Littler

The Global Guide Quarterly

LABOR AND EMPLOYMENT LAW UPDATES FROM AROUND THE GLOBE

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Geida D. Sanlate, Littler Editor

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Australia

Australian Parliament Enacts New Tax Regime for Very Large Superannuation Balances

New Legislation Enacted

Authors: Naomi Seddon and Michael Whitbread – Littler

Australia has enacted legislation capping concessional tax treatment for superannuation accounts with balances exceeding AUD 3 million, effective July 1, 2026. Earnings on balances between AUD 3 million and AUD 10 million will be subject to an additional 15% tax, increasing the effective tax rate to 30%. Earnings on balances above AUD 10 million will be taxed at an effective rate of 40%.

Both the AUD 3 million and AUD 10 million thresholds will be indexed to the Consumer Price Index. The new tax regime will first apply in the 2026–2027 income year.

Strict Enforcement of Filing Deadlines in Dismissal Claims

Precedential Decision by Judiciary or Regulatory Agency

Authors: Naomi Seddon and Michael Whitbread – Littler

Recent Fair Work Commission decisions reaffirm Australia's highly procedural approach to dismissal-related claims. Applications must be filed within 21 days, with no tolerance for even minimal delays: even delays measured in seconds. Late filings may proceed only in "exceptional circumstances," a standard the Commission has confirmed is not relaxed by short delays, technical issues, personal hardship, or proportionality considerations.

In two February 2026 cases, applications lodged only seconds after the deadline were dismissed. The Commission clarified that lodgment occurs when an application becomes capable of being retrieved by the Commission, not when the applicant presses "submit" or completes payment. Factors such as alleged portal errors, mental health concerns, caregiving responsibilities, and housing instability were acknowledged but held insufficient to meet the exceptional circumstances threshold.

These decisions confirm that filing close to the deadline is a risk borne by the claimant, and that sympathy or fairness considerations cannot override statutory limits. While this approach differs from U.S. practice, statutory deadlines are strictly enforced in Australia, and jurisdictional defenses based on timeliness remain a powerful tool for employers.

Reinstatement Ordered Following Defective Misconduct Dismissal

Precedential Decision by Judiciary or Regulatory Agency

Authors: Naomi Seddon and Michael Whitbread – Littler

In Paladino v. The University of Melbourne [2026] FWC 559, the Fair Work Commission ordered the reinstatement of a senior academic, finding that the University relied on aggregated misconduct allegations that were largely unsubstantiated and not properly put to the employee. The decision underscores the requirement that employers clearly disclose all allegations relied upon in disciplinary processes, particularly where reinstatement remains an available remedy.

Although the University alleged serious misconduct based on 33 complaints, the Commission found only six instances established, each amounting to poor judgment rather than serious misconduct. Most notably, 24 allegations raised during the proceedings had never been presented to the employee prior to dismissal, depriving her of a fair opportunity to respond. The Commission also rejected claims of an irreparable breakdown in trust, emphasizing the absence of contemporaneous performance management and the employee's recent "exceeds expectations" performance rating.

Victoria: Stand Alone Psychological Health Regulations Impose New Employer Obligations

New Regulation or Official Guidance

Authors: Naomi Seddon and Michael Whitbread – Littler

Victoria's Occupational Health and Safety (Psychological Health) Regulations 2025 came into force on December 1, 2025, introducing a prescriptive framework that requires employers to proactively manage psychosocial hazards through operational

systems, rather than relying solely on policies or training. Employers must identify psychosocial hazards and eliminate or control related risks so far as reasonably practicable, prioritizing work design, systems, and management controls. Training alone is insufficient unless higher order controls are not practicable.

Psychosocial hazards are broadly defined and include excessive workloads, poor organizational change management, low role clarity, bullying, violence, sexual harassment, and exposure to traumatic content. The Regulations impose ongoing review obligations and extend to contractors and labor hire workers where the employer exercises control. While no standalone cause of action is created, non-compliance may constitute a breach of the Occupational Health and Safety Act and give rise to regulatory enforcement.

Artificial Intelligence Drives Change in Employment Dispute Resolution and Work Health and Safety Laws

Trend

Authors: Naomi Seddon and Michael Whitbread – Littler

The Fair Work Commission (Australia's national employment tribunal) has publicly expressed concern about the growing use of generative AI to prepare dismissalrelated claims, citing a rise in filings that appear formulaic or massproduced. While no binding AI-specificregulation is currently in force, the Commission has proposed guidance that would require applicants to disclose AI use, verify factual accuracy, and confirm that witnesses have personally reviewed and approved statements submitted in their name. These signals reflect an emerging regulatory expectation that AI use remains transparent, accountable, and subject to human oversight.

Australia is also extending existing work health and safety obligations to digital management systems, including algorithmic scheduling, performance monitoring, and AI-assisted decision-making. New South Wales has clarified that such systems fall within established safety duties, requiring employers to assess AI-driven tools not only for employment law and discrimination risks, but also for potential safety hazards such as excessive workloads, surveillance stress, and poorly designed automated decisions. This approach expands traditional safety frameworks to address modern digital workplaces rather than introducing a stand-alone AI law.

Austria

New Collective Bargaining Agreement Finalized for Information Technology Employees (IT-CBA)

New Legislation Enacted

Authors: Linda Gahleitner and Armin Popp – Littler

Following intensive negotiations, Austria has concluded a new collective bargaining agreement for the information technology sector. Under the agreement, collectively bargained minimum salaries will increase retroactively as of January 1, 2026, by between 2.7% and 3.10%, depending on experience level. No onetime payments are intended. In addition, the total actual salary volume (IST salary sum) must increase by 2.75%, effective no later than July 1, 2026.

For marginally employed workers, increases to minimum base salaries will take effect on April 1, 2026, with the difference between January 1 and April 1 to be compensated through time off. Apprentice remuneration and applicable allowances will also increase retroactively as of January 1, 2026, with allowances rising by 2.75%.

Dismissal Protection for Works Council Members, Even Without a Workforce

Precedential Decision by Judiciary or Regulatory Agency

Authors: Linda Gahleitner and Armin Popp – Littler

Under Austria's Works Constitution Act ("*Arbeitsverfassungsgesetz*" or ArbVG), works council members are protected against dismissal, which is permitted only with prior court approval and solely on the grounds set out in Section 121 ArbVG. One such ground is the closure of a business, provided it can be shown that continued employment is no longer possible. This protection is

distinct from the expiration of a works council mandate, which occurs automatically only when a business fully ceases operations.

In a December 18, 2025, decision (OGH of Dec. 18, 2025, Case No. 9 ObA 74/25k), the Supreme Court clarified that dismissal protection for works council members continues even if there is no longer an active workforce, as long as the business itself continues to operate, even in a limited form. The ruling confirms the breadth and durability of statutory dismissal protections and limits employer reliance on workforce reductions alone as a basis for termination.

Belgium

Proposed Reforms to Working Time and Termination Rules

Proposed Bill or Initiative

Authors: Isabel Lysens and Julie Rousseau – Littler

Belgium has introduced a draft act aimed at modernizing working time regulations, with a proposed entry into force of June 1, 2026. The bill would abolish the general prohibition on night work, allowing greater flexibility, and simplify work regulations by enabling a general framework for full-time schedules rather than detailed work schedules. It would also reduce the minimum weekly working time for part-time employees from onethird to onetenth of a full-time schedule.

The draft act further proposes changes to termination rules by introducing a capped notice period for employment contracts concluded on or after January 1, 2026. It also includes technical adjustments to employmentsupport measures applicable to employees entitled to a 30week notice period.

Proposed Reintroduction of Short Notice Period for New Hires

Proposed Bill or Initiative

Authors: Isabel Lysens and Julie Rousseau – Littler

Belgium has introduced a draft act amending Article 37/2 of the Employment Contracts Act that would reintroduce a short notice period similar to the former trial period. If adopted, employment contracts could be terminated with one week's notice during the first six months of employment.

The proposed reform is intended to reduce dismissal costs in the early stages of employment and facilitate quicker workforce adjustments. If enacted, the legislation would enter into force on the first day of the second month following its publication in the Belgian Official Gazette.

Draft Law Proposes Temporary Salary Indexation Cap and Additional Employment Measures

Proposed Bill or Initiative

Authors: Isabel Lysens and Julie Rousseau – Littler

Belgium has submitted a draft Program Act covering several socio-legal measures, including a temporary limitation on automatic salary indexation. It introduces two mitigation periods, starting on June 1, 2026, and January 1, 2028, respectively. For employees with a fixed gross monthly base salary exceeding EUR 4,000, automatic indexation would be capped at a maximum of 2% applied to that threshold, while any indexation beyond the cap would again apply to the full reference salary once the cap is reached. The measure would also apply to pensions, subject to a lower monthly threshold of EUR 2,000. At the same time, the draft Program Act introduces a new employer wage-moderation contribution, intended to amount to approximately 50% of the employer's wage-cost savings resulting from the capped indexation.

In addition to the indexation cap, the draft Program Act includes adjustments to employer social security reductions and introduces mandatory registration requirements on construction sites in the construction sector. The reform of the employer social security reductions would enter into force on April 1, 2026, while the mandatory registration on construction sites would apply as from a date to be determined by Royal Decree, and in any event no later than January 1, 2027.

Expanding Voluntary Overtime

Proposed Bill or Initiative

Authors: Isabel Lysens and Julie Rousseau – Littler

Belgium has submitted a draft act introducing significant changes to the voluntary overtime regime. As of April 1, 2026, the annual cap on voluntary overtime would increase to 360 hours per employee, and to 450 hours in the hospitality sector. The draft act also simplifies administrative formalities by allowing one-year, tacitly renewable agreements, reducing the need for repeated individual consents.

The draft act initially introduced specific eligibility conditions for part-time employees, limiting access to voluntary overtime to those with at least three years of service and only in the event of a temporary increase in workload. An amendment has since been submitted to relax these conditions, with the aim of allowing part-time employees to make more flexible use of the voluntary overtime regime.

EU Pay Transparency Directive: Parliamentary Resolution Signals Minimal Transposition Amid Delays

Legal Compliance

Authors: Isabel Lysens and Julie Rousseau – Littler

Belgium is required to transpose the EU Pay Transparency Directive (EU) 2023/970 by June 7, 2026, but legislative progress remains limited. To date, draft legislation has only been introduced for the public sector, with no draft laws submitted for the private sector, making it unlikely that Belgium will meet the envisaged entry-into-force date of June 1, 2026. Nonetheless, transposition of the Directive is inevitable, and current signals suggest that implementation will remain close to the Directive's minimum requirements and existing Belgian law. This approach is reflected in a parliamentary resolution adopted on January 26, 2026, which calls for a proportionate transposition without gold-plating and limited adjustments where current private-sector rules already comply.

Despite delays, the Belgian government and employer representatives have emphasized simplification, legal certainty, and operational feasibility. Employers are cautioned against a waitandsee approach: equal pay and antidiscrimination obligations already apply, national courts may interpret existing law in line with the Directive prior to formal adoption, and the risk of retroactive reporting obligations and reputational exposure cannot be ruled out.

Brazil

State of São Paulo Introduces "Care-Friendly Company" Certification

New Legislation Enacted

Authors: Marília Nascimento Minicucci and Pâmela Almeida da Silva Gordo – Chiode Minicucci Advogados

On February 13, 2026, the State of São Paulo enacted State Law No. 18,399, establishing the "CareFriendly Company Seal" ("*Selo Empresa Amiga do Cuidado*"). The certification is awarded to companies that adopt internal policies allowing employees to take justified leave to accompany children, dependents, or individuals under their legal responsibility to medical appointments, health treatments, school meetings, and other care-related activities.

The initiative is designed to recognize employers that promote a more supportive work environment aligned with employees' family and caregiving responsibilities. While Article 473 of the Brazilian Labor Code already identifies specific circumstances in which absences must be treated as justified and collective bargaining agreements may expand on those rules, the new seal highlights organizations that go beyond statutory minimums through formal people management practices.

Social Security Cap Increased, Raising "Hypersufficient" Salary Threshold

New Order or Decree
Authors: Marília Nascimento Minicucci and Pâmela Almeida da Silva Gordo – Chiode Minicucci Advogados

Brazil increased the monthly cap on Social Security benefits to BRL 8,475.55 as of January 12, 2026, pursuant to Interministerial Ordinance MPS/MF No. 13/2026. As a result, the monthly earnings threshold for classifying an employee as "hypersufficient" has risen to BRL 16,951.10, representing twice the updated Social Security cap. Under Brazilian law, "hypersufficient" status requires both meeting this salary threshold and holding a university degree.

Further Delay of Holiday Work Rules for Retail Sector

New Order or Decree
Authors: Marília Nascimento Minicucci and Pâmela Almeida da Silva Gordo – Chiode Minicucci Advogados

On February 26, 2026, Brazil's Ministry of Labor and Employment issued Ordinance No. 356/2026, once again postponing the entry into force of Ordinance No. 3,665/2023, which regulates work on holidays in the retail sector. The new ordinance establishes a "Retail Trade Working Group" tasked with submitting a regulatory proposal within 90 days from February 26, 2026, and confirms that Ordinance No. 3,665/2023 will take effect at the end of that same period, on May 27, 2026.

The working group will consist of 10 worker representatives and 10 employer representatives from the retail sector, to be appointed within five days of issuance by designated trade union and labor confederations. Despite the postponement, Ordinance No. 3,665/2023 remains consequential, as it revokes permanent authorization for holiday work in certain retail activities and requires employers to obtain authorization through a collective bargaining agreement to operate on holidays once the rules enter into force.

Canada

Ontario: New Job Posting Requirements in Force January 1, 2026

New Legislation Enacted
Author: Monty Verlint – Littler

Effective January 1, 2026, Ontario employers face new obligations under the Ontario Employment Standards Act, 2000 (ESA) with respect to publicly advertised job postings. These obligations only apply to an employer with 25 or more employees on the day the job is posted.

Any publicly advertised job posting must:

- include the expected compensation, or range of compensation for the role (which cannot exceed $50,000);
- indicate whether the posting is for an existing vacancy;
- exclude any requirement for Canadian work experience (which also applies to any associated application forms); and
- disclose whether AI is used to screen, assess or select applicants (this disclosure does not apply if AI is not used in the hiring process).

The compensation disclosure does not apply where the expected compensation, or the top of the range, exceeds $200,000 annually.

The amendments also introduce new procedural and recordkeeping obligations. Any candidate interviewed for a publicly advertised position must be notified within 45 days of their interview (or their last interview) whether a hiring decision has been made. An employer must retain copies of any publicly advertised job postings, related application forms, and records of information given to interviewed applicants for three years.

Saskatchewan: New Employment Standards Requirements in Force January 1, 2026

New Legislation Enacted
Author: Monty Verlint – Littler

Effective January 1, 2026, amendments to the Saskatchewan Employment Act came into force, introducing changes to scheduling, leave entitlements, termination rules, and employer administrative obligations.

Key amendments include:

- Employers may define a "day" as either a calendar day or any 24-hour period for scheduling and overtime purposes, and work schedule notices must include this definition.
- Employees are entitled to at least eight consecutive hours of rest within any 24-hour period and at least one day off per week.
- Part-time employees are permitted to participate in modified work arrangements.
- Employers are not required to calculate additional vacation pay on statutory termination pay in lieu of notice.
- Group termination notice requirements now apply only where 25 or more employees are affected (increased from 10).
- Employers may request a sick note only if an employee is absent for more than five consecutive working days, or where an employee has had two or more non-consecutive absences of two or more days due to illness/injury within the past 12 months.
- Serious illness or injury leave increases to 27 weeks in a 52-week period.
- Maternity and bereavement leave provisions are amended to address pregnancy loss.
- Interpersonal and sexual violence leave now includes an additional 16 consecutive weeks of unpaid leave, in addition to the existing short-term leave entitlements.

China

China Issues New Rules on Trade Secret Protection

New Regulation or Official Guidance
Authors: Grace Yang and Jerry (Gongyu) Zhang – Littler

On February 24, 2026, China's State Administration for Market Regulation (SAMR) issued the Provisions on the Protection of Trade Secrets, effective June 1, 2026. The rules clarify the definition of trade secrets and outline what constitutes "reasonable confidentiality measures," with a particular focus on employee-related controls. They address risks arising from digital systems, remote work, and cross-border collaboration, and highlight access controls, data management, and offboarding obligations.

The provisions expand actionable misconduct to include unauthorized access, downloading, or transfer of confidential information, while preserving defenses such as independent development and the use of general knowledge and experience. Employers should assess confidentiality agreements and internal compliance frameworks to comply with the updated requirements.

New Consultation Rules for Algorithm-Driven Platform Work

New Regulation or Official Guidance
Authors: Grace Yang and Jerry (Gongyu) Zhang – Littler

On March 23, 2026, four Chinese authorities jointly issued the *Guidelines on Platform Labor Rules and Algorithm Consultation* (Trial), introducing a structured framework for platform enterprises to consult with workers on key employment-related matters. The guidance focuses on algorithm-driven management practices and requires consultation on issues such as order allocation, compensation structures, working time, rest periods, and performance evaluation. It also promotes the establishment of worker representative mechanisms and formal consultation procedures, including disclosure and implementation monitoring requirements.

Notably, the guidance emphasizes greater transparency and reasonableness in algorithmic decision-making, including adjustments for external factors such as weather and traffic conditions. Employers operating platform-based models should assess governance structures and ensure alignment with evolving expectations around algorithm transparency and worker consultation.

New Labor Initiatives for Platform and Aging Workforce

Trend

Authors: Grace Yang and Jerry (Gongyu) Zhang – Littler

In late January 2026, China's Ministry of Human Resources and Social Security (MOHRSS), during a press briefing, outlined key labor policy priorities for the coming period. These include strengthening protections for workers in "new forms of employment," such as platform workers, issuing interim rules to safeguard the basic rights of over-age workers, and advancing revisions to the Regulations on Paid Annual Leave for Employees.

These statements reflect a continued policy trend toward clarifying labor standards and expanding employer responsibilities, particularly in non-traditional employment contexts. Employers should monitor further regulatory developments and assess potential compliance impacts.

China's 15th Five-Year Plan Emphasizes Labor Compliance

Trend

Authors: Grace Yang and Jerry (Gongyu) Zhang – Littler

China's 15th Five-Year Plan Outline, approved in March 2026, identifies several labor and employment priorities relevant to employers. The plan calls for strengthening the legal framework, improving dispute resolution, and enhancing labor inspection and enforcement. It highlights areas such as working hours, wage and social insurance compliance, employment discrimination, and layoffs. Although broadly framed, the plan signals continued emphasis on regulatory supervision and enforcement in labor and employment-related areas, with details to be implemented through subsequent legislation and regulatory action.

Colombia

2026 Minimum Wage Decree Reissued Following State Council Review

New Order or Decree

Author: María Paula Monroy – Littler

On February 19, 2026, Decree 0159 was issued in response to a State Council order requiring the government to formally justify the minimum wage increase announced in December 2025. The government reaffirmed the previously established 23% increase to the 2026 minimum wage, consistent with Decree 1469 issued in December 2025.

The new decree does not alter the wage amount. Instead, it reissues the 2026 minimum wage decision with expanded technical, economic, and legal justification, after the State Council determined that the original decree lacked sufficient explanation. As a result, no payroll adjustments are required.

The decree's ultimate validity remains subject to an upcoming court decision, which will determine whether the wage increase is upheld or modified.

Ministry of Labor Revises Position on Termination Protections for Health-Related Labor Instability

New Order or Decree

Author: María Paula Monroy – Littler

The Ministry of Labor has acknowledged, through a newly issued Circular, that its prior position requiring employers to obtain Ministry authorization before terminating employees with health-related labor instability was inconsistent with established jurisprudence of the Constitutional Court and the Supreme Court.

In the Circular, the Ministry expressly recognizes that this interpretation did not align with binding case law and that it improperly imposed extensive administrative responsibilities on Labor Inspectors. As a result, the Ministry has stepped back from this approach and clarified its stance to better reflect judicial precedent.

Supreme Court Expands Dismissal Protections for Employees Near Retirement

Important Action by Regulatory Agency
Author: María Paula Monroy – Littler

On January 14, 2026, the Labor Cassation Chamber of the Supreme Court of Justice (CSJ) revised its approach to labor protections for employees approaching retirement. The Court ruled that employers may not terminate, without just cause, workers who are three years or less from reaching retirement age, regardless of whether they have completed the required contribution weeks.

This ruling builds on decision SL2600-2025, in which the CSJ ordered the reinstatement of an employee dismissed at age 59 and a half after having completed the required contribution weeks. The Court found that the dismissal placed both the employee and his family in a vulnerable situation, reinforcing heightened protection for pre-retirees nearing retirement eligibility.

Increased Labor Inspections and Heightened Compliance Risk

Trend
Author: María Paula Monroy – Littler

The Ministry of Labor has recently begun conducting unannounced inspections of companies to verify compliance with labor obligations. These surprise visits have already resulted in the temporary closure of certain business establishments due to labor law violations, underscoring a heightened enforcement posture.

In this context, it is critical for employers to proactively review and audit their labor compliance framework. Key areas of focus include, among others, the existence and proper implementation of:

- Sexual harassment policies and protocols;
- A fully compliant occupational health and safety system;
- Duly constituted Coexistence Committees with internal regulations and procedures; and
- Compliance with the legally mandated reduction of the working day, including accurate reflection in payroll processes.

Croatia

Court Tightens Standards for Contractor Misclassification

Precedential Decision by Judiciary or Regulatory Agency
Authors: Marija Gregoric and Matija Skender – Babic & Partners Law Firm

A recent judgment of the Croatian High Administrative Court signals a shift in how independent contractor arrangements are assessed. In a case involving a software developer operating through a sole proprietorship, the Croatian Tax Authority, following a tax audit, concluded that the contractor had used a sole proprietorship/craft structure to obtain income that in substance had the characteristics of employment and, based on indicators such as economic dependence, continuity of work, and integration into the client's core business, reclassified the arrangement as disguised employment for tax purposes.

Both the firstinstance and appellate courts held that the Tax Authority relied too heavily on isolated indicators and failed to demonstrate actual control, subordination, or other core elements of employment. The ruling raises the evidentiary threshold for misclassification and emphasizes the need for a comprehensive assessment of the overall relationship, rather than reliance on a limited set of factors. In overturning the Tax Authority, the courts stressed that misclassification must be based on a comprehensive assessment of behavioral control, financial control, and the overall relationship, with no single factor being decisive.

The judgment raises the evidentiary threshold for misclassification, requiring the Tax Authority to demonstrate actual control and subordination rather than relying on limited indicators. It strengthens taxpayers' ability to challenge reclassification and points toward a more balanced and predictable framework for assessing contractor relationships in an increasingly flexible and cross-border labor market.

Reintroduction of Mandatory Basic Military Training and Employment Implications

Trend

Authors: Marija Gregoric and Matija Skender – Babic & Partners Law Firm

After nearly 20 years without compulsory military service, Croatia has reintroduced mandatory basic military training lasting two months. The stated objective is to equip young people with fundamental military skills and crisis-response knowledge to support national security.

During the training period, the employment relationship formally continues, but employees are temporarily relieved of work duties and may not exercise rights directly linked to active work performance. Employers are not required to pay salary during this time, as participants receive state-funded financial allowances, and employment termination is prohibited while the employee is in training. Employers must also notify the Croatian Pension Insurance Institute when an employee begins and completes training.

Given the novelty of this measure, further practical and operational issues may emerge as the framework is implemented.

Czech Republic

Mandatory Tuberculosis Screening for Foreign Workers

New Order or Decree

Authors: Tomáš Procházka and Kateřina Demová – Aegis Law

Effective January 1, 2026, an amendment to the Czech Republic's Occupational Health Services Decree introduces a mandatory chest Xray tuberculosis screening for employees arriving from countries with a higher incidence of TB, such as Ukraine, Vietnam, and China. The requirement applies regardless of the employee's job category.

Employers hiring foreign workers must ensure compliance with this new screening obligation and confirm that their occupational health service providers apply the updated procedures. This measure is part of a broader set of regulatory changes, which also include revised rules for extraordinary medical examinations and modernized administrative requirements under the decree.

Supreme Court Extends Equal Treatment to Pension Contributions

Precedential Decision by Judiciary or Regulatory Agency

Authors: Tomáš Procházka and Kateřina Demová – Aegis Law

In a landmark judgment issued in January 2026, the Czech Republic's Supreme Court ruled that employerfunded pension contributions provided to permanent employees must also be extended to temporarily assigned and agency workers. The Court confirmed that pension contributions qualify as "working and pay conditions," bringing them squarely within the scope of the statutory principle of equal treatment.

This decision represents a significant departure from prior practice and materially expands employer obligations. Employers using temporary assignment or agency staffing models will need to review and align their benefit structures to ensure parity or face potential claims for unequal treatment and related liabilities.

Anticipated Reforms on Pay Transparency and Digital Platform Work

Proposed Bill or Initiative

Authors: Tomáš Procházka and Kateřina Demová – Aegis Law

An anticipated legislative package is expected to introduce stricter pay transparency obligations and new rules governing work performed through digital platforms, reflecting the need to align domestic law with forthcoming EU requirements. The reform aims to strengthen equal pay mechanisms, expand employer reporting duties, increase worker access to remuneration information, and ensure compliance with the evolving EU framework for platform workers. The specific draft legislation has not yet been published and is expected soon.

2026 Labor Inspection Priorities Announced

Important Action by Regulatory Agency
Authors: Tomáš Procházka and Kateřina Demová – Aegis Law

In March 2026, the State Labor Inspection Office published its annual inspection plan. The Labor Inspectorate will focus on tackling illegal work and disguised agency work (grey agencies), monitoring the working conditions of foreign workers, reviewing remuneration practices with an emphasis on equal treatment, and enhancing workplace safety.

In light of these priorities, employers should ensure that their HR processes and practices are fully compliant, including remuneration systems, equal treatment measures, working time records, occupational safety procedures, and arrangements involving foreign workers or agency labor.

2026 Government Signals Upcoming Labor Market Reforms

Trend
Authors: Tomáš Procházka and Kateřina Demová – Aegis Law

The 2026 Government Policy Statement outlines a broad set of planned labor market reforms, including improvements to employment services, stronger enforcement of fair working conditions, and the modernization and digitalization of labor administration processes. The policy agenda also emphasizes reinforcing equal treatment standards and enhancing the effectiveness of labor inspection activities.

While the statement itself does not introduce binding obligations, it signals the government's intention to translate these commitments into follow-up legislation. Employers should anticipate forthcoming employment law reforms that operationalize these policy goals and expand compliance requirements in the near term.

Denmark

Arbitration Rulings Expand Overtime Pay Rights for Part-time Employees

Precedential Decision by Judiciary or Regulatory Agency
Author: Bo Enevold Uhrenfeldt – Littler

On February 4, 2026, two arbitration rulings changed the legal framework for overtime pay for part-time employees under Danish collective bargaining agreements in both the industrial and public sectors. According to prior case law, part-time employees did not receive overtime pay for hours worked beyond their agreed schedules but below the full-time threshold set in the applicable agreement. Overtime pay was only triggered once the full-time norm was exceeded. The arbitrators found that this approach was incompatible with the EU Part-time Work Directive.

The arbitrators held that the prior approach constituted unlawful differential treatment, as part-time employees were treated less favorably than comparable full-time employees. As a result, the rulings apply retroactively to January 20, 2000, when the directive should have been implemented in Denmark. In principle, part-time employees may claim back pay for unpaid overtime supplements dating back to that time. However, limitation rules and individual circumstances may restrict the recoverable period.

Termination of Employee with Long-term COVID-19 Effects Constituted Disability Discrimination

Precedential Decision by Judiciary or Regulatory Agency
Author: Bo Enevold Uhrenfeldt – Littler

On February 3, 2026, the Danish High Court ruled that the termination of an employee with long-term effects of COVID-19 constituted unlawful disability discrimination under the Danish Non-Discrimination Act. The employee had experienced persistent symptoms, including fatigue and reduced work capacity, and had worked part-time for approximately 16 months before her employment was terminated as part of a redundancy process.

The High Court found that the employee's condition constituted a disability, as it resulted in a long-term impairment affecting her ability to work on an equal basis with others. It further held that the employer knew or should have known of the employee's condition.

Because the employer had failed to demonstrate that reasonable accommodation had been considered prior to the termination, the dismissal was deemed discriminatory. The employee was awarded compensation equivalent to nine months' salary.

Draft Bill Published to Implement EU Pay Transparency Directive

Proposed Bill or Initiative

Author: Bo Enevold Uhrenfeldt – Littler

On February 26, 2026, the Danish Ministry of Employment published a draft bill to implement the EU Pay Transparency Directive and opened it for public consultation until March 27, 2026. The draft bill contains provisions that require employers to use pay structures which ensure equal pay. These structures are not intended to determine pay, but rather to enable the assessment of whether employees are in a comparable situation with regard to the value of their work, based on objective, gender-neutral criteria.

According to the legislative notes, it is ultimately the employers' responsibility to determine which employees perform the same work or work of equal value, provided gender-neutral criteria are applied. The draft bill would also require disclosure of starting salary or salary ranges and applicable collective bargaining provisions to job applicants, while prohibiting inquiries into applicants' current or prior salary.

In addition, employees would gain the right to request information about their own pay and average pay levels, disaggregated by gender, for comparable roles. If adopted, the legislation is expected to enter into force on January 1, 2027, with gender pay reporting obligations for employers with at least 100 employees commencing on September 1, 2028.

Egypt

New Framework for Apprenticeship Programs

New Order or Decree

Authors: Alia Monieb and Seifeldin Hamad – ADSERO - Ragy Soliman & Partners

Ministerial Decree No. 267 of 2025 introduces a modernized framework regulating apprenticeship programs in Egypt and replaces the previous implementing decree where inconsistencies arise. The decree expands the definition of an "apprentice," removes the previous upper age limit, and confirms a minimum working age of 14. It also establishes a central committee chaired by the Minister of Labor to oversee apprenticeship policies, promote skills development, and strengthen partnerships between the government and the private sector.

Under the decree, apprenticeships must be governed by a written agreement in three copies specifying the duration of the program, typically between one and three years, along with defined training stages and progressive wage levels. The final stage of the apprenticeship must provide compensation not lower than the statutory minimum wage. Employers are also required to maintain apprentice registers, submit periodic updates to labor offices, and ensure workplace protections including occupational health and safety measures and work-injury insurance coverage.

Updated Rules on Employment of Foreign Nationals

New Order or Decree

Authors: Alia Monieb and Seifeldin Hamad – ADSERO - Ragy Soliman & Partners

The Foreign Work Permit Decree regulates the employment of foreign nationals across both the private and public sectors in Egypt. It adopts a broad definition of "work," consistent with the Labor Law, covering not only traditional employment but also self-employment, professional activities, trades, crafts, domestic work, and work performed for one's own account. The decree maintains several existing rules, including the requirement that foreign nationals must obtain a valid work permit and residency before working, a 10% cap on foreign employees within an establishment's workforce, existing exemptions from the work permit

requirement, and prohibitions on foreigners practicing certain professions, such as tourist guiding and customs clearance.

The decree also introduces procedural updates and financial changes to the work permit system. Applications must generally include a duly executed employment contract, although contracts are not mandatory for engagements lasting between six months and one year. Despite recognizing different forms of work, the decree does not clearly regulate freelancers, self-employed individuals, or independent foreign workers, leaving uncertainty around their legal status. Additionally, the decree increases work permit renewal fees by roughly 15–20%, raising the maximum cap from EGP 50,000 to EGP 100,000, including for establishments exempt from the 10% workforce limit. All permit fees must now be paid electronically in the name of the foreign national through the Ministry of Labor's electronic payment systems.

New Rules for Employee Selection in Workforce Reductions

New Order or Decree

Authors: Alia Monieb and Seifeldin Hamad – ADSERO - Ragy Soliman & Partners

The Workforce Reduction Decree establishes the rules for selecting employees during partial closure or workforce downsizing resulting from economic, technical, or organizational reasons under the Labour Law. If a collective agreement does not already define objective selection criteria, employers must consult with the relevant trade union, if one exists, for at least seven working days after announcing the decision and before implementing it. The selection process must follow transparent, objective, and nondiscriminatory standards that balance business needs with employees' social and family circumstances.

In choosing which employees are affected, employers should prioritize factors such as seniority based on appointment date, technical skills and performance, and employees' health conditions and family responsibilities, particularly those supporting dependents with disabilities or special needs. Employers are also required to notify the competent administrative authority of the redundancies and the criteria used. In addition, they must comply with notice period requirements and statutory termination entitlements, including payment for accrued leave and compensation calculated as one month's wage for each of the first five years of service and one and a half months' wage for each subsequent year.

New Rules on Workplace-Affiliated Nurseries

New Order or Decree

Authors: Alia Monieb and Seifeldin Hamad – ADSERO - Ragy Soliman & Partners

On March 3, 2026, the Ministry of Labor issued Decree No. 48 of 2026, setting detailed rules for nurseries affiliated with workplaces. The decree builds on existing Labor Law obligations requiring employers with 100 or more female employees at a single workplace to either establish an inhouse nursery, contract with an external nursery, or cover childcare costs at a licensed nursery. It also introduces coordination requirements for smaller workplaces, under which employers with fewer than 100 female employees may be required to cooperate with nearby employers within a 500meter radius to jointly establish or contract a nursery. In line with the Child Law, the obligation applies to female employees with children up to four years of age.

The decree establishes operational and regulatory standards for workplace nurseries, including location suitability, accessibility for children with disabilities, and separation from hazardous work areas. Nurseries must comply with licensing, construction, health, and safety requirements and obtain approval from the Ministry of Social Solidarity, in accordance with Child Law No. 12 of 1996 and Nurseries Law No. 50 of 1977. Employees benefiting from workplace nurseries are required to contribute monthly fees set at 4% of wages for the first child, 3% for the second, and 2% for the third when enrolled simultaneously, with costs for additional children borne fully by the employee. Where a nursery cannot be established or contracted, employers may instead pay for childcare at a licensed nursery selected by the employee.

New Registration and Reporting Obligations

New Order or Decree

Authors: Alia Monieb – ADSERO - Ragy Soliman & Partners

The Disability Employment Data Decree regulates the collection, maintenance, and reporting of employment data relating to persons with disabilities, including persons with dwarfism, and implements the monitoring and reporting obligations under Law No. 10 of 2018 on the Rights of Persons with Disabilities. Establishments employing persons with disabilities are required to maintain a paper or electronic register containing employment information supported by official documentation, such as rehabilitation certificates, disability ID cards, or integrated services cards. This register must be made available to the competent administrative authority upon request.

In addition, establishments must submit biannual reports to the competent labor directorate in January and July each year. These reports must include workforce totals, the number of employees with disabilities (including persons with dwarfism), their job positions, the nature of their work, and wage details. A standardized reporting template must be used when submitting these filings.

Finland

Supreme Court Holds Paid Meal-Break Practice Not Deemed a Binding Employment Term

Precedential Decision by Judiciary or Regulatory Agency

Authors: Samuel Kääriäinen and Severi Nordlund – Dottir Attorneys Ltd.

The Supreme Court held that a longstanding practice of treating meal breaks as paid working time did not evolve into an established and binding term of employment. The written employment contracts referred generally to working time being governed by the Working Hours Act and the applicable collective agreement, which expressly allowed meal breaks to be arranged either as paid working time or as an unpaid rest period.

Although the employer had, for several years, allowed employees to take meal breaks during paid working hours, the Court found that this practice alone did not constitute a binding commitment to continue that arrangement. Accordingly, the employer was entitled, under its managerial prerogative, to unilaterally implement the alternative mealbreak arrangement permitted by the collective agreement.

Pre-Trial Detention Did Not Entitle Employer to Treat Employment Contract as Terminated with Immediate Effect

Precedential Decision by Judiciary or Regulatory Agency

Authors: Samuel Kääriäinen and Severi Nordlund – Dottir Attorneys Ltd.

The Supreme Court held that an employer was not entitled to treat an employment contract as terminated with immediate effect under Chapter 8, Section 3 of the Employment Contracts Act where the employee's absence resulted from pre-trial detention and the employer had been informed of both the absence and its cause.

The Court found that a "valid reason" for absence under the statute refers to an obstacle beyond the employee's immediate control, and that pre-trial detention met this threshold in the circumstances. It was irrelevant whether the employee had ultimately committed an offense, and the employee was not required to assert that the criminal suspicion was unfounded. As the statutory conditions for deemed termination were not satisfied, the employer lacked grounds to consider the employment contract terminated with immediate effect. The Court did not assess whether other termination grounds might have applied.

Proposed Changes to Fixed-Term Employment Contracts, Layoff Notice, and Re-Employment Obligations

Proposed Bill or Initiative

Authors: Samuel Kääriäinen and Severi Nordlund – Dottir Attorneys Ltd.

On January 15, 2026, the Finnish Government submitted a legislative proposal to Parliament introducing significant changes to employment law. The proposal would allow certain fixedterm employment contracts to be concluded without a justified reason, reduce the statutory layoff notice period from 14 to seven days, and limit the statutory reemployment obligation to employers that regularly employ at least 50 employees.

Fixedterm contracts without a justified reason would be permitted only where the contract is the first between the parties or where at least two years have elapsed since their previous employment relationship. Such arrangements would be limited to a maximum of three contracts, renewable no more than twice within one year from the first contract, with a combined duration not exceeding one year. Once the contract has lasted at least six months, either party would be entitled to terminate it on the statutory grounds set out in the Employment Contracts Act. Contracts concluded in breach of these rules would remain valid until further notice. In certain cases, employers would also be required, upon expiry of the fixed term, to assess the possibility of continuing the employment relationship and offer available comparable work.

The amendments were initially scheduled to enter into force on April 1, 2026, but implementation has been delayed pending constitutional review.

Proposals Aimed at Reducing Pregnancy and Family Leave Discrimination

Proposed Bill or Initiative

Authors: Samuel Kääriäinen and Severi Nordlund – Dottir Attorneys Ltd.

The Government has proposed amendments to the Equality Act aimed at enhancing protection against discrimination related to pregnancy, parenthood, and family caregiving responsibilities in working life. The proposal would expressly add parenthood and family caregiving as prohibited grounds of discrimination, clarify that the prohibition applies equally to fixedterm employment relationships, and extend the Equality Act's compensation regime to user companies engaging agency workers.

Under the proposal, employers would, in certain circumstances, be required to provide written reasons for the nonrenewal or termination of a fixedterm contract where the employee has notified the employer of pregnancy, childbirth, or family caregiving responsibilities. The reforms would also remove the current one-year limitation period for recruitmentrelated claims, apply a general two-year limitation period to compensation claims, and suspend limitation periods while matters are pending before the NonDiscrimination and Equality Tribunal.

The amendments are intended to enter into force in autumn 2026.

France

Additional Parental Leave

New Legislation Enacted

Authors: Guillaume Desmoulin and Magali Marguerite – Littler

A law passed on December 30, 2025, introduced a new category of leave for employees becoming parents. Employees who have taken maternity, paternity, or adoption leave are now entitled to additional birth leave of up to two months, which may be taken as two separate onemonth periods at the employee's discretion.

During this additional birth leave, the employment contract is suspended. Employees receive a Social Security allowance equal to 70% of net pay for the first month and 60% for the second month, and employers are not required to maintain the full salary during this leave.

Court of Cassation Refines Limits on Employee Freedom of Expression

Precedential Decision by Judiciary or Regulatory Agency

Authors: Guillaume Desmoulin and Magali Marguerite – Littler

In a series of judgments issued on January 14, 2026, the French Court of Cassation further refined its approach to assessing alleged infringements of employees' freedom of expression, including in a case involving the dismissal of a managerial employee for critical remarks made about the managing director in emails and during formal meetings.

While employees in France continue to benefit from freedom of expression both inside and outside the workplace, the Court clarified that this right is not absolute. Departing from a sole focus on whether comments were abusive, defamatory, or excessive, the Court now requires a balancing exercise between the employee's freedom of expression and the employer's right to protect its legitimate business interests.

Going forward, judges must assess the context, scope, and impact of the remarks, as well as whether the employer's response was necessary and proportionate. This development provides employers with a clearer framework for justifying disciplinary action where employee speech undermines legitimate corporate interests.

Clarification on the Applicable Sanction in the Event of an Employee's Dismissal Following a Transfer

Precedential Decision by Judiciary or Regulatory Agency

Authors: Guillaume Desmoulin and Magali Marguerite – Littler

Under French law, a dismissal occurring in connection with the transfer of an employment contract following a sale of business is considered void. In a decision issued on January 21, 2026, the French Court of Cassation clarified the applicable damages regime in such cases.

The Court held that compensation must be assessed within the statutory minimum and maximum limits applicable to dismissals without real and serious cause, rather than under the nullity regime, which carries no upper cap on damages. The Court confirmed that this approach is consistent with EU Directive 2001/23/EC of March 12, 2001, which does not impose specific requirements regarding the level of compensation owed to affected employees.

Draft Bill to Transpose the EU Pay Transparency Directive

Proposed Bill or Initiative

Authors: Guillaume Desmoulin and Magali Marguerite – Littler

France has unveiled an initial draft bill to transpose the European Pay Transparency Directive, significantly expanding employer obligations on pay gap reporting and transparency. The draft requires companies with at least 50 employees to publish indicators on pay gaps, particularly between women and men performing work of equal value or equal worth, and to share this information with both the social and economic committee and employees. It also introduces a formal process for addressing and reducing identified pay disparities.

The bill clarifies the concept of "work of equal value" by expressly incorporating nontechnical skills and working conditions into the assessment criteria. Categories of comparable roles would be defined through collective bargaining, or, failing agreement, by unilateral employer decision for a maximum period of three years. In limited circumstances, employees would be allowed to compare their pay with that of workers employed by another employer. Consistent with the Directive, the draft places the burden of proof on employers for certain transparency violations, bans pay nondisclosure clauses, reinforces information rights for employees and job applicants, and introduces new financial sanctions for non-compliance.

Germany

Federal Labor Court Confirms Traditional "Establishment" Concept for Digital Work Models

Precedential Decision by Judiciary or Regulatory Agency
Author: Maria Rutmann – Littler

In a decision dated January 28, 2026 (case no. 7 ABR 23/24), the German Federal Labor Court confirmed that the established concept of an "establishment" under the Works Constitution Act ("*BetrVG*") applies unchanged to digitally managed and platform-based work models. The Court held that app-based organization and control of work, in itself, does not create an independent establishment or establishment part capable of electing a works council.

The decisive factor remains the existence of an institutionalized management structure with autonomous decision-making authority, particularly in personnel and social matters. Accordingly, socalled "remote cities" without locally assigned management do not meet the minimum requirements for organizational independence, even where work is centrally planned or digitally coordinated.

While trade unions have criticized the ruling and called for legislative reform, the decision provides legal certainty for employers operating decentralized, remote, or digitally coordinated business structures.

Default-of-Acceptance Pay Cannot be Contractually Excluded in Advance

Precedential Decision by Judiciary or Regulatory Agency
Author: Lara Rücker – Littler

In its decision of January 28, 2026 (case no. 5 AS 4/25), the Federal Labor Court ruled that remuneration in case of default of acceptance under Section 615 sentence 1 of the German Civil Code (BGB) cannot be contractually excluded by the parties of the employment relationship in advance in the event of an invalid termination by the employer or a termination that takes effect only at a later date. In principle, Section 615 sentence 1 BGB is not mandatory and may therefore be excluded by mutual agreement. However, such agreement is held void under Section 134 BGB according to the Federal Labor Court as it undermines the protection of the employee which is granted by the statutory provision.

As the employee could only secure the continuation of their employment relationship or at least its extended duration by filing a claim for unfair dismissal but would not receive the corresponding compensation owed for this period, the employee's economic livelihood would be undermined. As a result, employers cannot avoid backpay exposure through advance contractual waivers in termination scenarios.

Federal Bill Advances, Tightening Labor Requirements for Public Contracts

Proposed Bill or Initiative
Author: Lucas A. Gropengiesser – Littler

On February 26, 2026, Germany's lower house of parliament ("*Bundestag*") passed the Federal Tariff Compliance Act ("*Bundestariftreuegesetz*"), which introduces new labor requirements for companies performing federal public contracts. Contractors will generally need to provide employees working on such contracts with pay and key working conditions aligned with applicable collective bargaining agreements, as defined in a future government regulation.

The obligations will also extend to subcontractors, with prime contractors potentially liable for violations in the subcontracting chain. The rules are expected to apply to federal construction and service contracts above EUR 50,000, while supply contracts are excluded. Certain exemptions are contemplated, including for young and innovative start-ups.

The bill still requires approval by Germany's upper house ("*Bundesrat*") before it can enter into force.

EU's Digital Omnibus Proposal and Implications for Employers in Germany

Proposed Bill or Initiative

Author: Christina Stogov, LL.M. – Littler

Published on November 19, 2025, the European Commission's Digital Omnibus proposal aims to simplify and better align the EU's increasingly complex digital regulatory framework. The initiative remained under active political and technical review throughout the first quarter of 2026, with the public consultation phase running until midMarch 2026 and initial parliamentary work already underway.

Although primarily focused on digital regulation, the Digital Omnibus has direct relevance for employers, particularly those using AI-based tools in human resources. The proposal does not reduce employer responsibility but seeks to recalibrate it by introducing clearer — yet still stringent — legal standards that require active compliance management. More precise definitions and informationduty requirements under the GDPR may improve legal certainty around employee data processing, notably for pseudonymized data.

The use of AI in the workplace will remain legally sensitive. While certain compliance and documentation requirements may be streamlined, employer obligations relating to transparency and explainability of AI-driven decision-making are expected to become more prominent, reinforcing the need for robust governance around AI use in employment contexts.

2026 Works Council Elections and Employer Implications

Trend

Author: Léon Hartgenbusch – Littler

Under German labor law, establishments with more than five employees are entitled — but not required — to initiate the election of a works council. Regular works council elections are held every four years, with the current election cycle taking place between March 1 and May 31, 2026.

Works councils represent employees' collective interests and hold extensive information, consultation, and codetermination rights. Where employer actions are subject to works council involvement, failure to properly engage the council will generally expose those measures to legal challenge. In addition, employers and works councils may conclude works agreements ("*Betriebsvereinbarungen*") to regulate collective working conditions; for matters subject to mandatory codetermination, employers must enter into such agreements at the works council's request.

Works agreements apply directly to employees within their defined scope and do not require individual employee consent. As a result, they are a powerful tool for shaping workplace conditions — positively or negatively — and should be negotiated with careful consideration by both employers and works councils.

Hungary

Employee Obligations of Full-Time Trade Union Officials

Precedential Decision by Judiciary or Regulatory Agency

Author: Zoltán Csernus – VJT & Partners Law Firm

A trade union official who remains in an employment relationship continues to be subject to the obligations arising from that relationship. When carrying out their duties as a union official, they must take into account their responsibilities as an employee, even where they are formally "released" from work duties and are under no obligation to be available in the position specified under the employment contract.

Accordingly, general standards of conduct applicable to employees also apply to full-time (released) trade union officials. The performance of union functions does not exempt them from adhering to core employment-related duties derived from the continuing employment relationship.

Compensation Rules for Standby Duty on Weekly Rest Days

Precedential Decision by Judiciary or Regulatory Agency

Author: Zoltán Csernus – VJT & Partners Law Firm

Under Hungarian labor law, where an employer orders standby duty for a day that was previously scheduled as a weekly rest day, the affected employee may be entitled to a compensatory rest day to offset the lost rest entitlement.

By contrast, no compensatory rest day is required where standby duty was already planned as working time in the applicable work schedule for a Saturday, Sunday, or public holiday. In such cases, provided the working time schedule remains unchanged, there is no "lost weekly rest day" triggering a compensation obligation.

India

Clarification of Repeal and Transitional Arrangements Under the Industrial Relations Code

New Legislation Enacted

Authors: Vikram Shroff and Apurva Vats – AZB & Partners

On February 16, 2026, India enacted the Industrial Relations Code (Amendment) Act, 2026, amending Section 104 of the Industrial Relations Code, 2020, which addresses repeal and savings. The amendment is deemed effective retroactively from November 21, 2025, the date on which the labor codes were brought into force.

The amendment provides two key clarifications. First, it expressly confirms that the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 stand repealed as of November 21, 2025. Second, it confirms that tribunals and statutory authorities established under the repealed legislation will continue to operate until the corresponding institutions under the Industrial Relations Code become functional.

This clarification operates alongside the Industrial Relations Code (Removal of Difficulties) Order, 2025, issued on December 8, 2025, which similarly confirmed that existing Labor Courts, Industrial Tribunals, and the National Industrial Tribunal will continue to hear both pending and newly filed cases until the new adjudicatory framework under the Industrial Relations Code is fully established.

Uttar Pradesh: Amendments to Shops and Commercial Establishments Law

New Legislation Enacted

Authors: Vikram Shroff and Apurva Vats – AZB & Partners

Effective November 19, 2025, the Governor of Uttar Pradesh promulgated the Uttar Pradesh Dookan Aur Vanijya Adhishthan (Sanshodhan) Adhiniyam, 2025, amending the Uttar Pradesh Dookan Aur Vanijya Adhishthan Adhiniyam, 1962 (UPSEA). The amendments introduce significant changes to coverage, working time rules, and employer obligations.

Under the revised framework, shops and commercial establishments employing fewer than 20 employees are exempt from most substantive provisions of the UPSEA, subject to limited registration requirements. The maximum daily working hours have been increased from eight to nine hours, while retaining the weekly cap of 48 hours, and the quarterly overtime limit has been raised from 125 to 144 hours. Employers may also permit women employees to work between 7:00 p.m. p.m. and 6:00 a.m., provided adequate facilities are ensured and the employees' consent is obtained.

In addition, the amendments introduce a mandatory requirement for employers to issue appointment letters to all employees at the time of hiring, containing prescribed particulars.

Delhi: Key Amendments Under the Delhi Shops and Establishments (Amendment) Act, 2026

New Legislation Enacted

Authors: Vikram Shroff and Apurva Vats – AZB & Partners

On March 11, 2026, the Delhi State Government published the Delhi Shops and Establishments (Amendment) Act, 2026. These amendments will take effect on a date to be notified in the Government of Delhi's Official Gazette.

The key amendments are as follows:

- The Delhi Shops and Establishments Act, 1954 (DSEA) will apply only to shops and establishments employing 20 or more employees.
- The minimum age threshold for child workers is increased from 12 to 14 years.
- Maximum daily working hours increased from nine to 10 hours (inclusive of rest interval and lunch break). Weekly working hours may extend up to 60 hours, subject to a quarterly overtime cap of 144 hours (replacing the earlier annual cap of 150 hours).
- Maximum continuous work period before a rest interval increased from five to six hours.
- Daily spread-over limit standardized at 12 hours for all establishments.
- Women may be employed during night hours: between 9:00 p.m. and 7:00 a.m. during summer and between 8:00 p.m. and 8:00 a.m. during winter, subject to the following conditions:
  - written consent of women employees;
  - adequate CCTV surveillance, security and proper transport facilities (including for employees of contractors);
  - no employment of women during six weeks following confinement or miscarriage;
  - a minimum of two women employees during the night shift; and
  - compliance with the Prevention of Sexual Harassment of Women at Workplace Act, 2013.

Andhra Pradesh: Revised IT and ITES Exemptions Under Shops and Establishments Law

New Regulation or Official Guidance

Authors: Vikram Shroff and Apurva Vats – AZB & Partners

On February 14, 2026, the Government of Andhra Pradesh issued comprehensive modifications to its earlier orders governing exemptions for Information Technology (IT) and Information Technology Enabled Services (ITES) establishments under the Andhra Pradesh Shops and Establishments Act, 1988 (APSEA). As part of these changes, IT and ITES establishments have been classified as "low risk" for the purposes of the Labor Department's risk-based inspection framework, aligning them with establishments employing more than 100 workers.

The amendments also extend a fiveyear exemption for all IT and ITES establishments in the state from Sections 15, 16, 21, 23 and 31, as well as subsections (1) through (4) of Section 47 of the APSEA. These exemptions are subject to specific conditions, including a maximum of 48 working hours per week with overtime wages payable for work beyond that threshold, and the mandatory provision of a weekly day of rest for employees.

Additional conditions apply to employee welfare and workplace safeguards. Women employees may be engaged in night shifts provided that adequate security and transportation arrangements are in place. Employers must issue identity cards, implement prescribed welfare measures, and grant compensatory holidays in lieu of notified public holidays worked.

Government Issues Employer Compliance Handbook Under the Labor Codes

New Regulation or Official Guidance

Authors: Vikram Shroff and Apurva Vats – AZB & Partners

The Ministry of Labor and Employment has released a comprehensive compliance handbook for employers under India's four Labor Codes. The handbook is designed to support establishments in understanding the consolidated statutory framework introduced by the Codes and to promote smoother implementation.

The guidance outlines key employer obligations and provides practical direction on applicable compliance requirements under the new labor law regime. It is intended as a reference tool to help employers navigate the transition to the Codes and align internal processes with the revised statutory framework.

Indonesia

Ministry Reinforces Mandatory Job Vacancy Reporting Obligations

New Regulation or Official Guidance
Author: Stephen Igor Warokka – SSEK Law Firm

In February 2026, the Indonesian Ministry of Manpower issued Circular Letter No. M/1/HK.04/II/2026, reinforcing the obligation of employers to report job vacancies and hiring activities through the ministry's SIAPkerja platform. While the reporting requirement is not new, the circular signals increased regulatory focus on compliance and workforce data transparency.

Under the circular, employers are expected to submit vacancy information prior to recruitment and update hiring outcomes accordingly, with potential administrative sanctions for non-compliance.

Revised Minimum Wage Framework Takes Effect for 2026

New Regulation or Official Guidance
Authors: Syahdan Z. Aziz and Indrawan Dwi Yuriutomo – SSEK Law Firm

Indonesia's revised minimum wage framework under Government Regulation No. 49 of 2025 came into effect for the 2026 wage-setting cycle and introduces an updated formula for calculating minimum wage increases. The regulation takes into account broader economic variables and allows for the reintroduction of sectoral minimum wages in certain regions.

The regulation also removes the previous rule that allowed inflation to be excluded in specific circumstances. These changes affect employer costs and compliance, requiring companies to review payroll planning and ensure they follow the applicable regional and sectoral wage requirements.

Ireland

National Minimum Wage Increase

New Order or Decree
Authors: Lisa Collins and Ailbhe Marsh – Littler

Effective January 1, 2026, Ireland's national minimum wage increased from EUR 13.50 to EUR 14.15 per hour. Employers must ensure payroll systems and wage rates are updated accordingly to remain compliant with the revised statutory minimum.

Auto-Enrollment Pension Scheme Comes into Effect

New Regulation or Official Guidance
Authors: Lisa Collins and Ailbhe Marsh – Littler

Ireland's automatic retirement savings scheme, *My Future Fund*, came into operation on January 1, 2026. Under the new system, eligible employees aged 23 to 60 who earn more than EUR 20,000 per year are automatically enrolled, unless they are already in "exempt employment," meaning they are members of an existing pension scheme with qualifying minimum contributions.

The Automatic Enrolment Retirement Savings System Regulations (S.I. No. 668/2025) are effective January 1, 2026 and define the criteria for exempt employment. Total pension contributions must be at least 3.5% of the employee's gross pay or EUR 2,800 per year, whichever is lower. Of this amount, the employer must contribute a minimum of 1.5% of gross pay or EUR 1,200 per year, whichever is lower. Employers must assess existing pension arrangements to determine whether employees qualify for exemption from automatic enrollment.

Spring 2026 Legislative Program Signals Key Employment and Regulatory Reforms

New Regulation or Official Guidance
Authors: Lisa Collins and Ailbhe Marsh – Littler

The Government has published its Spring 2026 Legislative Program, setting out its legislative priorities for the upcoming parliamentary session. The program outlines a number of proposed bills with direct relevance to employment, equality, and workplace regulation.

Notably, the program includes the Gender Pay Gap Information (Amendment) Bill and the Pay Transparency Bill, reflecting a continued focus on pay equity and alignment with evolving EU requirements. Other measures of interest to employers include the Regulation of Artificial Intelligence Bill, the Protection of Employees (Employers' Insolvency) (Amendment) Bill 2025, and the Registration of Trade Unions Bill, signaling forthcoming developments across technology regulation, employee protections, and industrial relations.

Phased Implementation of EU Pay Transparency Directive Confirmed

Proposed Bill or Initiative
Authors: Lisa Collins and Ailbhe Marsh – Littler

The Department of Children, Disability and Equality has confirmed that work is ongoing to fully transpose the EU Pay Transparency Directive into Irish law. However, it has acknowledged that the required legislative measures will not be completed by the Directive's transposition deadline of June 7, 2026, and that implementation will instead take place on a phased basis.

The Department further confirmed that employers will not be penalized for failing to have all elements of the Directive implemented by June 2026, providing short-term regulatory reassurance as the legislative framework continues to be developed.

Draft AI Regulation Bill Published to Implement EU AI Act

Proposed Bill or Initiative
Authors: Lisa Collins and Ailbhe Marsh – Littler

The General Scheme of the Regulation of Artificial Intelligence Bill 2026 has been published, setting out the legislative framework needed to implement Regulation (EU) 2024/1689 (the EU AI Act) in Ireland. The Bill establishes national oversight and enforcement mechanisms and confirms that Irish regulators will have direct supervisory powers over the use of AI systems within the state.

Of particular relevance to employers, AI systems used in HR and employment-related practices may be subject to review by Irish authorities, not only internal governance or EUlevel oversight. Employers are classified as "deployers" of AI systems under the Bill, even where the technology is acquired as an offtheshelf solution. As a result, employers will be directly responsible for complying with the deployer obligations set out in Article 26 of the EU AI Act, including requirements relating to risk management, transparency, and human oversight.

Israel

Minimum Wage Increase Effective April 2026

New Legislation Enacted
Author: Adar Moussel – N. Feinberg & Co. Law Office

Effective April 1, 2026, Israel's statutory monthly minimum wage is scheduled to increase from NIS 6,247.67 to NIS 6,443.85 for a full-time employee, representing a rise of NIS 196.18. Correspondingly, the hourly minimum wage will increase to NIS 35.40.

Under the Minimum Wage Law, 1987, the minimum wage is set at 47.5% of the national average wage, as defined in the National Insurance Law, and is reviewed annually each April 1. Employers are required to update payroll systems and reflect the revised minimum wage on employee pay slips, as well as post a notice of the updated rates on the workplace bulletin board.

Extension of Maternity Leave for Employees Who Gave Birth to an Infant with a Complex Disability

New Legislation Enacted

Author: Adar Moussel – N. Feinberg & Co. Law Office

On April 1, 2026, Amendment No. 67 to the Women's Employment Law, 1954 will enter into force. Under the amendment, an employee who has given birth to an infant defined as an "infant with a complex disability" will be entitled to an additional five weeks of maternity leave, in addition to the statutory leave period prescribed by law.

To qualify, the infant must be officially recognized as an "infant with a complex disability" during the employees' maternity leave. The definition covers infants entitled to a Disabled Child Allowance under the National Insurance (Disabled Child) Regulations, 2010, including those eligible for an allowance of 100% or more for special medical care, or at allowance levels of 112%, 188%, or 235%.

Employees taking the extended leave will also be entitled to additional maternity allowance payments. Where maternity leave is extended for multiple statutory reasons (such as hospitalization of the mother or child), maternity allowance payments will apply to a cumulative extension period of up to 20 additional weeks in total.

EmergencyEra Protections for Reservists Made Permanent

New Order or Decree

Author: Adar Moussel – N. Feinberg & Co. Law Office

In 2024 and 2025, the Business Sector Presidency and the Histadrut (General Federation of Labor) entered into temporary collective agreements granting enhanced employment protections to reservists and their spouses. These agreements were adopted against the backdrop of an ongoing state of emergency and applied only on a timelimited basis.

Given the continuation of the emergency situation, the parties have now agreed to a new collective agreement that permanently incorporates these protections into the business sector framework. The agreement reflects a shift from temporary emergency measures to a long-term regulatory baseline for employment relations involving reserve service. The agreement will enter into force only upon the issuance of an extension order by the Minister of Labor, after which its provisions will become binding.

Extended Dismissal Protection and Safeguards for Reservists

New Order or Decree

Author: Adar Moussel – N. Feinberg & Co. Law Office

Existing law prohibits the dismissal of an employee who served more than two consecutive days in reserve duty during service and for 30 days thereafter without a permit from the Ministry of Defense. The new collective agreement significantly expands this protection for employees who served 60 days or more in a calendar year (or whose service carried over from the prior year) and completed at least seven consecutive days of service.

For these employees, the post-service dismissalprotection period is extended to 60 days. Any termination during the additional 30day period requires approval from a supervisory committee, and the employer must demonstrate special grounds justifying the dismissal.

The agreement further restricts employer actions following reserve service. In addition to existing statutory prohibitions on reducing position scope or income during the first 30 days post-service, employers may not place reservists on unpaid leave or otherwise harm their working conditions during the subsequent 30day period, including through role changes or duty adjustments, without supervisory committee approval and compliance with strict conditions.

New Paid Absence and Leave Accumulation Rights Linked to Reserve Service

New Order or Decree

Author: Adar Moussel – N. Feinberg & Co. Law Office

Under the new collective agreement, employees whose spouses are serving in the reserves are entitled to up to eight additional employerpaid absence days, depending on the spouse's cumulative reserve service in a calendar year. These paid absences may be used, as full days or hours, for specified family and householdrelated needs during the spouse's active reserve service and apply equally to full-time and part-time employees, subject to business needs.

The agreement also expands employees' rights to accumulate unused annual leave without employer consent and carry it forward for use over the following two working years. This right applies where leave could not be taken due to reserve duty, emergencyrelated absences, essential service obligations, or emergency permits issued under workingtime and youth employment laws.

Together, these measures strengthen family-related employment protections and provide employees with additional flexibility to manage extended absences arising from reserve service and emergency conditions.

Italy

2026 Budget Law Expands Family-related Employee Rights

New Legislation Enacted

Authors: Carlo Majer and Alessandra Pisati – Littler

Law No. 199/2025 of December 30, 2025 (the "2026 Budget Law") introduces a series of measures strengthening family-related employment entitlements. The law extends the general right to parental leave until a child reaches 14 years of age, rather than the previous limit of 12, and similarly extends the right to extended parental leave for children with disabilities through age 14.

The Budget Law also enhances sickleave entitlements for parents of older children. For children over the age of three, eligible parents may now take up to 10 days of child sick leave per year, doubled from the prior limit of five days, and the applicable age range for such leave has been expanded from children up to age eight to those up to age 14.

In addition, the law introduces greater flexibility for fixedterm replacement arrangements. Fixedterm contracts entered into to replace employees on maternity or parental leave may be extended to support the replaced employee until the child reaches one year of age, facilitating continuity during postbirth transitions.

Manufacturing Sector NCBA Tightens Rules on FixedTerm Contracts

New Regulation or Official Guidance

Authors: Carlo Majer and Giorgia Imperatori – Littler

In February 2026, the renewal of the National Collective Bargaining Agreement (NCBA) for the Manufacturing sector was approved, introducing significant changes to the use of fixedterm employment contracts. A key development is the introduction of mandatory, NCBAdefined justification grounds for entering into or extending fixedterm contracts beyond 12 months.

These grounds include both objective and subjective criteria, such as the hiring of workers over the age of 50, individuals under 35 meeting specific socioeconomic conditions, and employees engaged in timelimited projects, exhibitions, or clearly defined temporary assignments.

The agreement also introduces stabilization requirements effective January 1, 2027. Employers may rely on the NCBAdefined grounds only if they have converted at least 20% of fixedterm employees hired under those same grounds into openended contracts during the preceding calendar year. Certain terminations, including those during probation, by employee resignation, or for cause, are excluded from the calculation. Employers must periodically report these conversions to internal union representatives.

Kingdom of Saudi Arabia

Increased Saudization Quotas for Marketing and Sales Roles

New Regulation or Official Guidance

Authors: Sara Khoja and Sarit Thomas – Clyde & Co.

The Ministry of Human Resources and Social Development (MHRSD) has announced a substantial increase in Saudization requirements for certain privatesector marketing and sales positions. By April 19, 2026, companies employing three or more employees in the designated marketing (10 roles) and sales (nine roles) professions must ensure that 60% of these roles are filled by Saudi nationals.

This change doubles the prior marketing quota from 30% and significantly increases the sales quota from 15%, which previously applied only to certain employers with five or more employees. For marketing roles, Saudi employees will count toward compliance only if they are paid a minimum monthly salary of SAR 5,500, as registered with the General Organization for Social Insurance (GOSI).

Employers that fail to meet the revised Saudization thresholds may be subject to enforcement measures, including the suspension of key MHRSD services such as work permit renewals and employee transfers. Affected companies should promptly review workforce composition and compensation practices to ensure timely compliance.

New Nitaqat Phase Introduces Higher Saudization Benchmarks

New Regulation or Official Guidance

Authors: Sara Khoja and Sarit Thomas – Clyde & Co.

The Ministry of Human Resources and Social Development has announced a new phase of the Nitaqat Program for 2026–2028, effective April 26, 2026, introducing stricter Saudization requirements across most sectors. While the underlying Saudization calculation methodology remains unchanged, higher weighting (“c”) values will be applied progressively over the three-year period, increasing the required level of Saudi national participation in the workforce.

In addition, the Nitaqat band thresholds—Red, Low Green, Medium Green, High Green, and Platinum—will be revised. As a result, employers may be required to achieve higher Saudization ratios to retain their current classification. As headcount increases, companies may need to recalibrate recruitment and workforce planning strategies to maintain favorable Nitaqat status and mitigate compliance risks associated with potential band downgrades.

Malaysia

Stamp Duty Threshold Increased for Employment Contracts

New Legislation Enacted

Authors: Jarod Jimmy Lee Pillay and Teng Wei Hun – Skrine

Effective January 1, 2026, Chapter IV of the Finance Act 2025 introduced amendments to the Stamp Act 1949 that directly affect employment agreements. The key change increases the stamp duty exemption threshold for employment contracts from RM 300 to RM 3,000.

As a result, employers must ensure that employment contracts for employees earning more than RM 3,000 per month are stamped within 30 days of execution. Failure to comply may result in penalties under the Stamp Act 1949, making it important for employers to review contractstamping processes and ensure timely compliance.

Gig Workers Act Establishes New Statutory Protections and Consultative Framework

New Legislation Enacted

Authors: Jarod Jimmy Lee Pillay and Teng Wei Hun – Skrine

The Gig Workers Act 2025 will enter into force on March 31, 2026, introducing statutory protections for gig workers in Malaysia and establishing minimum standards governing gigbased work arrangements. Under the Act, gig workers must be informed of the agreed rate of pay and earnings details before agreeing to perform a service, must be consulted on and notified of any changes to contractual terms, and may not be terminated without just cause or excuse.

In addition, the Act provides for the establishment of a Gig Workers' Consultative Council, a tripartite body comprising representatives from government, gig workers, and contracting entities. The Council will be responsible for advising and making recommendations on matters such as minimum earnings rates, transparent remuneration formulas, and baseline standards applicable across the gig economy. These developments will require businesses operating gigbased models to review contracting, pay transparency, and termination practices to ensure compliance with the new framework.

Court of Appeal Limits Joinder of Related Companies in Industrial Court Proceedings

Precedential Decision by Judiciary or Regulatory Agency

Authors: Jarod Jimmy Lee Pillay and Teng Wei Hun – Skrine

In *Hubline Bhd v. Intan Wazlin Ab Wahab & Ors and another appeal* , the Malaysian Court of Appeal clarified the limits of the Industrial Court's authority to join or substitute parties under Section 29(a) of the Industrial Relations Act 1967. The case arose after employees sought to substitute their woundup employer with its parent company and to join a related entity, arguing that shared addresses, directors, and shareholding justified liability.

The Court reaffirmed the principle of separate legal personality and held that it cannot be disregarded merely to achieve a just or equitable outcome. While acknowledging that the corporate veil may be pierced in exceptional cases involving fraud, sham arrangements, or abuse of corporate structure, the Court emphasized that joinder or substitution requires more than a general factual or commercial connection. There must be a clear and reasonable legal or factual nexus showing that the proposed party is legally responsible for the termination of employment.

The Court further clarified that Section 29(a) is not satisfied by a broad relationship among related companies; liability must be legally established. The decision is not final, as permission to appeal was granted on March 17, 2026.

Mexico

Constitutional Reform Mandates Gradual Reduction of Maximum Working Hours

New Legislation Enacted

Authors: Erick Fernández Mata and Tania Terrazas – Littler

On March 3, 2026, a constitutional reform was published in Mexico's Official Gazette amending Article 123 of the Constitution to reduce the maximum permitted weekly working hours. The reform ultimately establishes a standard workweek of 40 hours, but implementation will occur gradually between 2026 and 2030. For day shifts, the transition schedule provides for a maximum of 48 hours in 2026, decreasing to 46 hours in 2027, 44 hours in 2028, 42 hours in 2029, and reaching 40 hours in 2030. As there is no change for 2026, employers are not required to make immediate adjustments but should begin planning for compliance starting in 2027.

The reform also revises constitutional rules on overtime. Overtime is capped at 12 hours per week, which may be distributed for up to four hours per day over a maximum of four days. These first 12 overtime hours must be paid at double the regular rate, while any overtime exceeding 12 hours must be paid at triple the rate. Employees may not work more than 16 overtime hours in total.

Further amendments to the Federal Labor Law are expected within three months of the constitutional reform's effective date, anticipated around June 2026, to align statutory provisions with the new constitutional framework. Employers should monitor these developments closely, as they will provide operational detail on implementation obligations.

Increase to the UMA Value Announced for 2026

New Order or Decree
Authors: David Leal and Alondra Valdez – Littler

On January 8, 2026, Mexico's National Institute of Statistics and Geography ("INEGI") published the updated values of the Updated Metric Unit ("*Unidad de Medida y Actualización" or "UMA*") to take effect on February 1, 2026. The UMA serves as the basis to calculate the payments, obligations, or penalties that are owed to the government, whether under federal or state law. Its updated value is published on an annual basis.

For 2026, the values of the UMA are set at:

- Daily: MXN 117.31;
- Monthly: MXN 3,566.22; and
- Annual: MXN 42,794.64.

The Netherlands

Revised Legislative Approach to Worker Classification

Proposed Bill or Initiative
Author: Wouter Heere – Littler

Following the Dutch Supreme Court's landmark Deliveroo decision in 2023, the government drafted the Assessment of Employment Relationships and Legal Presumption Act ("*Wet verduidelijking beoordeling arbeidsrelaties en rechtsvermoeden*" or VBAR) to clarify worker classification. The VBAR proposed (i) a statutory assessment framework with defined criteria to determine whether an employment relationship exists and (ii) a legal presumption of employment where an individual is paid an hourly rate of EUR 38 or less. The bill was submitted to the House of Representatives for substantive debate.

However, on January 30, 2026, the newly formed Dutch government announced in its coalition agreement that the VBAR's assessment framework will be replaced by a new framework to be introduced under the planned SelfEmployed Persons Act ("*Zelfstandigenwet*"). The government confirmed that the hourlyratebased legal presumption of employment from the VBAR will be retained. This position was reiterated by the Minister of Social Affairs and Employment in a letter to the House of Representatives dated March 6, 2026, signaling a shift in structure but continuity in the core presumption aimed at addressing misclassification.

New Zealand

Major Employment Law Changes Including Remuneration Thresholds for Personal Grievance Claims

New Legislation Enacted
Authors: Naomi Seddon and Michael Whitbread – Littler

New Zealand has taken a structural approach to reform, particularly in employment disputes. New legislation limits dismissal related claims for high earning employees, barring those above a set remuneration threshold (initially NZD 200,000) from bringing unjustified dismissal grievances, subject to transitional protections for existing employees. This resembles executive exemption or arbitration carveouts familiar to U.S. audiences, though implemented through statute rather than individual contracts.

The reforms also introduce a clearer statutory "gateway" test for independent contractors. Workers classified as "specified contractors" are expressly excluded from the definition of "employee" where all statutory criteria are met, including the existence of a written contractor agreement, freedom to work for others, genuine flexibility or subcontracting rights, limits on termination for refusal of additional work, and a reasonable opportunity to seek independent advice.

Where the statutory criteria are not met, courts continue to apply the traditional common law "real nature of the relationship" analysis. Another notable change includes an ability for the tribunal to reduce awards where employee conduct contributes to the circumstances, giving rise to a grievance.

Employment Leave Bill Proposes Overhaul of Holiday and Leave Framework

New Legislation Enacted

Authors: Naomi Seddon and Michael Whitbread – Littler

On March 9, 2026, New Zealand introduced the Employment Leave Bill, proposing a wholesale replacement of the Holidays Act 2003 with a new hours-based leave framework. The Bill shifts leave accrual from days and weeks to an hourly model, introducing standard, additional, and casual hours. Annual leave would accrue at 0.0769 hours per standard hour worked, and sick leave at 0.0385 hours, capped at 160 hours. Entitlements accrue from day one.

For additional or casual hours, leave accrual is replaced by a 12.5% Leave Compensation Payment. A single hourly method would apply to leave payments across all leave types. The Bill also reforms public holiday rules, record keeping, remediation of historic breaches, and enforcement powers.

If enacted, the legislation would significantly change how employers track hours, calculate leave, and manage payroll systems across the workforce.

Health and Safety Reform Refocuses Duties on "Critical Risks"

New Legislation Enacted

Authors: Naomi Seddon and Michael Whitbread – Littler

New Zealand's Health and Safety at Work Amendment Bill 2026 proposes the most significant reform of the Health and Safety at Work Act (HSWA) since 2015, proposing to refocus duties on the management of "critical risks" as defined.

The Bill proposes a statutory definition of critical risk, covering hazards likely to cause death, serious injury, or notifiable incidents. All persons conducting a business or undertaking (PCBUs) would be required to prioritize these risks, while "small PCBUs" (fewer than 20 workers) would generally owe duties only in relation to critical risks.

The reforms also clarify officer due diligence obligations, introduce deemed compliance where other regulatory regimes address the same risks, and strengthen the role of approved codes of practice.

The Bill is expected to be finalized during 2026.

KiwiSaver Contribution Rates Increase Effective April 2026

Legal Compliance

Authors: Naomi Seddon and Michael Whitbread – Littler

From April 1, 2026, New Zealand's KiwiSaver regime will undergo its next phase of reform, with direct payroll and cost implications. The default employer and employee contribution rate will rise from 3% to 3.5% of gross pay. The increase applies to entire pay periods on or after April 1.

Employees may apply to Inland Revenue for temporary rate reductions to remain at 3% for 3–12 months, which employers may choose whether to match. In addition, employer KiwiSaver contributions will extend to eligible 16 and 17yearold employees, expanding coverage for younger workers. These changes build on reforms introduced in July 2025, which reduced government contribution amounts and introduced an income cap.

Nigeria

Jurisdictional Limits of the National Industrial Court in Employment Related Torts

Precedential Decision by Judiciary or Regulatory Agency
Authors: Ugonna Ogbuagu and Brilliant Oziwo – ÆLEX

The decision in *Elegbe & Anor v. HP International Schools Ltd & Ors* (2026) LPELR-83245(SC) brings much-needed clarity to the scope of the National Industrial Court of Nigeria's (NICN) jurisdiction. The Supreme Court made it clear that the NICN is a specialized court and can only hear matters that are genuinely rooted in labor and employment law. Not every dispute that arises in a workplace will fall within its jurisdiction.

In particular, the Court held that claims such as defamation do not automatically become employment matters simply because they occur in a work environment. Where such claims can stand on their own, without requiring interpretation of an employment contract or being tied to a core employment issue, they must be filed before the State High Court. This draws a clear line between employment disputes and general civil claims.

The implication for labor law jurisprudence is significant. The decision helps to reduce confusion around forum selection and discourages the practice of filing all workplace-related disputes at the NICN. It also reinforces the NICN's role as a specialist court, while ensuring that other courts retain their proper jurisdiction over general civil matters. Overall, this promotes greater legal certainty and procedural efficiency in employment litigation.

Industrial Court Recognizes ThirdParty Liability for Inducing Breach of Employment Contracts

Precedential Decision by Judiciary or Regulatory Agency
Authors: Ugonna Ogbuagu and Miebi Abere – ÆLEX

In *Overland Airways Limited v. Wasiu Durojaiye Hussain & Anor* (Suit No. NICN/LA/60/2022, judgment delivered February 17, 2026), the National Industrial Court of Nigeria expanded the scope of liability in employment relationships by recognizing that third parties can be held accountable for inducing a breach of an employment contract. The Court found that the employee breached a training bond by leaving employment before the agreed period.

Significantly, the Court also held that the new employer, who facilitated the employee's exit, was also liable. This reflects the application of the principle of inducing breach of contract within the employment context. The decision also reinforces the enforceability of training bond agreements. The Court not only allowed recovery of the training costs but also awarded additional damages for the disruption caused by the employee's premature departure.

This shows a willingness to grant remedies that reflect the real business impact of such breaches.

For labor law jurisprudence, this decision is a notable development. It extends the reach of employment obligations beyond the immediate employer-employee relationship and introduces greater accountability in the hiring process. Employers are now better protected, while prospective employers must exercise caution when recruiting individuals who may still be bound by existing contractual commitments.

Norway

Psychosocial Work Environment Requirements Clarified

New Legislation Enacted
Authors: Nina Thjømøe and Marit Aasbø – Littler

Effective January 1, 2026, amendments to Section 43 of Norway's Working Environment Act introduce new wording concerning employer obligations related to the psychosocial work environment. The changes are intended to clarify existing requirements rather than establish new substantive duties, but they provide greater specificity as to employer expectations.

The amendment adds a new provision stating that work must be organized, planned, and carried out in a manner that ensures psychosocial working conditions are fully acceptable in light of employees' health, safety, and welfare. It also explicitly identifies key psychosocial risk factors that employers are expected to address as part of their preventive health and safety efforts, including unclear or conflicting demands, emotional strain in people-facing work, excessive workload or time pressure, and insufficient access to support or assistance.

While framed as a clarification of existing law, the express listing of psychosocial factors is likely to influence how compliance with Section 43 is assessed in practice. This may lead to increased regulatory focus on psychosocial risks and a corresponding rise in internal complaints, disputes, and whistleblowing related to working environment conditions.

Supreme Court Clarifies Enforcement of Severance Arrangements for Managing Directors

Precedential Decision by Judiciary or Regulatory Agency
Author: Nina Thjømøe – Littler

In a decision issued on January 30, 2026 (HR2026221A), the Norwegian Supreme Court clarified the legal framework governing severance arrangements for managing directors who have contractually waived statutory employment protection under the Working Environment Act in exchange for severance pay. The Court confirmed that such arrangements may be enforced without any obligation on the employer to justify or give reasons for the termination decision.

The ruling reflects the purpose of Section 1516(2) of the Working Environment Act, which allows employers to replace top executives without complying with the ordinary requirements applicable to lawful dismissals. However, the Court emphasized that enforcement is not entirely unchecked. Courts may still review whether the decision constitutes a misuse of managerial prerogative, including whether it is arbitrary, based on improper considerations, or — where reasons are provided — grounded on materially incorrect facts.

The decision provides greater legal certainty for employers relying on executive severance arrangements, while confirming the existence of minimum safeguards against abuse.

Court of Appeal Classifies Platform Couriers as Independent Contractors

Precedential Decision by Judiciary or Regulatory Agency
Author: Nina Thjømøe – Littler

The Borgarting Court of Appeal recently ruled that bicycle couriers working for a food and retail delivery platform are independent contractors, overturning an earlier City Court decision that had classified them as employees. This marks Norway's first appellatelevel ruling addressing the employment status of platform workers.

The Court held that the statutory presumption of employment under Section 18(1) of the Working Environment Act applies only where the factual circumstances are unclear, which it found was not the case. The majority emphasized the couriers' autonomy, including their freedom to choose when to work, which deliveries to accept, and their ability to work for competing platforms. By contrast, the minority pointed to factors such as power imbalances, limited scope for negotiation, and algorithmic management as supporting an employment relationship.

Overall, the Court concluded that the couriers are not continuously available, operate with significant flexibility through the app, and are subject to limited managerial control. On that basis, it found no strong need for employment protection under labor law. The case has been appealed to the Norwegian Supreme Court, with a final decision expected later in 2026.

Overtime for Part-time Employees: Legal Uncertainty

Proposed Bill or Initiative
Author: Nina Thjømøe – Littler

Recent district court decisions in Norway issued in early 2026 suggest that part-time employees may be entitled to overtime pay once they work beyond their agreed contractual working percentage, even if total hours do not exceed the full-time threshold.

The courts relied on EU law principles, finding that applying the same overtime trigger for full-time and part-time employees may constitute unlawful discrimination.

Although these rulings are not final and are expected to be appealed, they indicate a potential shift in how overtime entitlements are assessed for part-time staff. Adding to the uncertainty, the Norwegian government has appointed an expert group to evaluate whether national overtime rules should be amended to ensure compliance with EU law.

Until the legal position is clarified through appellate decisions or legislative reform, employers face heightened compliance risk. Companies with part-time work arrangements should closely monitor developments, as future changes could materially affect overtime cost exposure and workforce planning.

Proposed Sick Leave Reforms Emphasize Active Participation and Clearer Employer Duties

Proposed Bill or Initiative

Author: Nina Thjømøe – Littler

The Norwegian government has proposed amendments to the Working Environment Act and the National Insurance Act aimed at clarifying obligations during sick leave and reducing absenteeism. Under the proposal, employees on sick leave would be required to actively cooperate with their employer, including by providing information on expected absence and functional capacity, participating in follow-up plans and dialogue meetings, and, where appropriate, temporarily performing work beyond their normal duties. Employees would also be expected to remain as active as possible during sick leave, subject to defined exceptions.

The proposed changes also clarify employers' obligations. The duty to accommodate employees with reduced work capacity could, where justified, include permanent adjustments, assessed on a casebycase basis. In addition, employers would be required to submit the employee follow-up plan to the Norwegian Labour and Welfare Administration within four weeks from the start of the sick leave period.

If adopted, the reforms would provide employers with a clearer legal basis for requiring active employee participation during sick leave, while emphasizing the need for careful and individualized assessment of long-term accommodation measures.

Philippines

New Rules of Procedure for Labor Courts in the Philippines

New Regulation or Official Guidance

Authors: Emerico O. de Guzman and Franchesca Abigail C. Gesmundo – Angara Abello Concepcion Regala and Cruz Law Office

On December 1, 2026, the Department of Labor and Employment (DOLE) issued the 2025 National Labor Relations Commission, which took effect January 13, 2026. Among its salient features are:

- extending proof of filing and service to authorized private couriers;
- including alternative workplaces or locations where telecommuting work is performed as among the options for the venue of filing a complaint;
- alternative modes of service of summons;
- stricter rules on legal representation, inhibition of labor arbiters, signing pleadings, and filing of appeals;
- specific consequences for failure to attend mediation conferences and file position papers for either party; and
- additional rules on applications for injunction, examination of any person in possession of property of the losing party, and procedure in case of transfers to evade judgment

Poland

Anti-Mobbing Bill Referred to Polish Parliament

Proposed Bill or Initiative

Authors: Jaroslaw Karlikowski and Natalia Bigdowska – Wardynski & Partners

On February 24, 2026, a draft bill on preventing mobbing, discrimination and other undesirable workplace behaviors, was referred to Parliament. The bill introduces revised rules on employer liability, compensation, and internal compliance obligations, reflecting a recalibrated approach compared to earlier versions.

Key changes include:

- The minimum compensation for mobbing has been reduced from 12 to six months of the statutory minimum wage. In 2026, this amounts to PLN 4,806 gross per month, meaning victims may claim at least PLN 28,836.
- Provisions allowing employers to be released from mobbing liability have been removed. However, employers who pay compensation to victims retain the right to seek recourse against the perpetrator.
- Employers with at least nine employees must adopt internal regulations addressing the prevention of violations of employee dignity and personal rights, the equal treatment principle, discrimination, and workplace mobbing.

The bill will now proceed through further legislative stages, which may result in additional amendments.

Expanded Powers for Labor Inspectorate to Reclassify Contracts

Proposed Bill or Initiative

Authors: Jaroslaw Karlikowski and Natalia Bigdowska – Wardynski & Partners

On March 12, 2026, the Polish Parliament passed an amendment to the Act on the State Labor Inspectorate (PIP), significantly expanding the Inspectorate's enforcement powers. The amendment authorizes PIP to administratively reclassify civil law contracts as employment contracts where work is performed under conditions characteristic of an employment relationship.

Employers will have the right to appeal a reclassification decision to a labor court within one month. During appeal proceedings, courts may grant interim measures, with the effect that the contract may be amended or terminated only in accordance with labor law, pending a final ruling.

The amendment has been submitted for the President's signature. If signed, it is expected to enter into force three months after publication in the Journal of Laws, representing a material shift in enforcement risk for employers using civil law contracting models.

Preparation Underway to Implement EU Platform Work Directive

Proposed Bill or Initiative

Authors: Jaroslaw Karlikowski and Natalia Bigdowska – Wardynski & Partners

Poland is required to implement the EU Directive on improving working conditions in platform work by December 2026 and plans to do so through a standalone legislative act. The Ministry of Labor has indicated that a draft implementing bill is expected to be presented by the end of March 2026.

The Directive is designed to strengthen protections for individuals working through digital platforms, such as food delivery and ridehailing services. A central feature is the introduction of a rebuttable presumption of employment where a digital platform exercises direction and control over workers, shifting the burden onto platforms to demonstrate genuine independent contractor status where applicable.

Once implemented, the Directive is expected to have significant implications for platform-based business models in Poland, particularly with respect to worker classification, compliance obligations, and labor cost exposure.

Portugal

Enhanced Rest and Absence Rights for Informal Caregivers

New Order or Decree

Authors: Rute Gonçalves Janeiro and Maria Beatriz da Silva – Littler

On January 21, 2026, Ordinance No. 21/2026 introduced substantive changes to the framework governing rest periods and temporary absences for informal caregivers. While the right to caregiver rest was already recognized under Portuguese law, the ordinance significantly strengthens its practical application by putting in place clearer rules and supporting mechanisms.

Under the new framework, informal caregivers may take up to 30 days of rest per calendar year, either consecutively or intermittently, in accordance with their Individual Intervention Plan. Where caregiving is supported through nonresidential social responses, such as homecare services, the allowable rest period may be extended to up to 120 days per year. The ordinance also provides for the reservation of dedicated socialcare places, in both residential and nonresidential settings, specifically to support caregiver rest, improving predictability and access.

For employers, these changes mean that employees formally recognized as informal caregivers may now be better positioned to exercise their rights to rest or short-term absences, including on an intermittent basis. The strengthened socialcare support framework increases the likelihood that such absences can be accommodated, as continuity of care can be maintained through external services.

Updated Meal Allowance Thresholds for Tax and Social Security Exemptions

New Order or Decree

Authors: Rute Gonçalves Janeiro and Maria Beatriz da Silva – Littler

Following the publication of Ordinance No. 51B/2026 on January 30, 2026, the daily meal allowance for the public sector was increased to EUR 6.15, with retroactive effect from January 1, 2026. This amount is relevant for privatesector employers, as it serves as the reference threshold for exemption from Personal Income Tax (IRS) and Social Security contributions.

For 2026, the maximum meal allowance that may be paid in the private sector without triggering IRS or Social Security charges is EUR 6.15 per day when paid in cash and EUR 10.46 per day when provided through meal vouchers or meal cards. Any amounts paid above these thresholds are subject to the applicable tax and Social Security contributions.

Supreme Court Confirms JustCause Dismissal for Data Misuse by HR Employee

Precedential Decision by Judiciary or Regulatory Agency

Authors: Rute Gonçalves Janeiro and Maria Beatriz da Silva – Littler

The Portuguese Supreme Court of Justice upheld the dismissal with just cause of an HR employee who used her privileged system access to copy and disclose personal data and internal documents to third parties outside the organization. The Court found that the employee had no legitimate work-relatedreason to access or share the information and that her conduct fatally undermined the trust essential to the employment relationship, particularly given her HR role and the employer's GDPR obligations.

The Court held that the employee's motives, including sympathy with the recipients or the perceived legitimacy of their legal claims, were irrelevant. It confirmed that the unauthorized extraction and disclosure of personal data by an employee with privileged access may, in itself, constitute just cause for dismissal, as the breach of confidentiality and loyalty—and the associated compliance risks—are sufficient even without proof of concrete harm.

Lisbon Court of Appeal Clarifies Application of Incapacity Bonification on Review

Precedential Decision by Judiciary or Regulatory Agency

Authors: Rute Gonçalves Janeiro and Maria Beatriz da Silva – Littler

The Lisbon Court of Appeal recently clarified how the 1.5 bonification factor — a statutory multiplier used to increase the degree of incapacity for compensation purposes — must be applied when an employee's work-relatedinjury is reassessed following a deterioration of their condition. The case addressed whether an employee who had already benefited from the bonification in a prior assessment could retain its effect in a subsequent review.

The Court held that where a worsening of incapacity is duly established, the revised assessment must continue to reflect the bonification previously granted. Disregarding it at the review stage would undermine principles of fair compensation and equal treatment by failing to account for the employee's actual and previously recognized level of disability.

At the same time, the Court drew a clear limitation: the bonification factor may not be applied a second time to an incapacity that has already been bonified. The correct approach is to carry forward the bonification already incorporated into the degree of incapacity, not to reapply it independently. This ensures that compensation remains proportionate while avoiding an unjustified cumulative effect.

Tax Authority Clarifies Income Tax Treatment of Performance and ProfitSharing Bonuses

New Regulation or Official Guidance

Authors: Rute Gonçalves Janeiro and Maria Beatriz da Silva – Littler

In Binding Ruling No. 28318 of January 15, 2026, the Portuguese Tax Authority (AT) clarified the Personal Income Tax (IRS) exemption regime applicable to productivity, performance, and profitsharing bonuses under Article 115 of Law No. 45A/2024 (State Budget for 2025), including related withholding and reporting obligations. The AT confirmed that, for 2025, bonuses paid on a voluntary and nonregular basis may benefit from an IRS exemption of up to 6% of the employee's annual base remuneration, provided all statutory conditions are met. Annual base remuneration includes 12 months of base salary plus holiday and Christmas allowances.

The AT clarified that such bonuses must initially be subject to IRS withholding tax and reported as taxable Category A income in the Monthly Remuneration Declaration, as employers cannot at that stage verify compliance with the salaryincrease condition under Article 19.º-B of the Tax Benefits Statute. Once that condition is confirmed, employers must submit replacement declarations to reclassify the exempt portion — up to the 6% cap — under income code A41. The ruling also reiterates that amounts qualifying for the exemption are excluded from the social security contribution base.

Puerto Rico

PR Supreme Court Upholds Arbitrability of Act 100 Discrimination Claims

Precedential Decision by Judiciary or Regulatory Agency

Author: Glorimar Irene Abel – Littler

In *Kendall Hope Tucker v. Money Group*, 2026 TSPR 9, 217 DPR ___ (2026), the Puerto Rico Supreme Court held that discrimination claims under Act No. 100 of June 30, 1959, may be subject to mandatory arbitration. The Court found arbitration enforceable when a valid clause exists in a private employment contract affecting interstate commerce, triggering the Federal Arbitration Act. It limited the ruling to private, individual employment agreements and excluded unionized employees covered by collective bargaining agreements. The decision reinforces the enforceability of arbitration clauses and reduces litigation over jurisdiction. It also promotes efficiency and certainty in resolving employment disputes.

Governor Declared State of Emergency Due to Influenza Epidemic, Activating Five-Day Paid Leave

Important Action by Regulatory Agency
Author: Erika Berríos Berríos – Littler

Governor Jenniffer González declared a State of Emergency on January 27, 2026, following an influenza epidemic identified by the Department of Health. The declaration activated Act No. 37 of 2020, amending Act No. 180 of July 27, 1998, to provide a special five-day paid leave. This leave applied to nonexempt employees who were ill or suspected of being ill due to the epidemic, after exhausting all accrued vacation and sick leave. Employers were required to recognize and grant this leave where applicable.

The State of Emergency and the corresponding entitlement for this special leave is no longer in effect as of March 10, 2026.

Treasury Updates Retirement Plan Contribution and Benefit Limits

Important Action by Regulatory Agency
Authors: Lourdes Hernández Venegas and Alberto Tabales Maldonado – Littler

On February 20, 2026, the Puerto Rico Department of the Treasury issued Circular Letter 2603, updating the applicable limits for qualified retirement plans. The revised limits align with the relevant federal thresholds under the Internal Revenue Code of 1986, as incorporated into the Puerto Rico Internal Revenue Code of 2011.

Key increases include higher caps for annual benefits (USD 290,000), annual contributions (USD 72,000), and compensation taken into account for plan purposes (USD 360,000). Certain thresholds remain unchanged, including the definition of a highly compensated employee (USD 160,000) and specific catchup contribution limits.

Employers sponsoring Puerto Ricoqualified retirement plans should review plan terms and administrative practices to ensure continued compliance with the updated limits for the 2026 plan year.

Romania

Temporary Redistribution of Sick Leave Indemnity Coverage

New Order or Decree
Author: Corina Radu – SCA Magda Volonciu & Associates

Romania has introduced a temporary mechanism altering the allocation of sick leave indemnity payments, applicable from February 1, 2026, through December 31, 2027. The reform reduces by one day the period compensated through the social health insurance system and reallocates responsibility between employers and the National Health Insurance Fund.

Under the new framework, Day 1 of sick leave is no longer compensated. Days 2 through 6 of temporary incapacity for work are covered by the employer, while from Day 7 onward, the indemnity is paid from the National Health Insurance Fund. This replaces the prior system, under which employers covered the first five days and the Fund reimbursed subsequent days.

In addition, the National Health Insurance House and local health insurance houses are now expressly empowered to verify the legality and medical justification of sick leave certificates, either on their own initiative or at the request of employers. Employers should factor the revised cost allocation and enhanced controls into sick leave management and payroll planning.

New Employment Subsidies for Hiring Older and Vulnerable Unemployed Workers

New Order or Decree
Author: Corina Radu – SCA Magda Volonciu & Associates

Effective March 9, 2026, Government Emergency Ordinance (G.E.O.) No. 11/2026 amended Law No. 76/2002 on the unemployment insurance system and employment stimulation, introducing new financial incentives for employers who hire unemployed individuals from certain priority groups. Employers that hire unemployed persons over the age of 50 on an indefiniteterm contract are entitled to a monthly subsidy of RON 2,250 (approximately EUR 450) for a period of 12 months, provided the employment or work relationship is maintained for at least 18 months from the hiring date.

The same incentive applies to everyone hired from other specified vulnerable categories, including unemployed single parents, long-term unemployed persons, NEET youth, victims of domestic violence or human trafficking, unemployed mothers with at least three dependent children under 18, and unemployed persons who have served custodial sentences or been subject to judicially ordered measures. In addition, employers hiring unemployed persons who are within two years of qualifying for early retirement or oldage pension are entitled to receive the RON 2,250 monthly subsidy for the entire duration of employment, until the employee meets the relevant pension eligibility conditions.

Separately, employers who hire young persons at risk of social marginalization who benefit from personalized social support under a solidarity contract may receive a monthly subsidy equal to four times the social reference indicator in force at the date of employment. This subsidy is payable from the unemployment insurance budget and remains available until the solidarity contract expires.

National Minimum Wage Increase Effective July 2026

New Order or Decree
Author: Corina Radu – SCA Magda Volonciu & Associates

Starting July 1, 2026, the national gross minimum basic salary guaranteed for payment will increase to RON 4,325 per month. The minimum wage is set as a fixed monetary amount and does not include bonuses, allowances, or other additional payments. It applies to a standard full-time schedule averaging 166.667 working hours per month, corresponding to an hourly rate of RON 25.949.

The adjustment represents an approximate 6.8% increase compared to the prior minimum wage level. Employers should ensure payroll systems and employment documentation are updated to reflect the revised statutory minimum as of July 1, 2026.

High Court Clarifies Compensation for Unused Annual Leave

Precedential Decision by Judiciary or Regulatory Agency
Author: Corina Radu – SCA Magda Volonciu & Associates

On March 9, 2026, the High Court of Cassation and Justice (ICCJ) issued Decision No. 40/2026, clarifying when the limitation period applies and when employees retain the right to monetary compensation for unused annual leave upon termination.

The ICCJ held that the three-year limitation period starts on the end date of the employment or work relationship. It also ruled that compensation may be claimed for leave exceeding the 18month carryover period where the employer failed to genuinely and effectively ensure the employee could take their annual leave. By contrast, no compensation is due beyond the 18 months where the employee voluntarily chose not to take leave despite having a real opportunity to do so.

The decision reaffirms that compensation for unused annual leave is permitted only upon termination and highlights employers' obligation to actively enable employees to exercise their leave rights.

South Africa

COIDA Amendments Partially Implemented

New Legislation Enacted
Author: Tracy van der Colff – OWP Partners

On January 23, 2026, President Cyril Ramaphosa proclaimed the partial commencement of the Compensation for Occupational Injuries and Diseases Amendment Act 10 of 2022, bringing longpending reforms into effect on a phased basis between January 23 and April 1, 2026.

The amendments significantly expand the scope of the Compensation for Occupational Injuries and Diseases Act (COIDA) to include posttraumatic stress disorder (PTSD) as an occupational disease, injuries sustained during work-relatedtraining, and accidents occurring during employerprovided transportation.

The prescription period for lodging claims has been extended from 12 months to three years, and a new rehabilitation and reintegration framework introduces affirmative obligations on employers to support injured employees' return to work. In addition, the reforms enhance inspection and enforcement powers and introduce an administrative penalty regime for non-compliance.

Employers should review health and safety policies, incident reporting, as well as recordkeeping and returntowork practices to ensure alignment with the expanded COIDA framework as implementation progresses.

National Minimum Wage Increased Effective March 2026

New Regulation or Official Guidance
Author: Tracy van der Colff – OWP Partners

By proclamation dated February 3, 2026, the Minister of Employment and Labour increased South Africa's national minimum wage to ZAR 30.23 per ordinary hour worked, with effect from March 1, 2026. The revised rate applies uniformly across most sectors and now fully includes farm and domestic workers at the same statutory minimum.

A lower hourly rate of ZAR 16.62 continues to apply to workers employed under expanded public works programs. In parallel, the proclamation also adjusted learnership allowances and certain sectoral minimum wages, including those applicable in the contract cleaning and wholesale and retail sectors.

Employment Laws Amendment Bill Proposes Broad Labor Law Reforms

Proposed Bill or Initiative
Author: Tracy van der Colff – OWP Partners

On February 26, 2026, the Department of Employment and Labour published the Employment Laws Amendment Bill, 2025 for public comment, with submissions due by March 28, 2026. The Bill proposes targeted amendments to the Basic Conditions of Employment Act (BCEA), Labour Relations Act (LRA), Employment Equity Act (EEA), Unemployment Insurance Act (UIA), and National Minimum Wage Act (NMWA), signaling a broader modernization of South Africa's employment law framework in response to evolving work patterns and recent Constitutional Court jurisprudence.

Key proposals include the introduction of a genderneutral parental leave regime (four months' leave for a single parent, or four months plus 10 days shared between employed parents), new rules governing oncall and similar flexible work arrangements, and a prospective increase in statutory severance pay to two weeks per completed year of service. The Bill also seeks to extend protections to nonstandard workers and to reform dispute resolution and enforcement mechanisms, including expanded CCMA powers and proposed limits on reinstatement—particularly for higherincome employees — in favor of compensationbased remedies.

South Korea

"Yellow Envelope Act" Expands Union Protections and Employer Obligations

New Legislation Enacted
Author: Hoin Lee – Kim & Chang

Effective March 10, 2026, amendments to the Trade Union and Labor Relations Adjustment Act (TULRAA) — commonly referred to as the "Yellow Envelope Act" — came into force, significantly broadening labor protections and extending potential employer liability.

Key changes include:

- **Broader Definition of "Employer:"** Entities that exercise substantial and specific control over working conditions may be treated as employers under the TULRAA, even without a direct employment contract — affecting subcontracting, staffing, and groupcompany structures.
- **Expanded Union Membership:** The restriction preventing unions from admitting non-employees has been removed, allowing platform workers and selfemployed individuals to join trade unions.

- **Expanded Scope of "Industrial Dispute:"** Industrial disputes now expressly include managerial decisions affecting working conditions and clear breaches of collective agreements, increasing the likelihood that union action related to restructuring, transfers, or reorganizations will be protected.
- **Limits on Employer Damage Claims:** Protections against civil liability for unions have been broadened to cover not only lawful strikes and bargaining activities but also other union activities, restricting employers' ability to pursue damages.

These changes materially strengthen union rights and elevate compliance and litigation risks for employers operating in Korea.

Employment Insurance Act Amendments Enhance Childcare-related Support

New Legislation Enacted
Author: Hoin Lee – Kim & Chang

Effective January 1, 2026, amendments to the Enforcement Decree and Enforcement Rules of the Employment Insurance Act introduce targeted measures to strengthen employer support for substitute workers and improve benefits for employees reducing working hours during the childcare period.

Key changes include:

- **Extended Subsidy for Substitute Employees:** Employers that retain a substitute employee after the childcareleave employee returns may now receive subsidies for up to one additional month, payable in full for the entire substitute employment period.
- **Higher Benefit Caps for Reduced Working Hours:** The reference amount caps used to calculate benefits during childcare-related reduced working hours have increased:
  - For the first 10 reduced hours per week (paid at 100% of ordinary wages): from KRW 2.2 million to KRW 2.5 million.
  - For remaining reduced hours (paid at 80%): from KRW 1.5 million to KRW 1.6 million.
- **Simplified WorkSharing Subsidy Applications:** Employers may now designate the duty sharer directly in the application form, eliminating the need for additional supporting documentation.

These amendments are intended to ease administrative burden while enhancing financial support for both employers and employees during childcare-related workforce adjustments.

Switzerland

New Tax Rules for CrossBorder Remote Work Between Switzerland and France

New Legislation Enacted
Authors: Cédric Bamert* and Ueli Sommer – Littler

As of January 1, 2026, the provisions of a supplementary bilateral agreement on remote work taxation entered into force. Under the new rules, income earned from remote work may continue to be taxed in the employer's country provided that remote work does not exceed 40% of the employee's annual working time.

To balance taxing rights, the employer's country is required to transfer 40% of the income tax collected on such remote work to the employee's country of residence. The application of this regime will be supported by an automatic exchange of payroll data between the relevant tax authorities, increasing transparency and compliance obligations for employers with crossborder remote workers.

Narrow Definition of Senior Executive Employees Confirmed

Precedential Decision by Judiciary or Regulatory Agency
Authors: Cédric Bamert* and Ueli Sommer – Littler

Under Swiss law, employees performing a senior executive function fall outside the scope of the Labour Act and are therefore not entitled to compensation for overtime, whether through time off or a wage supplement. Determining whether an employee qualifies as a senior executive requires a careful, fact-specific assessment and should not be assumed lightly.

Neither signing authority, managerial responsibilities, nor a high level of remuneration alone is sufficient. The decisive criterion is whether the individual can influence decisions of fundamental importance or has a lasting impact on the structure, operations, or strategic development of the business. This may include authority over hiring and deployment of staff, setting working hours or wage policy, or making core business strategy decisions.

In practice, this exemption is interpreted very narrowly and generally applies only to toplevel management, such as members of an executive board. The Zurich Labour Court recently reaffirmed this restrictive approach, underscoring that most managerial employees remain protected by the Labour Act despite holding senior or supervisory roles.

13th Old-age and Survivor's Insurance (OASI) Pension, Starting in 2026

New Regulation or Official Guidance

Authors: Cédric Bamert* and Ueli Sommer – Littler

Following the approval of a popular initiative that introduced a 13th OldAge and Survivors' Insurance (OASI), oldage pensions will no longer be paid only 12 times per year; instead, an additional monthly pension will be paid each December, with the first such payment scheduled for December 2026.

The financing mechanism for the additional pension has not yet been finalized. Accordingly, OASI contribution rates will remain unchanged in 2026, with employers and employees each continuing to contribute 5.3%. Further legislative action is expected to address long-term funding of the 13th pension.

Expanded OASI Contribution Obligations for Cultural and Creative Sectors

New Regulation or Official Guidance

Authors: Cédric Bamert* and Ueli Sommer – Littler

Under Swiss law, wages are generally subject to OldAge and Survivors' Insurance (OASI) contributions, although for annual salaries below CHF 2,500, contributions are levied only at the insured person's request. Certain categories of work, however, are exempt from this threshold, meaning contributions are due from the first amount earned.

Effective January 1, 2026, these mandatory contribution rules have been expanded. In addition to private household employment, the exception now expressly covers individuals working in the cultural, media, and design sectors. This includes activities in dance, theatre, orchestras, choirs, audiovisual production, electronic and print media, museums, and art schools. As a result, employers and individuals operating in these sectors must ensure that OASI contributions are withheld and paid from the outset, regardless of income level.

**Cédric Bamert is a trainee lawyer in Switzerland.*

Ukraine

Draft New Labor Code Submitted to Parliament

Proposed Bill or Initiative

Authors: Oleksiy Demyanenko and Inesa Letych – Asters

In January 2026, the Ministry of Economy of Ukraine submitted a draft new Labor Code to Parliament, intended to replace the current code dating from 1971 and modernize Ukrainian labor law.

Key proposed changes include:

- **Misclassification Criteria:** The draft establishes eight statutory indicators to determine employment status; meeting five or more results in classification as employment.
- **Employment Agreements:** Mandatory written contracts with specified required terms.
- Workplace Monitoring: Formal regulation of surveillance and access to employee communications.

- **Leave Entitlements:** Minimum annual paid leave increased from 24 to at least 28 days, with new paid childcare leave for both parents.
- **Wage Setting:** Minimum wage to be linked to the average wage in the relevant sector, replacing a fixed national amount.
- Employee Consultation and Lockouts: Stronger consultation rules and introduction of lockouts as a lawful employer response during strikes.
- **Fines and Penalties:** More flexible sanctions, reduced rates for small and medium-sized enterprises, and incentives for prompt payment.
- **Dismissals:** Expanded employerinitiated dismissal grounds and an option to replace notice with financial compensation.

The draft represents a broad restructuring of employment regulation and is expected to generate significant debate as it progresses through the legislative process.

United Arab Emirates

Dubai Enacts Public Safety Law for Public Places and Venues

New Legislation Enacted
Authors: Charles S. Laubach – Afridi & Angell

On February 27, 2026, Dubai issued Law No. 2 of 2026 on Public Safety, establishing a comprehensive framework governing safety standards across public places, entertainment venues, event spaces, and certain buildings in the Emirate, including free zones. The law introduces detailed public safety requirements, including the implementation of risk assessment systems, emergency preparedness and evacuation plans, occupancy controls, fire protection measures, and the appointment of qualified safety personnel, and grants Dubai Municipality and relevant authorities broad supervisory and enforcement powers.

The law repeals Dubai Local Order No. 11 of 2003 and introduces administrative penalties for non-compliance, including fines and potential closure of premises. Employers operating public-facing workplaces or premises accessible to the public should review existing health and safety procedures, ensure appropriate risk assessments are in place, and align internal protocols with the new regulatory requirements and any implementing regulations.

Dubai Introduces Building Safety Certification Requirements

New Legislation Enacted
Authors: Charles S. Laubach and Aloka Honemeyer – Afridi & Angell

Dubai Law No. 3 of 2026 on the Quality and Safety of Buildings, also issued on February 27, 2026, introduces a framework to ensure the ongoing condition and safe use of buildings across the Emirate, including free zones. The law applies broadly to all buildings and requires owners to obtain a "Quality and Safety Certificate" following a technical assessment conducted by a licensed engineering office, including inspection of structural integrity and building systems.

The law imposes specific obligations on building owners, including obtaining the certificate once a building reaches 20 years from completion and carrying out periodic maintenance to address structural or safety risks. It also establishes procedures for inspection, remediation, and certification, supported by enforcement measures and administrative penalties for non-compliance. Employers occupying or managing premises should coordinate with landlords and technical consultants to ensure compliance and avoid operational disruption, particularly in light of the increased focus on workplace safety, business continuity, and contingency planning arising from recent regional developments.

Remote Work Measures in Response to Regional Developments

New Regulation or Official Guidance
Authors: Charles S. Laubach and Aloka Honemeyer – Afridi & Angell

Recent regional developments have led employers in the United Arab Emirates to reassess workplace safety and business continuity planning. In early March 2026, UAE authorities encouraged private-sector employers, where operationally feasible, to

implement remote working arrangements on a temporary basis as a precautionary measure.

While no UAE legislation mandates remote working in such circumstances, Federal Decree-Law No. 33 of 2021 permits employers and employees to agree on flexible work arrangements, including remote or hybrid models, where appropriately documented in employment contracts or internal policies. These developments highlight the importance of employers maintaining robust contingency planning and ensuring that workplace arrangements align with their broader duty to provide a safe working environment.

UAE law also provides a mechanism under which the Cabinet may declare an "emergency financial crisis," as occurred during the COVID-19 pandemic pursuant to Cabinet Decision No. 5 of 2021, which formed the basis for temporary employment measures such as reduced working hours and adjustments to employee compensation. However, no comparable declaration has been made in response to the current regional developments, and employers therefore remain responsible for determining appropriate workplace arrangements within the existing legal framework.

United Kingdom

Implementation of the Employment Rights Act 2025 and New Consultations

New Legislation Enacted

Authors: Stephanie Compson and Emily Bodger – Littler

The Employment Rights Act 2025 (ERA 2025) passed last year, but its reforms are being implemented in phases. Key provisions came into force on:

- February 18, 2026: Introducing reforms mostly related to trade union industrial action;
- April 6, 2026: These changes were more wide ranging, including the doubling of the collective redundancy protective award (which will impact employers' workforce restructuring proposals), new record keeping obligations relating to annual leave requirements and the introduction of day one rights to paternity leave, parental leave and statutory sick pay.
- April 7, 2026: Establishing a new statutory enforcement body to enforce certain labor market laws.

The next phases of changes are scheduled in August and October this year, with more coming in 2027. The UK Government's timeline for implementation of these ERA 2025 reforms was updated in February with some significant changes to potential timings, including most notably the "fire and rehire/replace" measures have been delayed from October 2026 to January 2027.

Alongside implementation, several consultations are underway seeking views on how to shape secondary legislation. These cover topics including protection from detriments for taking industrial action, the new threshold for triggering collective redundancy obligations, modernizing the agency work regulatory framework, strengthening the law on tipping, flexible working, fire and rehire changes to expenses, benefits and shift patterns, and trade union e-balloting unfair practices.

Changes to English Language Requirements and Criminality Provisions

New Legislation Enacted

Author: Ben Maitland – Vanessa Ganguin Immigration Law

Effective January 8, 2026, the UK Government increased English language requirements for several major work visa routes, including the Skilled Worker route, for new applications. The required proficiency level under the Common European Framework of Reference for Languages (CEFR) has increased from B1 (intermediate) to B2 (upper intermediate) across speaking, listening, reading, and writing. A corresponding increase will apply to settlement applications from March 26, 2027.

Further changes were set out in a Statement of Changes to the Immigration Rules published on March 5, 2026. From March 26, 2026, the scope of criminality provisions is expanded so that the mandatory refusal ground based on a 12month custodial sentence will also capture suspended sentences of the same duration.

In addition, from April 8, 2026, amendments to the Skilled Worker salary rules clarify that sponsored workers must be consistently paid the required salary level, allowing enforcement action where underpayment is identified without requiring an annualized salary comparison. Together, these reforms increase compliance scrutiny for sponsors and raise the bar for both new applicants and

settlement eligibility under the UK's work migration framework.

Data (Use and Access) Act 2025: Key Provisions Now in Force

New Legislation Enacted
Author: Hannah Drury – Littler

The Data (Use and Access) Act 2025 amends the UK data protection framework, with several employerrelevant provisions already in force as of February 5, 2026, and further changes taking effect on June 19, 2026. The Act introduces a new lawful basis for processing personal data where it is necessary for a "recognized legitimate interest," codifies the "stoptheclock" mechanism for responding to data subject access requests, relaxes certain restrictions on automated decision-making, and adjusts the test for international data transfers, allowing transfers where protection in the destination country is not materially lower than under UK law.

Looking ahead, from June 19, 2026, individuals will gain a new right to complain directly to their employer where they believe their personal data has been handled in breach of UK data protection laws. These changes increase flexibility for employers in data processing while also heightening expectations around internal complaint handling and governance.

New Bereaved Partner's Paternity Leave Right in Force

New Legislation Enacted
Author: Mark Callaghan – Littler

The Bereaved Partner's Paternity Leave Regulations 2026 (SI 2026/237) have been published and took effect from April 6, 2026. They introduce a new statutory right to bereaved partner's paternity leave (BPPL) from day one of employment. Under the new right, eligible employees will be entitled to a single period of up to 52 weeks' leave where the child's "primary carer" (typically the mother or primary adoptive parent) dies within 52 weeks of the child's birth or adoption placement.

There is no statutory right to pay during BPPL. However, eligible employees may still be able to take their two weeks of statutory paternity pay during this period if it has not already been taken. The regulations set out the notice requirements and provide enhanced protections for those who take it, including protection from detriment and the right to be offered suitable alternative employment in redundancy situations for up to 18 months from the birth or adoption.

Initial Guidance on Pay Gap and Menopause Action Plans

New Regulation or Official Guidance
Author: Donall Breen – Littler

The UK Government has issued its first set of guidance regarding pay gap and menopause action plans, which will be required for large employers (with 250 or more employees) from 2027 as a result of the Employment Rights Act 2025 reforms. The guidance clarifies the scope of this new statutory requirement, specifically, that action plans must address (i) the employer's gender pay gap, and (ii) support for employees experiencing menopause.

The guidance suggests that the first compulsory action plan must be published by April 4, 2028 (for the 2027/2028 reporting year), based on the 2026/2027 gender pay gap data, however confirmation and full details are awaited in regulations. The guidance states that employers may voluntarily publish actions plans from April 2026 prior to them becoming mandatory. Additional guidance for employers on creating an action plan is due to be published in April 2026.

United States

Washington Bans All Noncompetes and Takes a Swipe at TRAPs, Clawbacks, and Forfeitures

New Legislation Enacted

Authors: Joy Rosenquist and Annie Reuben – Littler

On March 23, 2026, Washington enacted ESHB 1155, dramatically expanding its regulation of noncompetition agreements by prohibiting virtually all noncompete covenants effective June 30, 2027. The law broadly defines prohibited noncompetes to include not only traditional post-employment restrictions, but also provisions requiring repayment, forfeiture, or clawbacks triggered by an individual's decision to engage in a lawful profession. While narrow exceptions remain — such as limited nonsolicitation agreements, confidentiality protections, sale of business covenants, and tightly structured educational expense repayment agreements — many commonly used restrictive provisions will now be void and unenforceable.

The statute also imposes new compliance obligations, including a requirement that employers notify current and former workers by October 1, 2027, that any noncompetition covenant is void. Individuals are granted a private right of action to recover damages and attorneys' fees for violations. Washington employers should promptly audit employment and compensation agreements and shift toward permissible tools, such as trade secret protections and carefully tailored nonsolicitation provisions, to protect business interests under the new law.

Read the full article on Littler.com.

NLRB Reinstates 2020 Joint Employer Standard: A Return to Direct Control

Precedential Decision by Judiciary or Regulatory Agency

Authors: Alex MacDonald and Dinora Orozco – Littler

On February 26, 2026, the National Labor Relations Board reinstated its 2020 joint employer standard, formally withdrawing the broader 2023 rule adopted under the Biden administration. The change restores a narrower test under which joint employer status exists only when an entity exercises substantial direct and immediate control over another employer's workers. The Board acted to resolve regulatory uncertainty following a 2024 federal court decision that struck down the 2023 rule as inconsistent with common law principles, leaving a gap in the governing regulations.

Under the reinstated standard, joint employment hinges on actual, exercised control over essential terms and conditions of employment — such as hiring, firing, supervision, discipline, and wages — rather than indirect influence or merely reserved authority. This shift provides greater predictability for businesses using contractors, staffing agencies, or franchise models, allowing them to enforce brand standards and project requirements with reduced joint employer risk. Employers should nevertheless remain cautious, as joint employer determinations remain fact specific, and onsite managers should be trained to avoid crossing from setting objectives into direct control of third-party providers.

Read the full article on Littler.com.

EEOC Rescinds Enforcement Guidance on Harassment

Precedential Decision by Judiciary or Regulatory Agency

Author: Jim Paretti – Littler

On January 22, 2026, the U.S. Equal Employment Opportunity Commission voted 2–1 to rescind its 2024 Enforcement Guidance on Harassment in the Workplace. The rescission, supported by the Commission's Republican majority, reflects long standing criticism of portions of the guidance, particularly following a 2025 federal court decision that vacated sections addressing LGBTQ related issues. While the repeal is effective immediately, it does not change the underlying federal anti-harassment statutes or the legal standards applied by courts, as the guidance was non-binding and did not carry the force of law.

Despite the rescission, employers should continue to exercise caution. The Supreme Court's decision in *Bostock v. Clayton County* remains controlling law with respect to Title VII's prohibition on discrimination based on sexual orientation and gender identity, even as courts continue to define its scope. Moreover, many state and local laws independently prohibit workplace harassment and discrimination, often providing broader protection than federal law. Employers are therefore advised to maintain robust anti-harassment policies and training programs and to remain attentive to evolving state, local, and judicial developments.

Read the full article on Littler.com

Telework as a Reasonable Accommodation After the EEOC's New Guidance: What Actually Changes for Employers?

New Regulation or Official Guidance

Authors: Kyra Buch and David Gartenberg – Littler

In February 2026, the EEOC and the Office of Personnel Management issued new guidance addressing telework as a reasonable accommodation in the federal sector, reaffirming long standing ADA principles that are also instructive for private employers. The guidance emphasizes that telework is required only when it is effective in enabling an employee to perform essential job functions, participate in the application process, or enjoy equal access to workplace benefits. Requests based on preference, convenience, or generalized quality of life concerns — without a nexus to functional limitations — do not trigger an obligation to allow telework.

The FAQs further clarify that pandemic era flexibility did not permanently redefine essential job functions. In person presence may remain essential based on current operational needs, and employers may reevaluate or modify previously granted telework accommodations as part of the ongoing interactive process. The EEOC's guidance reinforces established principles governing the interactive process and reasonable accommodations. Employers retain the ability to reassess telework arrangements granted under pandemicera conditions, to seek additional medical information where warranted, and to require inperson presence where it remains an essential function of the job. The key is process: individualized analysis, careful documentation, and a clear focus on whether telework — or a viable alternative — enables the employee to perform essential duties without imposing undue hardship.

Read the full article on Littler.com

The Federal Administration Makes Legislative Recommendations for U.S. AI Policy, Leaving Questions Unanswered

Proposed Bill or Initiative

Authors: Niloy Ray and Michael Whitbread – Littler

In March 2026, the Trump administration released a non-binding proposal, A National Policy Framework for Artificial Intelligence, recommending that Congress rely largely on existing legal frameworks with limited targeted interventions to govern AI. The Proposal identifies six priorities, including protecting children, safeguarding communities and small businesses, respecting intellectual property, defending free speech, accelerating AI innovation, and expanding workforce opportunities. It also calls for federal preemption of state AI laws, reflecting concern that a fragmented regulatory landscape could hinder AI development.

The Proposal notably excludes AI specific anti-discrimination protections and encourages shielding AI developers from liability for third party misuse, potentially shifting greater compliance responsibility to employers using AI in workplace decisions. Given bipartisan resistance to state law preemption, near term federal legislation aligned with the Proposal appears unlikely. U.S. employers should continue complying with existing state and local AI laws while applying general compliance principles such as transparency, training, and ongoing monitoring of AI driven outcomes.

Read the full article on Littler.com

Venezuela

OFAC Expands Authorizations for Foreign Oil and Gas Operations

New Legislation Enacted
Author: Daniela Arevalo – Estrategia Legal

In February 2026, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued General Licenses Nos. 49 and 50A, introducing expanded authorizations for foreign organizations to engage in Venezuela's oil and gas sector. General License 49 permits foreign entities to negotiate and enter into contingent contracts for new oil and gas projects in Venezuela, while General License 50A authorizes those entities and their affiliates to conduct direct operational activities in the Venezuelan oil and gas industry.

These authorizations are subject to strict conditions. Contracts underlying the permitted activities must include mandatory clauses providing that they are governed by U.S. law and that any disputes are subject to U.S. jurisdiction. In addition, any payments to sanctioned persons, as well as payments of taxes or royalties on oil or gas to the Government of Venezuela, PDVSA, or their subsidiaries, must be made to the Foreign Government Deposit Funds (FGDF) or another account designated by the U.S. Department of the Treasury under Executive Order No. 14373.

New Minister of Labor Appointed

New Regulation or Official Guidance
Author: Daniela Arevalo – Estrategia Legal

On March 18, 2026, the acting President, Delcy Rodríguez, appointed Carlos Alexis Castillo as Venezuela's new Minister of Labor. He replaces Eduardo Piñate, who previously held the position.

Carlos Alexis Castillo is a lawyer specializing in labor law and a university professor. Prior to his appointment, he served as a magistrate of the Social Cassation Chamber of the Supreme Court of Justice, bringing judicial and academic experience to the leadership of the Labor Ministry.

Government Announces National Worker Survey on Labor Model Reform

Proposed Bill or Initiative
Author: Daniela Arevalo – Estrategia Legal

On February 9, 2026, Delcy Rodríguez, acting as President in charge of the Executive Power, announced the launch of a national survey of workers intended to inform changes to Venezuela's labor model. The stated objective is to optimize wage protection and strengthen social security mechanisms for workers described as critical to driving the national economy.

At this stage, no concrete details have been released regarding the scope, timing, or substance of any resulting labor reforms. Rodríguez emphasized that the government's commitment is to develop a labor framework adapted to current economic and social realities, suggesting that further proposals may follow once the survey results are assessed.

Vietnam

Decree 374 Updates Unemployment Insurance Framework

New Order or Decree
Authors: Antoine Logeay and Trần Thị Kim Luyến – APFL & Partners Legal Vietnam LLC

On December 31, 2025, the Vietnamese Government issued Decree No. 374/2025/NDCP (Decree 374), providing detailed guidance on selected provisions of the 2025 Law on Employment relating to unemployment insurance (UI). Effective January 1, 2026, Decree 374 replaces Decree No. 28/2015/NDCP (as amended) and largely preserves the existing UI framework while restructuring provisions to address practical gaps and strengthen enforceability.

A key clarification concerns eligibility conditions at termination. Article 3 identifies six situations in which employees are deemed to be contributing to UI at the time of termination, including where employment ends because the employer can no longer make UI contributions (e.g., bankruptcy or dissolution), and where employees temporarily suspended contract performance for 14 working days or more in the month of termination or the immediately preceding month.

Contribution rates remain unchanged at the statutory maximum: 1% of monthly salary (employee) and 1% of total UI payroll (employer). However, employers that recruit persons with disabilities and properly register them for UI participation may apply a 0% employer contribution rate for the first 12 months of employment, creating a targeted costrelief incentive.

Decree 374 Clarifies UI Salary Basis and Employer Obligations

New Order or Decree

Authors: Antoine Logeay and Trần Thị Kim Luyến – APFL & Partners Legal Vietnam LLC

Decree 374 provides detailed guidance on the salary base used for unemployment insurance contributions. For part-time employees whose monthly salary equals or exceeds the statutory base salary used for compulsory social insurance contributions (currently approximately USD 90 per month), UI contributions must be calculated based on the salary agreed in the labor contract. Where salaries are denominated in foreign currency, the contribution base is determined by converting the salary into Vietnamese Dong using the average bank transfer buying rate published by stateowned commercial banks on January 2 (first half of the year) or July 1 (second half), or the next working day if applicable.

The decree also consolidates employer and employee rights and obligations in Chapter VIII (Articles 29–32). Employers must submit an annual UI participation report by January 15, make full and timely UI contributions, and notify the public employment service center of workforce fluctuations involving 50 or more employees. Where an employer fails to make required UI contributions, employees may initiate legal proceedings within three months from termination.

In addition, Decree 374 clarifies the operation of unemployment benefits and introduces structured support mechanisms for training and upskilling, both to help employers maintain employment and to enable employees to improve occupational skills while participating in the UI system.

Decree 337 Introduces Electronic Labor Contract Framework

New Order or Decree

Authors: Antoine Logeay and Trần Thị Kim Luyến – APFL & Partners Legal Vietnam LLC

On December 24, 2025, Vietnam issued Decree No. 337/2025/NDCP, establishing the first comprehensive legal framework for electronic labor contracts, effective January 1, 2026. The decree confirms that electronic labor contracts — concluded as data messages in compliance with labor and electronic transaction laws — have the same legal validity as paper contracts, while reinforcing requirements under cybersecurity and personal data protection laws.

Decree 337 sets out conditions for using electronic contracts via an eContract system, including mandatory digital signatures and timestamping, employer registration and identity verification, and licensing and technical standards for eContract service providers. Electronic contracts take effect when the last party signs digitally with authentication and must be assigned a unique contract ID through the official platform within 24 hours.

The decree also regulates conversion between paper and electronic contracts and requires paper contracts to be converted before any electronic amendment or termination. While Decree 337 is already in force, the national electronic labor contract platform must be operational by July 1, 2026, from which date electronic labor contracts will be fully implemented nationwide.

Decree 338 Expands EmployerFocused Job Creation Incentives

New Order or Decree

Authors: Antoine Logeay and Trần Thị Kim Luyến – APFL & Partners Legal Vietnam LLC

Effective January 1, 2026, Decree No. 338/2025/NDCP implements the job-creation support provisions of the 2025 Law on Employment, replacing the prior regime and significantly expanding financial incentives relevant to employers. The decree

increases access to preferential loans for job creation, job retention, and job expansion programs administered by the Vietnam Bank for Social Policies, directly supporting workforce growth and employment continuity.

For production and business establishments, the maximum loan amount has increased substantially to VND 10 billion per project, with a cap of VND 200 million per employee, doubling the previous peremployee limit. These loans may be used to finance hiring, retention, or expansion initiatives, and provincial authorities may approve higher limits where local conditions allow. In addition, the threshold above which loan security is required has been raised to VND 200 million, improving access to unsecured funding and easing financing constraints for employers.

Decree 338 also clarifies preferential interest rates, including reduced rates for employers hiring priority worker groups such as persons with disabilities or ethnic minority employees. Beyond financing, the decree streamlines loan application procedures and clarifies administrative responsibilities, improving predictability and access to job-creation incentives for employers engaging in workforce development and expansion.

Introduction of "Vietnam Culture Day" as a Public Holiday

New Regulation or Official Guidance

Authors: Antoine Logeay and Trần Thị Kim Luyến – APFL & Partners Legal Vietnam LLC

On January 7, 2026, the Politburo issued Resolution No. 80NQ/TW on the development of Vietnamese culture, designating November 24 each year as "Vietnam Cultural Day" and setting out a policy that the day should be treated as a fully paid public holiday for employees.

This policy direction was reinforced on February 24, 2026, when the Government issued Resolution No. 30/NQCP, approving an action plan to implement Resolution No. 80NQ/TW. Resolution 30 confirms the Government's intention to recognize Vietnam Cultural Day as a paid public holiday and to amend Article 112 of the Labor Code accordingly.

However, no legislative amendment to Article 112 has yet been adopted. As a result, Vietnam Cultural Day does not currently have binding legal effect as a statutory public holiday, and employers are not yet legally required to grant a paid day off until the Labor Code is formally amended.

Zambia

New Occupational Health and Safety Act Strengthens Employer and SupplyChain Obligations

New Legislation Enacted

Authors: Peter Chomba and Bwalya Banda – Mulenga Mundashi Legal Practitioners

The Occupational Health and Safety Act No. 16 of 2025 (2025 OHSA) received presidential assent on December 23, 2025, repealing and replacing the Occupational Health and Safety Act No. 36 of 2010. While the 2025 OHSA maintains the Occupational Health and Safety Institute, it expands the Institute's functions and revises its governance structure by requiring representation from the most representative trade union and the most representative employers' organization, replacing the prior, impracticable open-ended model.

The 2025 OHSA introduces significant new mandatory compliance obligations for employers. Employers must establish a health and safety committee within 30 days of employing 10 or more employees, a deadline not previously specified. Employers are also now required to prepare a health and safety policy as a statutory obligation, rather than only upon direction from the Institute. In addition, the Act broadens statutory duties beyond employers to include designers, manufacturers, suppliers, and importers, imposing explicit obligations and mandatory penalties for non-compliance across the supply chain.

Accordingly, the 2025 OHSA reinforces the importance of maintaining safe and healthy workplaces through enhanced regulatory requirements and mandatory compliance standards. Organizations are therefore encouraged to review their internal policies and practices to align with the new legal framework and avoid potential sanctions.

Court of Appeal Clarifies Redundancy Pay Calculation

Precedential Decision by Judiciary or Regulatory Agency
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On January 28, 2026, the Court of Appeal in the case of *Mubita Akapelwa v. Engine Marketing Limited and Anor* (Appeal No. 57/2024) [2026] ZMCA 16 considered whether allowances must be excluded from the redundancy payment calculation by relying solely on the basic salary. The Court of Appeal held that where a contract of employment uses the term "salary" in a generic sense, the same should not be narrowly construed to mean "basic salary" alone. Rather, it should be interpreted to encompass all terminal benefits earned by an employee during employment.

Accordingly, the Court of Appeal held that, in the computation of the redundancy package in this case, all terminal benefits which include all earnings, such as allowances earned during employment were to be included. Therefore, employers should ensure that the wording in the contracts is reflective of the intention of the parties and the computation of a redundancy package includes all terminal benefits earned by an employee during employment.

Criminal Sanction Does Not Bar Employer Disciplinary Action

Precedential Decision by Judiciary or Regulatory Agency
Authors: Peter Chomba and Bwalya Banda – Mulenga Mundashi Legal Practitioners

On January 29, 2026, the Court of Appeal in the case of *Clifford Simfukwe v. ZESCO Limited* (Appeal No. 210/2023) [2026] ZMCA 7 rejected the Appellant's contention that having been fined by a criminal court, he ought not to have been subjected to further internal disciplinary action culminating in his dismissal. The Court of Appeal reaffirmed that an employer is entitled to proceed with disciplinary measures where a dismissible offense has been committed, provided due process is followed.

In this case, the Appellant was given an opportunity to exculpate himself through written statements, appeared before a properly constituted disciplinary committee, and admitted the underlying misconduct. The Court of Appeal noted that the Appellant's reliance on an alleged "precedent" that employees fined in criminal proceedings are reinstated was unsupported by evidence or any contractual term. Moreover, the relevant Disciplinary Code provisions did not preclude dismissal where an employee was convicted of an offense involving dishonesty. Based on these facts, the Appellant's criminal fine did not bar the employer from initiating or concluding disciplinary proceedings, and the resulting dismissal was upheld.

This case reinforces the principle that the imposition of a criminal fine or penalty upon an employee does not displace or extinguish the employer's right to internally and separately institute disciplinary proceedings in respect of the same set of facts against the employee, provided such proceedings are conducted in accordance with the employer's Disciplinary Code and labor laws.