obligations. Before terminating employment, the employer must follow the procedural rules set out in ZDR-1, which differ depending on the reason for termination. Upon request of the employee, the employer is obliged to inform the trade union or the employee's council/employee's representative about the intended termination. In the case of redundancy, the employer must notify and consult with the trade union, inform the Employment Service about the entire procedure and consultations with the trade union and consider any Employment Service proposals.

8. How may an employee dispute or challenge a termination of employment?

The employee may challenge the termination of employment before the competent Labour and Social Court. The decision of the Labour and Social Court may be appealed. A labour dispute usually takes between 12 to 17 months to settle before the Labour and Social Court and 3.5 months before the Higher Labour and Social Court.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? If the court decides that termination of employment was illegal the employer is entitled to return to work. However, under certain conditions the court may, instead of recognising the employee's right to return to work, grant the worker adequate compensation. The employer is obliged to pay its own legal costs (irrespective of the outcome of the labour dispute) and repay the legal costs of the employee (if termination of employment was illegal). In the case of illegal termination of employment, the employer is not liable to the trade unions.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? Prohibition of competitive activity (non-competition clause) may (under certain conditions) be agreed in the employment agreement. Re-employment may only occur when the employer terminates employment due to reasons specifically determined in ZDR-1 and at the same time offers the employee a new employment agreement. Upon termination of employment, the employer is not obliged to provide the employee with a letter of reference.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Non-competition clause is valid only if conditions specifically determined in ZDR-1 are fulfilled (i.e. if the non-competition clause is agreed in writing in the employment agreement and for a reasonable period of time, if a monthly compensation is also agreed in writing) and if the employment was terminated due to reasons specifically determined in ZDR-1. Non-competition clause cannot be agreed in the case of termination of employment by the employer for personal reasons or due to redundancy.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The main act is the Law on the workers status ("Ley Estatuto de los trabajadores" or "ET") enacted in 1980 and modified several times. Ley 2/2012 is currently in force. ET is constantly changing, being adapted to the political needs and social developments. Spanish laws are not officially translated into English.

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out? The ET is mandatory and fulfillment obligatory. The ET is considered as a set of minimum rights. Parties are free to negotiate rights and obligations as long as they don't affect the minimum provisions of the ET. Collective agreements may define provisions that may be negotiated.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

 Does any formal requirement exist with respect to the employment agreement? Employment agreements for longer terms than 4 weeks must be in writing. Moreover, the agreement must be in the local language and include information on parties, gross salary, professional category, functions, place, schedule and holidays.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Employment agreements may be agreed for an indefinite term, for a specific period of time and for a probationary period. In 2014, most agreements are drafted for a specific period. The government is trying to sponsor and support agreements for indefinite terms.

3. Are there any minimum salary level requirements that an employer needs to follow?

Yes, minimum salary is set by law. Besides that, collective agreements establish minimum salaries for different categories of employees. The collective bargain agreements apply depending on the employer's business and are irrespective of any membership in employment federations. Additional voluntary compensations may also be agreed.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The duty of loyalty is considered as part of the general rights and obligations of the agreement. The employee must not take any action (or refrain from performing mandatory actions) that might harm the employer. Confidentiality is fundamental to the employment agreement.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?

The same rules apply for collective and individual dismissals, but redundancy may only be claimed for objective reasons such as economical, technical, organization or production circumstances. Whether the dismissal is individual or collective will depend on the size of the company. Companies with less than 100 employees can dismiss up to 9 employees individually. If 10 or more employees are dismissed, this is classed as a collective dismissal. Companies with 100 to 300 workers can dismiss up to 10% of the employees individually. If more are dismissed, this is deemed to be a collective dismissal. Companies with more than 300 employees can dismiss up to 29 employees individually. If more are dismissed, this is a collective dismissal.



2. For what reasons may the employer terminate an employment?

The employer may terminate an employment agreement at the end of the employment term. If the employer wishes to terminate the employement without good reason, the employer must pay additional compensation to the employee (ref. question 6). The employer carries the burden of the proof regardless of whether good reason is at hand.

3. What notice period applies if the employment is terminated?

No notice period is necessary for an employment agreement of less than 1 year or if the employment is terminated for disciplinary reasons. Contract of more than 1 year: Notice period is 15 days. The notice period for employees is usually 15 days, although collective agreements may provide for a longer term.

4. To what extent is the employee obliged to work during his or her notice period? The employee is obliged to work during the notice period. The employer can decide to pay for this period and send the employee on gardening leave. The employer may change function of the employee during the notice period as long as the new function is within the employment category of the employee. If the dismissal is for objective reasons, the employee is entitled to 6 hours off per week to look for new work.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

The employer may choose which employees should be made redundant in the case of individual dismissals. In the case of redundancy, personal selection is not permitted.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? The employee is entitled to severance pay in case of non-reason termination. Severance pay is an amount equivalent to a compensation of 45 days of salary per year of service from the start date until 12 February 2012 with a cap of 45 months salary, and of 33 days of salary for each year of service from 12 February 2012 onwards with a cap of 24 months salary. If the termination is because of objective reasons, severance pay is equivalent of 20 days per year of service, with a cap of 12 months salary.

7. Are there any procedural rules that apply in case of termination of an employment?

Individual dismissals. Procedural rules apply only where there is no agreement reached between the parties. Collective dismissals. Procedural rules apply from the outset. Labour unions do not have any formal role, although the representatives of the employees have to be informed. Notice of termination must be provided in writing and shall include specific information about the objective reasons. Usually severance payment is set out in the termination notice.

8. How may an employee dispute or challenge a termination of employment?

The claim is addressed first to a specific section for conciliations of the employment department ("CEMAC") and from CEMAC it goes automatically to the Employment court ("Juzgado de lo social"). The dispute for termination takes a minimum of 4 months (20 days to file the claim before the CEMAC, the CEMAC calls the employer within 10 days, the Court calls the employer within 30 days for the hearings, the sentence may take 2 months after the hearings).

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? If the reason given for the dismissal is not accepted ("despido improcedente"), the employer may either re-admit the employee or decide to pay the severance pay. Salary accrued during the proceedings is not paid. If the termination is in violation of applicable rules ("despido nulo"), the employer must re-admit the employee. Salary accrued during the proceedings is not paid. Usually there is no compensation for the employee's accrued legal fees and there is no liability towards the employee's union.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? There are no post termination obligations for the employer.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

Non-compete undertakings are generally accepted if part of the employment agreement and the term does not exceed 2 years.





APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

1. Which acts govern employment in general and the termination of employment in particular? The Employment Protection Act (1982:80) ("Lag (1982:80) om anställningsskydd" or "LAS") covers employment contracts. The Co-determination at Work Act (1976:580) ("Lag (1976:580) om medbestämmande i arbetslivet" or "MBL") covers the right to form unions and employer organizations, as well as the right to negotiate collective bargaining agreements. Translated Swedish labour legislation acts may be found at www.government.se/sb/d/3288/a/19565.

2. Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out?

LAS and MBL are mandatory for all personnel although managerial personnel are exempt from LAS. Freedom of contract applies but, in most instances, only with respect to terms that are to the benefit of the employee. Collective bargaining agreements often take precedence over LAS, MBL and individual employment agreements.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? No formal requirements exist for the employment agreement. Certain terms and conditions must, however, be presented to the employee in writing within 1 month from the first day of work.

May employment be agreed for (a) an indefinite term;(b) a specific period of time; or (c) a probationary period? Swedish employment contracts are for an indefinite period, unless otherwise agreed. An initial probationary period of up to 6 months may be agreed and during this period, termination without cause is permitted by the employer. Contracts for temporary employment may only be entered into under certain circumstances.

3. Are there any minimum salary level requirements that an employer needs to follow?

There is no minimum wage according to law in Sweden. Instead minimum salaries are sometimes established through collective bargaining agreements.

4. Is there a duty of loyalty between the employer and employee during the term of employment? There is a duty of loyalty stipulating that the employee may not take any action (or refrain from performing mandatory actions) that might harm the employer. Unless otherwise agreed, the duty of loyalty ends when the employment terminates.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Different rules apply depending on the reason for termination. When terminating an employment due to redundancy, the basic principle "first in/last out" applies. The procedure differs when terminating an employment for personal reasons and depending on the number of employees being made redundant.

2. For what reasons may the employer terminate an employment? Except for termination of employment during a probationary period, "good cause" ("saklig grund") is required for termination by an employer. "Good cause" covers incompetence, failure to co-operate or non-loyal actions or restructuring and redundancy caused by financial circumstances (as decided by the employer). Good cause does not exist if the employer could reasonably provide the employee other duties within the same legal entity.

3. What notice period applies if the employment is terminated?

The notice period for both employer and employee is at least 1 month. Unless the employment contract stipulates a longer notice period, the employee is entitled to a period of notice for years of service of: 2 months for 2 but less than 4 years, 3 months for 4 but less than 6 years, 4 months for 6 but less than 8 years, 5 months for 8 but less than 10 years and 6 months for 10 years and over. Collective bargaining agreements may provide other periods of notice.

4. To what extent is the employee obliged to work during his or her notice period? The employment continues in full force during the notice period. The employee is entitled to retain his or her salary and other employment benefits during the notice period (even if no tasks are provided) if the employee is able and willing to perform in accordance with the employment contract. The employer may send the employee on gardening leave. The employee must agree to this leave and may not be excluded from the work place unless special circumstances concerning the termination apply. The employee is entitled to paid leave to visit the Employment Office ("Arbetsförmedlingen") or to attend job interviews. An employee that has received notice of termination may only be forced to carry out normal duties during the notice period.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? The employer may not cherry pick in case of redundancy; instead the basic principle "first in/last out" applies if the remaining employee is able to perform the relevant duties. Employers with less than 10 employees are allowed to exclude 2 employees from the foregoing priority rule.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? Only salary is due during the notice period. The parties often come to an agreement of gardening leave or severance pay if the employee waives his or her right to re-employment.

7. Are there any procedural rules that apply in case of termination of an employment? Notices to governmental authorities are required in case of redundancies involving 5 or more employees. In the case of redundancy, the employer must negotiate with unions that have been bargained with. If no such agreement exists, the employer must still negotiate with all "affected trade unions" i.e. unions with members at the workplace. Before terminating employees due to personal reasons, the employer must notify the employee (and relevant labour union) at least 2 weeks (1 in the case of dismissal) before the termination day. Termination must be made in writing and must indicate what the employee has to do to contest the termination or demand damages. Notice of termination shall be handed to the employee personally.

8. How may an employee dispute or challenge a termination of employment?

An employee must inform the employer of his or her intentions no later than 2 weeks after the notice of termination (or 1 month if procedural rules have not been followed). Thereafter, the employee must initiate court proceedings no later than 2 weeks after the end of the notice period or the end of negotiations with a labour union. If a collective bargaining agreement is in force the dispute is automatically referred to the Swedish Labour Court ("Arbetsdomstolen"). Otherwise, the dispute is handled by the District Court ("tingsrätt"). Rulings by the District Courts are appealed in the Swedish Labour Court which is the final instance. A labour dispute usually takes about 1 year to settle in a District Court. When the Labour Court is the first instance (or for appealed disputes) the timeframe is roughly 1 year.

 What would be the consequences if a termination of employment is found to be in violation of applicable rules? If an employment is terminated despite lack of "good cause", the employee may initiate legal proceedings and claim (a) damages for loss suffered; or (b) 1) re-employment; 2) compensation for loss of income during the period until re-employed; and 3) limited additional damages for the employer's wrongful treatment. If the court rules for re-employment, the employer may in lieu of re-employment pay liquidated damages as set out in LAS. The employee is entitled to compensation for legal fees if the termination was wrongful and may not need to compensate the employer for legal fees even if the termination was found to be correct. A labour union may receive compensation for damages from terminations wrongfully carried out by the employer towards one of its members.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The duty of loyalty ends with the termination of the employment. Confidentiality and non-competition, when agreed upon, may be in force after the employment ends. If an employment is terminated due to redundancy, the employee usually has the right to re-employment during 9 months after termination. There is a legal obligation for the employer to provide the employee with a certificate of employment but unless otherwise agreed there is no obligation for a letter of reference.

 Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy? Non-compete undertakings cannot be enforced toward an employee for a longer period than what is considered reasonable. Non-compete undertakings which prohibit an employee from working with a new employer are only enforceable if the employee is reasonably compensated for the undertaking. If the employer provides notice of termination due to redundancy, a non-compete undertaking may no longer be enforceable.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

1. Which acts govern employment in general and the termination of employment in particular? The acts governing employment in general are vast and rather complex. The most relevant acts are the Code of Obligations in the Swiss Civil Code ("Obligationenrecht" or "OR, Art. 319-362" or "OR"), the Federal law on Labour in Industry, Craft Industry and Trade ("Arbeitsgesetz" or "ArG") and the Federal Law on Accident Insurance ("Unfallversicherungsgesetz" or "UVG"). A translation in English of the OR is provided online at: www.admin. ch/ch/e/rs/2/220.en.pdf Other relevant acts are the Swiss Workers' Participation Act ("Mitwirkungsgesetz"), Federal Act on Data Protection ("Datenschutzgesetz"), Federal Act on Gender Equality ("Gleichstellungsgesetz") and many relevant regulations are found in the Public Law (work and residence permits, operating permit etc.). In some sectors collective labour agreements are applied.

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out? Freedom of contract between employer and employee applies, but the OR contains several provisions that allow no derogation to the disadvantage of the employer or the employee. Collective labour agreements have to respect the mandatory provisions.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement?

Employment agreements may be concluded verbally or in writing. There are, however, a few terms which have to be set out in writing. Apprenticeship contracts, agreements with commercial travellers and employment agreements regarding temporary work need to be in writing.

 May employment be agreed for (a) an indefinite term;
 (b) a specific period of time;
 or (c) a probationary period? Employment may be agreed for an indefinite term, a specific term or a probationary period. The probationary period can be agreed from 1 to a maximum of 3 months.

3. Are there any minimum salary level requirements that an employer needs to follow?

In general, the salary is freely negotiable. Minimum salary levels are only agreed in collective bargaining agreements.

4. Is there a duty of loyalty between the employer and employee during the term of employment? Yes, the employee has non-competition and confidentiality duties of the employee during the term of employment.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? In general, the same rules do apply in the case of redundancy and individual dismissals. There are, however, some additional rules to be observed in the case of mass redundancy ("Massenentlassung").

2. For what reasons may the employer terminate an employment?

An employment may be terminated without a specific reason (i.e. freedom to dismiss).

3. What notice period applies if the employment is terminated?

The employment may be terminated with 1 month's notice during the first year, with 2 months' notice in the second to ninth years of service and with 3 months' notice thereafter. The notice periods may vary, however, depending on the employment contract.

4. To what extent is the employee obliged to work during his or her notice period?

The employee is obliged to work during the notice period. Payment in lieu of notice does not exist. The employee may not be forced to carry out different duties during the notice period. To order a (paid) gardening leave is, however, permitted. The employee may take time off during the notice period to go to interviews or to go to the public employment agency ("Arbeitslosenamt").

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

Cherry picking is not restricted in the case of redundancy.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

In general there is no entitlement to severance pay. The Employer and Works council may agree on severance payments for employees in the case of redundancy.

7. Are there any procedural rules that apply in case of termination of an employment?

In a normal case of termination no procedural rules apply and no authorities have to be informed. An employer intending to make mass redundancies must consult the organisation that represents the employees or the employees themselves. The empolyer has also to inform the cantonal employment office ("Arbeitslosenamt"). Termination must be provided in writing. It is guite common to sign settlement agreements in conjunction with a termination of employment.

8. How may an employee dispute or challenge a termination of employment?

The employee must submit his or her objection for unlawful termination of employment in writing to the employer not later than the end of the notice period. A lawsuit has then to be filed in court within 180 days of the end of the employment relationship. Litigation will commence before a conciliation authority. If no agreement is reached, the employee is entitled to file the action in court within 3 months. The Labour Court ("Arbeitsgericht") at the domicile or registered office of the employer or where the employee normally carries out his or her work has authority to resolve the dispute. Dismissal lawsuits may be settled during the first hearing before the conciliation authority, which usually takes place within 2 months. It will take another 6 to 12 months in the first court instance and may take up to a couple of years to be decided in the last instance.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules?

The employee is not entitled to return to his or her position, even if termination of employment was found to be unfair. Instead the employer must pay compensation, determined by the court. The compensation will not exceed an amount equivalent to 6 months' salary for the employee. Additionally, if the employee has been dismissed with immediate effect without good cause, the employee is entitled to a compensation in the amount of salary that would have been earned during the required notice period. The employer is not liable toward unions in case of a wrongful termination.

SECTION 4:

POST TERMINATION RULES

- 1. Are there any post termination rules or regulation that a former employer needs to keep in mind?
- If no post contractual non-competition clause is agreed there are only confidentiality duties to be obeyed by the employee. There is no right of re-employment in Switzerland. On request the employer has to provide the employee with a qualified reference.
- 2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons: or (ii) redundancy?

Non-compete provisions cease to apply if the employer terminates the employment relationship without the employee having given him any good cause to do so. The same applies if the employee terminates the employment relationship for good reasons attributable to the employer.



APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

 Which acts govern employment in general and the termination of employment in particular? The Labour Act (Is Kanunu) No. 4857 of June 2003, the Law of Obligations (Borclar Kanunu) No. 6098 of July 2012 and Law on Trade Unions & Collective Bargaining Agreements (Sendikalar ve Toplu Iş Sozlesmesi Kanunu) No. 6356 of November 2012 govern the relations between employers and employees. The translated Labour Act may be found at http://www.ilo.org/public/english/region/eurpro/ankara/download/labouracturkev.pdf.

2. Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out? The provisions of the Labour Act applies to all personnel, certain activities and employment relationships are exempt from this act (e.g. sea and air transportation activities, domestic services and athletes). In principle, freedom of contract applies but it is restricted in the employee's favour.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? Contracts for 1 year or more should be in writing. At least the general and special working conditions, daily or weekly work period, basic salary and salary additions (if any), salary payment period, term of contract (if definite), and the termination provisions must be indicated. The contract should be in Turkish provided both parties are Turkish.

2. May employment be agreed for (a) an indefinite term; (b) a specific period of time; or (c) a probationary period? In general, employment contracts are for an indefinite period. An employment contract for a definite period requires a specified term or objective conditions such as completion of a certain project or the materialisation of a certain event. The duration of the probationary period shall not exceed 2 months. However, such period may be extended up to 4 months by a collective bargaining agreement.

3. Are there any minimum salary level requirements that an employer needs to follow?

The minimum salary is determined at least every 2 years. Extra compensation is possible in addition to a collective bargaining agreement. An employer is obliged to comply with the collective bargaining agreement if agreed and signed by the employer membership of the employer's federation.

4. Is there a duty of loyalty between the employer and employee during the term of employment? The employee may not abuse the employer's trust during the employment. Parties to the employment may also agree on noncompete during and after the employment.

SECTION 3:

TERMINATION OF EMPLOYMENT

 Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals? Employers may terminate employment contracts on the basis of redundancy. Employers must notify the trade union representatives, the regional directorate of the Ministry of Labour and Social Security and the Turkish Labour Authority 30 days prior to initiating a collective dismissal.

2. For what reasons may the employer terminate an employment? Employers are obliged to reason the termination on a valid cause such as inadequacy of the employee, behaviors of the employee, requirements originating from the needs of the business or the necessities of work.

3. What notice period applies if the employment is terminated?

The notice period does not differ depending on the reason for termination and is: 1) employment of less than 6 months: 2 weeks; 2) employment of 6 months to 1.5 years: 4 weeks; 3) employment of 1.5 years to 3 years: 6 weeks; 4) employment of more than 3 years: 8 weeks. The above are minimum periods and may be prolonged by contract.

4. To what extent is the employee obliged to work during his or her notice period?

During the notice period the employee is obliged to provide agreed services. The employee cannot be forced to perform additional duties. Gardening leave is not regulated by Labour Law, however, it can be applied with the consent of the employee. During the term of notice, the employer must grant the employee the permission to seek new employment for at least 2 hours daily.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)? There is no rule regulating which employee shall be made redundant in case of redundancy.

6. To what extent is an employee who is provided notice of termination entitled to severance pay?

Currently, an employee who worked for more than a year and whose employment contract is terminated by the employer without justified grounds is eligible for severance compensation calculated on the basis of the last 30 days' gross wage's multiplied by each year of the contract. However, a Draft Law on severance pay fund, expected to enter into force following the general elections in June 2015, will stipulate that the severance payments shall be paid by the Fund and the employers shall make monthly contributions in certain amounts to the Fund. Unlike the current legal system, even if the employee resigns from the workplace, a severance payment may be granted. Also, the obligation to be employed for at least 1 year has been lifted and the calculation shall be made on the basis of the average wage of employee's last worked calendar year.

7. Are there any procedural rules that apply in case of termination of an employment? The employer needs to notify the Social Insurance Institute pertaining to the employment contract's termination in order terminate insurance payments. When the employer contemplates collective terminations the employer shall provide written information at least 30 days prior to the intended lay-off to the union shop-stewards, the relevant regional directorate of labour and the Public Employment Office. The terminating party must serve a termination notice to the other party. A release agreement should be issued in accordance with certain rules stipulated by law.



8. How may an employee dispute or challenge a termination of employment?

The employee is entitled to file a case against employer before the labour court within a month of the termination. The burden of proof showing that the termination was based on a valid reason rests with the employer. If there is an arbitration clause in the collective bargaining agreement or if the parties agree so, the dispute may also be referred to private arbitration. The court must conclude the case within 2 months. The Court of Appeal must issue its definitive verdict within 1 month.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules? If the court concludes that the termination is unjustified, the employer must re-engage the employee in work within 1 month. If the employer does not re-engage the employee, compensation not less than 4 months' wages and not more than 8 months' wages shall be paid. If the employer terminates the employment due to the employee's being a member of a union, the employer shall pay additional compensation to the employee of not less than 1 year's wage.

SECTION 4:

POST TERMINATION RULES

 Are there any post termination rules or regulation that a former employer needs to keep in mind? The duty of loyalty ends with the termination of the employment. Confidentiality and non-competition, when agreed upon, may be in force after the employment ends. The employer has to provide the employee whose contract is being terminated with a certificate stating the nature and duration of employment. Where such certificate is not provided in due time or with incorrect information, the departing employee may claim compensation from the previous employer.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

The prohibition of competition may not contain unfair restrictions to compromise worker's economic future and term of prohibition may not be more than 2 years. The prohibition of competition ends when it is determined that the employer has no real interest in maintaining this prohibition. If the contract is terminated by the employer without a rightful cause or by the worker with a reason attributable to the employer, the prohibition of competition ends.

SECTION 1:

APPLICABLE LEGISLATION VERSUS INDIVIDUALLY OR COLLECTIVELY AGREED TERMS AND CONDITIONS

1. Which acts govern employment in general and the termination of employment in particular? 1) Employment Rights Act 1996 ("ERA") governs employment in general.
2) Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") protect employees' rights when the organisation or service they work for transfers to a new employer.
3) Equality Act 2010 protects employees from discrimination.
4) Working Time Regulations 1998 ("WTR") limits working hours and provides for rest breaks and holidays.
5) National Minimum Wage Act 1998 ("NMW") specifies a minimum hourly rate of pay to which most workers are entitled.
6) Trade Union and Labour Relations (Consolidation) Act 1992 ("TULRCA") deals with collective consultation in a redundancy situation and Trade Union relations.
7) Agency Worker Regulations 2010 - sets out basic conditions and equal access for agency workers. UK legislation is found at: http://www.legislation.gov.uk/ (which is not always updated).

 Is the relevant legislation regarding employment and termination of employment (a) mandatory for all personnel; and (b) may they be contracted out? Legislation is normally mandatory and cannot be contracted out of. Claims can be settled, provided a valid settlement agreement is signed. Employees with 2 years' service are protected from unfair dismissal. This does not cover workers, consultants or the genuinely self-employed. Apart from extremely limited circumstances, unfair dismissal legislation cannot be contracted out of. Some provisions of the WTR can be contracted out of through individual or collective bargaining agreements.

SECTION 2:

THE BASICS OF AN EMPLOYMENT AGREEMENT

1. Does any formal requirement exist with respect to the employment agreement? There are no particular formalities for entering an employment contract. It may be express, implied, oral or in writing. ERA requires an employee to receive a written statement of certain terms of employment within 2 months of starting service.

2. May employment be agreed for (a) an indefinite term; (b) a specific period of time; or (c) a probationary period? Employment may be for an indefinite term or a specific period. Many contracts include a probationary period. Employee's on fixed term contracts for more than 4 years, can apply to make it permanent.

3. Are there any minimum salary level requirements that an employer needs to follow?

The NMW specifies a minimum hourly rate of pay which most workers are entitled to. Salaries are usually negotiated but can also be collectively agreed with a recognised Trade Union. An employer who has not agreed a collective bargaining agreement does not have to apply the agreed industry salary, unless they regularly do so.

4. Is there a duty of loyalty between the employer and employee during the term of employment? There is an implied term of mutual trust and confidence between employers and employees during employment. There is also an implied duty that employees will conduct themselves with fidelity and good faith. Employees are restricted from: 1) disclosing confidential information trade secrets; and 2) bringing their employer into disrepute. If in breach of the foregoing, this may be grounds for dismissal. The only exception to these principles is if the employee is whistle blowing in the public interest.





SECTION 3: TERMINATION OF EMPLOYMENT

1. Do the same rules apply in case of redundancy (i.e. collective dismissals) and individual dismissals?

Redundancy can be a reason for both an individual dismissal or collective dismissals and the same general rules apply. Where 20+ redundancy dismissals are proposed over a 90 day period or shorter, an employer has a duty to inform and consult with the trade union employee representatives for a minumum of 30 days before the first dimissal (this extends to 45 days where 100+ redundancies are proposed).

2. For what reasons may the employer terminate an employment?

The dismissal of an employee with 2 years' service will be unfair unless it is by reason of redundancy; capability or qualifications; conduct; breach of a statutory duty or restriction or some other substantial reason. The dismissal must be both "procedurally" and "substantively" fair. An employer may terminate without a fair reason but risks an unfair dismissal claim.

3. What notice period applies if the employment is terminated?

In cases of gross misconduct an employer may terminate the employment without giving notice. Otherwise, the same notice periods apply irrespective of the reason for termination. Statutory minimum notice periods apply but employers and employees often agree longer periods. 1) An employee who has been employed for more than 1 month but less than 2 years is entitled to a statutory minimum notice period of 1 week. 2) Where the employee has been employed for more than 2 years they are entitled to 1 week's notice for each year of continuous employment (up to a maximum of 12 weeks). 3) An employee must give a minimum 1 week's notice once they have worked for 1 month. This is unaffected by longer service. A fixed term contract will automatically terminate when the period expires.

4. To what extent is the employee obliged to work during his or her notice period?

Unless otherwise agreed, the contract of employment will continue to operate as normal during the notice period. The employee must attend work and the employer must pay salary. An employer can only make a payment in lieu of notice, send an employee on garden leave or request that an employee undertakes other duties if these rights are set out in the contract. Except in a redundancy situation, an employee is not entitled to take time off during the notice period, e.g. to go to interviews.

5. To what extent may the employer choose which employee should be made redundant (cherry picking)?

An employer may choose who to make redundant but it must select fairly by applying objective and reasonable criteria to a 'pool' of employees. There are no fixed rules about how the pool should be defined or what the selection criteria must be. Where the employer recognises a union, it will usually need to discuss the pool and selection criteria with the union.

6. To what extent is an employee who is provided notice of termination entitled to severance pay? Normal salary and benefits are due during the notice period. A redundant employee is entitled to a statutory level of redundancy pay. This is often enhanced. Severance pay is sometimes agreed to avoid legal disputes.

7. Are there any procedural rules that apply in case of termination of an employment?

Employers must follow a 'fair' procedure but no set rules apply. The employee should be provided with reasons for the decision. Employees may then appeal. Notice of termination only needs to be in writing if the contract of employment requires this. Where 20+ employees are being made redundant over a period of 90 days or less, an employer has a duty to consult on its proposal with the trade union or employee representatives of the affected employees, and also to notify the Department for Business Innovation and Skills. Settlement agreements may be signed in conjunction with termination, but this is not standard.

8. How may an employee dispute or challenge a termination of employment?

An employee may appeal the dismissal decision. Before issuing a legal claim, the employee must first contact the Advisory, Conciliation and Arbitration Service ("Acas") to see if the complaint can be settled through early conciliation ("EC"). If settlement cannot be reached. the employee can bring a claim in the Employment Tribunal. Subject to the rules on extending time for EC, the employee must bring the claim within 3 months from the date of termination. A dispute in the Employment Tribunal will often take 6-12 months to resolve.

9. What would be the consequences if a termination of employment is found to be in violation of applicable rules?

When an employee has been unfairly dismissed the remedies are: 1) An order for reinstatement or re-engagement; or 2) Compensation. Compensation is the usual remedy awarded for unfair dismissal. The compensatory award is subject to a statutory "cap". For dismissals on or after 06/04/2014 it is the lower of 52 weeks' pay or £76,574 (€98,788). Awards for discrimination or whistle blowing are uncapped and can include additional awards for injury to feelings. The employee is unlikely to be compensated for legal fees if the termination was unfair. The employer will not be liable to the unions.

SECTION 4:

POST TERMINATION RULES

1. Are there any post termination rules or regulation that a former employer needs to keep in mind?

Employees must not disclose trade secrets. Further restrictions may be imposed by the employment contract. There is no legal obligation on an employer to provide a reference but it is usual to do so. Posttermination, employees are still protected against whistle blowing detriment and discrimination.

2. Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for (i) personal reasons; or (ii) redundancy?

In general contractual terms restricting an employee's activities after termination are void unless the employer can show that it has a legitimate proprietary interest that is appropriate to protect and the protection is reasonable having regard to the interests of the parties and the public interest. Valid restrictive covenants can be enforced, irrespective if the employee is made redundant or dismissed for personal reasons. Post termination restrictions may become invalid if the employer does not terminate the employment in accordance with the contract. An employer should not therefore pay in lieu unless it has the contractual right to do so.

TERMINATION OF EMPLOYMENT AND REDUNDANCY IN EUROPE

1) Does the individual employment agreement take precedence before employment legislation in case of termination of employment?	Yes (i.e. total freedom of contact).	Yes, but only with respect to terms that are to the benefit of the employee. AT, BE, CH, CZ, DE, DK, EE, ES, FR, GR, HU, IT, LT, LV, MT, NL, NO, RO, SL, SE, TR	Depending on the circumstances inter alia when the employment agreement was concluded.	No (i.e. the employment contract only applies to such terms of employment that are not regulated through specific legislation). BG, CY, IR, PL, PT, UK
2) Does the individual employment agreement take precedence over the employment legislation in case of termination due to redundancy?	Yes (i.e. total freedom of contact).	Yes, but only with respect to terms that are to the benefit of the employee. AT, BE, CH, CZ, DE, DK, EE, ES, FR, GR, HU, IT, LT, LV, MT, NL, NO, RO, SE, TR	Depending on the circumstances inter alia when the employment agreement was concluded.	No (i.e. the employment contract only applies to such terms of employment that are not regulated through specific legislation). BG, CY, IR, PL, PT, SL, UK
3) Does an employment agreement need to be in writing?	Yes, the contract should be in writing and signed by both parties in order to be legally binding. AT, BG, CZ, ES, LT, LV, NO, RO	No, but specific terms (e.g. non-compete undertakings or probation period) need to be in writing in order to apply. BE, DE, IT, NL, PL, PT	No, but there is a legal requirement that the employer shall present the important terms and conditions in writing to the employee. CH, CY, DK, EE, GR, HU, MT, SL, SE, TR, UK	No (i.e. the agreement may be oral and a written contract is merely important as evidence regarding agreed terms and conditions). FR, IR
4) Does a written employment contract need to be in the local language?	Yes. BE, ES, IR, LT, LV, RO, TR			No. AT, BG, CH, CY, CZ, DE, DK, EE, FR, GR, HU, IT MT, NL, NO, PL, PT, SL, SE, UK

KEY

AT	Austria	DK	Denmark	IT	Italy	PT	Portugal
BE	Belgium	EE	Estonia	LT	Lithuania	RO	Romania
BG	Bulgaria	ES	Spain	LV	Latvia	SL	Slovenia
CH	Switzerland	FR	France	MT	Malta	SE	Sweden
CY	Cyprus	GR	Greece	NL	Netherlands	TR	Turkey
CZ	Czech Republic	HU	Hungary	NO	Norway	UK	United Kingdom
DE	Germany	IR	Ireland	PL	Poland		

5) The employer may terminate an employment *	for any or no reason (i.e. employment at will).	for any or no reason but the employer must prove that it is not discrimination that caused termination (e.g. gender, age, religion, etc.).	but if the termination is challenged by the employee, the employer carries the burden of proof to show that the termination was fair. BE, CY, DE, DK, GR, NO, RO, SL, SE, TR, UK	only if the employer in conjunction with the notice proves that there are fair reasons to terminate the employment (e.g. poor performance by the employee or commercial reasons related to the business in general). BG, CZ, EE, ES, FR, HU, IR, IT, LT, MT, NO, PL, PT
6) The notice period that an employer needs to provide a permanently employed employee (assuming that no collective bargaining agreement applies)	depends only on what has been agreed between the employer and the employee.	depends on 1) the employee's time of service and 2) the employee's age.	depends <u>only</u> on the employee's time of service. CY, DE, FR, GR, IT, MT, PL, PT, TR	depends on a combination of different facts and circumstances, (e.g. time of service and agreed notice period between employer & employee). AT, BE, CH, CZ, DK, EE, ES, HU, IR, LT, LV, NL, NO, RO, SL, SE, UK
7) Termination of employment by the employer	requires no interaction with any labour union. BE, BG, CH, CY, DE, DK, ES, FR, HU, IR, IT, LV, NL, TR, UK	requires prior information to all labour unions represented at the work place.	requires prior information only to labour unions whose members are affected. PL, PT, RO, SL	requires negotiation and agreement with either all labour unions at the work place or, at least the labour unions whose members are affected. EE, GR, LT, MT, NO, SE
8) Does a notice of termination by the employer need to be in writing?	No, a verbal notice to the employee meets all legal requirements. AT, CH, DK, MT, UK	No, a verbal notice is sufficient to be effective but the employer may be fined for violating formal rules that apply.	No, but unless the verbal notice is supplemented by a written notice it is not valid.	Yes, a notice that is not in writing is invalid. BE, BG, CY, CZ, DE, EE, ES, FR, GR, HU, IT, LT, LV, PT, RO, SL, TR

^{5*} NL: The employer may terminate employment after he obtained permission by UWV to give notice. The other route involves a formal act of termination by the employer. The employment agreement is terminated by the Sub district Judge (by dissolution). So, in both cases a preventive review applies.

9) Is the employee entitled to severance in addition to a notice period (assuming that the employment contract does not include any contractual right to such payment)	Yes. The amount is the same irrespectively of term of service. AT, EE	Yes. The level of severance pay depends on term of service. DK, ES, FR, GR, HU, IT, LT, LV, NL, PL, PT, RO, SL, TR	No, but the employer may at its sole discretion choose to pay severance in lieu of providing notice. BE, BG, CY, CZ, MT, UK	No. CH, DE, IR, NO, SE
10) If a termination of employment is found to be unfair, the employee is entitled to receive	his or her employment back and compensation for loss of income during the pending dispute or punitive damages (i.e. additional compensation not based on actual suffered losses). FR, GR, LV, NL, NO, RO, SE, TR, UK	his or her employment back and compensation for loss income of income during the pending dispute. AT, BG, CZ, DE, ES, HU, IR, IT, LT, MT, PL, PT, SL	damages for proven suffered losses <u>and</u> punitive damages (i.e. additional compensation not based on actual suffered losses). BE, CH, EE	merely damages for proven suffered losses.
11) Are non-compete undertakings by the employee applicable if the employment has been terminated by the employer for personal reasons related to the employee?	Yes. CH, CZ, DE, DK, EE, FR, GR, HU, IR, IT, LT, LV, PL, PT, RO, SE, UK	Yes, but the reasonableness of the undertaking is affected by the reason for notice of termination. ES, NL	Yes, but only if the undertaking is re-stated at time of employment termination.	No. BE, CY, MT, NO, SL, TR
12) Are non-compete undertakings by the employee applicable in case of redundancy (i.e. collective dismissals)?	Yes. CZ, DE, DK, EE, FR, HU, IR, IT, LV, PL, PT, UK	Yes, but the reasonableness of the undertaking is affected. GR, LT, NL, SE	Yes, but only if the undertaking is re- stated at the time of employment termination.	No. AT, BE, CH, CY, ES, MT, NO, SL, TR

KEY

AT	Austria	DK	Denmark	IT	Italy	PT	Portugal
BE	Belgium	EE	Estonia	LT	Lithuania	RO	Romania
BG	Bulgaria	ES	Spain	LV	Latvia	SL	Slovenia
CH	Switzerland	FR	France	MT	Malta	SE	Sweden
CY	Cyprus	GR	Greece	NL	Netherlands	TR	Turkey
CZ	Czech Republic	HU	Hungary	NO	Norway	UK	United Kingdom
DE	Germany	ID	Ireland	DI	Poland		



PT: In several cases none of the answers are 100% applicable. The most relevant answer has therefore been chosen.