Employment law across Eastern Europe

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Czech Republic

General employment law environment
The Labour Code regulates employment relationships in the Czech Republic.
A new Labour Code was introduced on 1 January 2007. From that time, the new Code has been amended more than ten times. The parties to an employment agreement have some ability to agree to contractual provisions that differ from the Labour Code.

Employment agreements
An employer and employee must enter into a written employment agreement, which contains the following terms:
- Type of work
- Place of work
- Commencement date.

Additional information required in writing, unless already mentioned in the employment contract, includes notice periods, shift schedules, vacation leave, collective agreements etc.

Fixed-term contracts
Fixed-term contracts are limited to a maximum duration of 2 years. Another fixed-term contract for a maximum of 2 years can be agreed between the parties, 6 months after the initial contract has expired. The 2 year limit does not apply in cases provided for by special legislation or for the temporary replacement of an absent employee. In addition, if there are serious operational grounds or the work to be performed is of a special nature, the employer may come to an agreement with the trade union not to apply the 2 year limit. Where no trade union is present, the employer can issue an internal regulation in this respect.

Minimum wages
The mandatory minimum salary in the Czech Republic is CZK 8,000 (EUR 285) per month.

Working time
The maximum duration of the regular working week is 40 hours. Overtime is limited to an average of 8 hours per week, with a limit of 416 hours per year.

Vacation leave
Employers are required to give employees a minimum of 4 weeks' vacation per year. Collective agreements or internal regulations may provide for a longer vacation period. The parties to an individual employment contract may also agree on a longer period of leave, however, the principle of equal treatment should be respected.

Sick leave
With effect from 1 January 2009, new laws on sickness insurance apply as follows:
- No compensation for the first 3 working days.
- The employer will pay 60% of the reduced daily assessment base for each working day for the period from the 4th working day to the 14th calendar day of sick leave, capped at a maximum of CZK 1,089 per day (EUR 38). The Social Security Agency will pay for the remainder of the period of sick leave (the maximum period is 380 days).
- 60% of the reduced daily assessment base from 15th to 30th day, capped at a maximum of CZK 778 per day (EUR 27).
- 66% of the reduced daily assessment base from 31st to 60th day, capped at a maximum of CZK 856 per day (EUR 30).
- 72% of the reduced daily assessment base for the remainder of the period of sick leave, capped at a maximum of CZK 934 per day (EUR 33).

Maternity leave
Employees are entitled to 28 weeks of maternity leave (37 weeks for multiple births). Maternity leave commences usually 6 weeks before the expected date of childbirth, however, no earlier than 8 weeks. Employees are entitled to receive 70% of salary during maternity leave, capped at a maximum limit of CZK 28,890 (EUR 1,030) per month. Maternity leave is paid by the Social Security Agency.

Non-competition clauses
Non-competition clauses must be in writing and may not be agreed until the probation period has finished. In order for a non-competition clause to be valid, it has to be entered into within the field of employer's business activity or activity which would be of a competitive nature to the employer's business. The maximum duration of a non-competition clause after the employment has ended is 12 months.
Compensation during this period is mandatory; at least average monthly salary must be paid for each month of the applicable period. Adequate financial penalties for breach of a non-competition clause may be agreed between the parties.

Individual dismissal
Permissible grounds for individual dismissal are specified in the Labour Code. Termination may not take place for other reasons. Employees are entitled to a minimum of 2 months' notice of dismissal. The length of notice does not depend on other factors such as length of employment or employee seniority etc.
Employees are also entitled to a minimum severance pay of 3 months' average salary where dismissal is for organisational reasons. If dismissal is for health reasons caused by work-related injury or occupational disease, severance increases to at least 12 months' average salary.
Severance pay may be increased through individual agreement (in accordance with the principle of equal treatment), collective agreement or internal regulation.

Collective agreements
There are two types of collective agreements in the Czech Republic:
- Company-level collective agreements - these are common in the public sector and other industries
- Higher-level collective agreements - these are concluded between organisations of employers and trade union organisations or associations. Under certain conditions, these agreements can extend automatically to all employees in the respective industry or field, regardless of union membership.

Company-level collective agreements may not set employees rights and obligations at a lower level than provided for in a higher-level agreement.

Unions
At present, unions are easy to establish in the Czech Republic. They automatically represent all employees at the place of work regardless of membership.
They maintain a strong position in labour relations, although union membership is on the decline.
Currently, very few Works Councils exist in the Czech Republic.

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Estonia

General employment law environment
The Employment Contracts Act regulates employment relationships in Estonia.
The new Employment Contract Act which amended Estonian employment law quite radically came into effect on 1 July 2009. The parties to an employment agreement can agree on contractual provisions that differ from the Employment Contracts Act provided they are more favourable to the employee.

Employment agreements
An employer and employee must enter into a written employment agreement, which contains the following terms:
- Name, personal identification code or registry code, place of residence or seat of the employer and the employee
- Date of entry into the employment contract and date of commencement of work by the employee;
- Description of duties;
- Official title if this brings about legal consequences;
- Agreed salary;
- Working time (number of hours)

Additional information required in writing in the form of a so-called "Notification letter" addressed to the employee, includes regular working hours, place of work, date of salary payment, length of vacation, advance notice period, information on whether a collective agreement applies to the employee, if the contract is fixed-term, duration of the contract, etc.

Fixed-term contracts
Fixed-term contracts are limited to a maximum duration of 5 years. An employment contract may be concluded for a fixed term if it is justified by good reasons arising from the temporary fixed-term characteristics of the work, especially a temporary increase in work volume or performance of seasonal work or to replace an employee who is temporarily absent from work. The conclusion of fixed-term contracts on a basis other than those listed above is not allowed. Where an employer and employee have on more than two consecutive occasions entered into a fixed-term employment contract for similar work or extended the fixed-term contract more than once in five years, the employment relationship shall be deemed to be for an unspecified term from the start.

Minimum wages
The mandatory minimum salary in Estonia is EEK 4,350 (EUR 278) per month or EEK 27 (EUR 1.70) per hour.

Working time
The maximum duration of the regular working week is 40 hours per 7 days; after that overtime regulation applies. Overtime is allowed only on mutual agreement or in case of unforeseen circumstances. The working time shall not exceed an average of 48 hours per week over a period of up to 4 months. Employer and employee may agree on longer working time if the working time does not exceed, an average of 52 hours per week over a period of 4 months.

Vacation leave
Employees are entitled to 28 calendar days of vacation per calendar year.
Minors and employees receiving incapacity pension are entitled to vacation for 35 calendar days per calendar year. The Employment Contract Act foresees additional vacation for specified groups of people that are compensated by the State. Collective agreements or internal regulations may provide for longer periods of leave. The parties to an individual employment contract may agree on a longer period of leave.

Sick leave
The first 3 days of sick leave are not compensated by the Health Insurance Fund or by the employer. From the 4th to the 8th day of sick leave the employer is obliged to pay the employee 70% of the employee's average salary. From the 9th day the employee starts to receive compensation from the Estonian Health Insurance Fund. The limit on the number of sick days is 182 (240 in the case of tuberculosis) consecutive days.

Maternity leave
Employees are entitled to 140 weeks of maternity leave. A woman has the right to commence the maternity leave at least 70 days before the expected date of childbirth. Employees are entitled to receive 100% of average salary during maternity leave.
Maternity leave is paid by the Estonian Health Insurance Fund.
In addition, a mother or father shall be granted parental leave at his/her request until the child reaches 3 year of age. The employee is entitled to parental benefit for 435 days after the final date on the certificate for maternity leave. Parental benefit is financed out of the state budget and the employer is not obliged to pay any benefits related to it.

Non-competition clauses
Non-competition clauses must be concluded in writing. The scope must be clearly defined. During the employment contract the employer is not obliged to pay compensation for complying with non-competition clause. Where the non-competition clause remains in force after the termination of the employment contract reasonable remuneration shall be paid. Although the law does not provide for the amount of remuneration, it has to be reasonable considering the scope of the non-competition clause. The maximum duration of a non-competition clause after the employment has ended is 1 year. Adequate financial penalties for breach of a non-competition clause may be agreed between the parties.

Individual dismissal
Employment contracts can only be terminated on the grounds listed in the Employment Contracts Act. Notice periods for dismissal vary from 15 - 90 calendar days, depending on the grounds for termination and the length of employment. Employers may cancel the employment contract without adhering to the term of advance notice if, considering the circumstances, it is reasonable to do so. Employees are entitled to severance pay of 1 months' average salary where the employment contract is terminated due to liquidation, bankruptcy or lay-offs.
Where an employee terminates an employment contract because the employer is in fundamental breach, the employer shall pay compensation of 3 months' average salary. Severance pay may be increased through individual agreement, collective agreement or internal regulation.

Collective agreements
Company-level collective agreements are relatively rare in Estonia and even if they are in place, as a rule, they do not provide many advantages to employees.
Higher-level collective agreements concluded between organisations of employers and trade union organisations or associations are even rarer and not an issue in practice.

Unions
Unions are easy to establish in Estonia. They represent only those employees who are members of the union. However, unions currently occupy a relatively weak position in the Estonian labour market.
Works Councils are not in place in Estonia, except in specialised environment councils.

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Hungary

General employment law environment
The Labour Code regulates employment relationships in Hungary. The Labour Code was first introduced in 1992. It has been amended several times per year. The most recent amendments came into effect on 20 August 2009. The next amendments enter into force on 1 November 2009.
Unless the Labour Code stipulates otherwise, generally, the parties to an employment agreement or collective bargaining agreement can agree on contractual provisions that differ from Part Three of the Labour Code, provided that they are more favourable to the employee. In certain cases however, the parties are not allowed to agree any alteration.

Employment agreements
An employer and employee must enter into a written contract of employment, which contains the following terms:
- Name of position
- Place of work
- Personal basic wage.

Additional information required in writing in the form of a so-called "Confirmation Letter" addressed to the employee, includes regular working hours, the date of wage payment, the date employment commences, the number of days of paid annual leave and the procedure for allocating and determining such leave, rules governing the notice period, information on whether a collective agreement applies to the employee, etc.

Fixed-term contracts
Fixed-term contracts may not exceed a period of 5 years (including extensions and new fixed-term agreements concluded between the same parties within 6 months of the initial fixed-term contract), unless the employment is subject to official approval, in which case the extension may be longer than 5 years based on official approval. Subject to the aforementioned 5 year limit, a fixed-term agreement may be renewed in writing at any time without providing any reason. However, if a fixed-term extension is deemed to undermine the interests of an employee, it may be reclassified by the labour courts as a contract for an indefinite period.

Minimum wages
The mandatory minimum salary in Hungary is HUF 71,500 (EUR 264) per month and HUF 87,500 (EUR 324) for employees with secondary school education.

Working time
The maximum duration of the regular working week is 40 hours with the exception of (i) on-call duty or (ii) where the employee is a close relative of the employer or the owner, 60 hours per week. Overtime is limited to 8 hours per week (for on-call duty 12 hours per week), with a limit of 200 hours per year (or 300 hours per year with the agreement of the parties or if laid down by a collective bargaining agreement).

Vacation leave
Employees are entitled to vacation leave, comprised of basic and extra vacation leave. Employees are required to give employees a minimum of 20 days' basic vacation leave per year. The 20 days' period is increased in accordance with the age of the employee, as follows:
- 21 days for employees over 25 years
- 22 days for employees over 28 years
- 23 days for employees over 31 years
- 24 days for employees over 33 years
- 25 days for employees over 35 years
- 26 days for employees over 37 years
- 27 days for employees over 39 years
- 28 days for employees over 41 years
- 29 days for employees over 43 years
- 30 days for employees over 45 years.

Sick leave
Employees are entitled to 15 days' sick leave per calendar year. An employee is entitled to receive 70% of his/her salary for the first 15 days of sick leave.
The employer pays for the first 15 days of sick leave. After this the employee is entitled to sick pay. The Social Security Agency pays for two-thirds of sick pay and the employer pays for the remainder.

Maternity leave
The current allowances offered by the state are insurance-like allowances to enable the parents to stay home with their children, such as one-off compensation after giving birth (in Hungarian 'GyÁS') and the child-care allowance payable to parents until the third birthday of their child (in Hungarian 'GyÉS').
Employees are entitled to 24 weeks of parental leave, commencing 4 weeks prior to the expected date of childbirth. Employees are entitled to receive 70% of their average salary for the entire period of maternity leave. There is no maximum limit. Maternity leave is paid for by the Health Care Service. New provisions will apply for parents of children born after 1 May 2010

Non-competition clauses
Agreements on non-competition must be entered into in writing. The provisions of the Labour Code on non-competition are the same for blue collar workers as for executive employees. The maximum duration of a non-competition period is 3 years.
The scope of the clause may include geographical areas, but these must be expressly defined. Compensation is mandatory for the non-competition period. Although there is no statutory guideline, labour court precedents suggest that at around 50% of average wage is expected to be paid post-termination to give effect to non-compete provisions. In addition to the above conditions, the provisions of the Civil Code apply for non-competition agreements.

Individual dismissal
An employer may dismiss an employee solely on the grounds specified in the Labour Code. The basic notice period is 30 days, which is extended to 90 days based on length of employment. The parties may stipulate the notice period in the employment contract in which case the minimum notice period may be 30 days, while the maximum may not exceed one year. No deviation from this regulation is considered valid.
Employees are entitled to severance pay of between 1 to 9 months' average salary in the event of an ordinary dismissal or where the business is dissolved without legal succession. The amount of severance pay depends on length of employment. An employee must have a minimum of 3 years employment to be eligible for severance pay, unless the employment contract, collective bargaining agreement or an internal company policy stipulates more favourable terms for the employees.

Collective agreements
Company-level collective agreements are common in the public service and other industries. Higher-level collective agreements are rare.

Unions
At present, trade-unions do not maintain a strong position in Hungary and union membership is on the decline. Unions are easy to establish and they only represent employees who are members of the union.
Few Works Councils are in existence, although, a Workers' Council has to be elected for all employers (or business units) with more than 50 employees.

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Latvia

General employment law environment
The Labour Law regulates employment relationships in Latvia.
The Labour Law was introduced in 2001. It has been amended several times.
The most recent amendments came into effect on 29 June 2009.
The parties to an employment agreement can agree on contractual provisions that differ from the Labour Law provided they are not less favourable to the employee.

Employment agreements
An employer and employee must enter into a written employment agreement, which contains the following terms:
- Commencement date
- Term of the agreement
- Place of work
- Type of work
- Salary and time of payment
- Working time
- Length of annual paid leave
- Notice period for termination of employment
- Details of any applicable collective agreements and internal working procedure regulations.

Fixed-term contracts
As a general rule, employment contracts are concluded for an indefinite term.
Fixed-term contracts may be used for performance of specific short-term work.
In general, the maximum term for such a fixed-term contract is 3 years, but this may vary according to the type of work being carried out (e.g. for seasonal work, the term may not exceed 10 months in a year). If the parties continue the employment relationship after the fixed-term contract has expired, the agreement shall be deemed to be concluded for an indefinite term.

Minimum wages
The mandatory minimum salary in Latvia is LVL 180 (EUR 260) per month.

Working time
The maximum duration of the regular working week is 40 hours.
Overtime is limited to 144 hours over a 4 month period.

Vacation leave
Employers are required to give employees a minimum of 4 calendar weeks' leave (excluding state holidays) per year. Persons under 18 years of age are entitled to annual paid leave of 1 month. Employees having 3 or more children under the age of 16 years or a disabled child and employees exposed to special risks are entitled to an additional 3 days' leave per year. Collective agreements, internal regulations or individual employment contracts may provide for longer periods of leave.

Sick leave
Employers pay for the first 10 days of sick leave.
The State Social Insurance Agency pays sick leave from the 11th day of incapacity for work up to a maximum of 26 weeks, if the period of illness is uninterrupted, or up to 52 weeks over a 3 year period where incapacity to work is interrupted. Employees receive 80% of their average salary, which is subject to insurance contributions from the State Social Insurance Agency.

Maternity leave
Employees are entitled to: 112 calendar days of leave for childbirth. Pregnancy leave commences 56 days prior to the expected date of childbirth. Maternity leave continues for 56 days after the birth of the child.
Employees are entitled to an additional 14 days maternity leave if complications occur during pregnancy or childbirth, if two or more children are born, or if pregnancy-related medical care is instituted by the twelfth week of pregnancy.
Employees are entitled to receive a maternity benefit that is equal to 100% of average salary. The maternity benefit is paid by the State Social Insurance Agency.

Non-competition clauses
Non-competition clauses must be included in writing in the employment contract.
There is no limit on the term of a non-competition clause and although compensation is mandatory, the legislation does not prescribe a minimum amount.

Individual dismissal
Employment contracts can only be terminated on the grounds listed in the Labour Law. Notice periods for dismissal vary, depending on the grounds for dismissal. Notice of dismissal will take effect either immediately, or 10 days after the giving of notice, or 1 month after the giving of notice, depending on the grounds for dismissal. Employees are entitled to severance pay when their employment is terminated due to the employee's abilities, health, reinstatement of a previous employee, reduction of employees, or liquidation of the company. If a collective agreement or individual contract does not specify a larger severance pay, the employee is entitled to the following:
- 1 months' average salary, if the employee has been employed by the relevant employer for less than 5 years
- 2 months' average salary, if the employee has been employed by the relevant employer for 5-10 years
- 3 months' average salary, if the employee has been employed by the relevant employer for 10-20 years
- 4 months' average salary, if the employee has been employed by the relevant employer for more than 20 years.

Collective agreements
Company-level collective agreements are common in the public service and other industries (Government officials) and other industries.
If a higher-level collective agreement has been signed by an employers' association or association of employer organisations, which employs more than 50% of employees in a sector, and a trade union or association of trade unions, then the agreement applies to all employees in the relevant sector, including employees who are not union members.

Unions
Unions are easy to establish in Latvia. They represent only those employees who are members of the union. Employee representatives may be elected in companies that employ more than 5 employees.

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Lithuania

General employment law environment
The Labour Code regulates employment relationships in Lithuania.
The Labour Code was introduced in 2002. It has been amended several times. The most recent amendments came into effect on 4 August 2009.
The parties to an employment agreement can agree on contractual provisions that differ from the Labour Law provided they are not less favourable to the employee.

Employment agreements
An employer and employee must enter into a written employment contract, which contains the following essential provisions:
- Place of work
- Type of work
- Remuneration (amount of wages, payment procedure etc).

Additional information required in writing, if not otherwise agreed to in the employment contract, includes working conditions, working time, annual leave etc.

Fixed-term contracts
As a general rule, employment contracts may be concluded for an indefinite period.
Fixed-term contracts may be used for the performance of temporary or seasonal work.
The maximum term for a fixed-term contract is 5 years.

Minimum wages
The mandatory minimum salary in Lithuania is LTL 800 (EUR 232) per month.

Working time
The maximum duration of the regular working week is 40 hours.
Overtime is limited to 4 hours per day (this provision is valid until 31 December 2010), 8 hours over a period of 7 consecutive days, with a limit of 120 hours per year.
Collective agreements may provide for longer periods of overtime, however, the maximum may not exceed 180 hours per year.

Vacation leave
Employers are required to give employees with less than 10 years of service, a minimum of 20 days annual leave per year. This is increased to 23 and more (1 additional day is given for every 5 subsequent years of employment) working days for employees with more than 10 years of service with the relevant employer. Specific categories of employees are entitled to 21-25, 35 and 58 work days of leave per year. Collective agreements, internal regulations or individual employment contracts may provide for longer periods of leave.

Sick leave
The employer is required to pay the first 2 days of any period of sick leave. Thereafter, the Social Security Insurance Agency pays the employee:
- 40% of their remuneration from the 3rd to the 7th day of sick leave;
- 80% of their remuneration from the 8th day of sick leave.

There is no limit on the number of sick days leave or maximum amount of sick pay.

Maternity leave
Employees are entitled to 18 weeks maternity leave, commencing 10 weeks prior to the expected date of childbirth. Employees are entitled to receive a maternity allowance that is equal to 100% of salary, capped at a maximum of LTL 7,440 (EUR 2,155) per month. This allowance is paid by the State Social Insurance Fund.

Non-competition clauses
Non-competition clauses must be included in writing in the employment contract.
There is no limit on the term of a non-competition clause and although compensation is mandatory, the legislation does not prescribe a minimum amount.

Individual dismissal
Employment contracts can only be terminated on the grounds listed in the Labour Code. Employees are entitled to 2 months' notice. Employees who will be entitled to the full old age pension in not more than 5 years, persons under 18 years of age, disabled persons, and employees raising children under 14 years are entitled to 4 months' notice. Collective agreements may provide for shorter notice periods - of, respectively, 1 and 2 months (this provision is valid until 31 December 2010). Employees are entitled to severance pay if they are dismissed without fault on the part of the employee. The amount of severance pay varies from between 1 to 6 months' average salary, depending on length of employment. The amount of severance pay may be increased through individual or collective agreement.

Collective agreements
Company-level collective agreements are common in the public service and other industries. Higher-level collective agreements are rare in Lithuania and generally not an issue in practice.

Unions
Unions are easy to establish in Lithuania. They automatically represent all employees in the company, regardless of membership. Unions maintain a strong position in the labour market, although union membership is on the decline.
Currently, very few Works Councils exist in Lithuania.

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Poland

General employment law environment
The Polish labour law system is governed by the Labour Code and executive decrees, which set forth general terms and conditions of employment and specify the rights and obligations of employers and employees.
The Labour Code was first introduced in 1974. It is frequently amended. A new Labour Code is currently being prepared. The most recent amendments came into effect on 5 August 2009. A special "Anti-Crisis" act came into force on 22 August 2009. The parties to an employment agreement can agree on contractual provisions that differ from the Labour Code provided they are not less favourable to the employee.

Employment agreements
An employer and employee must enter into a written employment contract, which should specify the following:
- Parties to the contract
- Type of contract
- Date of execution
- Conditions of employment (such as type of work, place of work, all elements of remuneration etc.)
- Working time (full or part-time work)
- Date of commencement of work.

If the work is part-time, the employment contract should set out how many hours over the agreed hours the employee shall work, if necessary, for normal remuneration and the cut off point before overtime rates should be paid. The employer is obliged to provide the employee, within 7 days of execution of the employment contract, additional information on terms of employment and work organisation, such as daily and weekly working time limits, frequency of payment of remuneration, vacation leave, notice period, applicable collective bargaining agreement, if any etc.

Fixed-term contracts
An employer and employee may enter into a fixed-term contract. From 22 August 2009 to 31 December 2011 the maximum duration of fixed-term employment is 2 years. The previous rules which allowed for only 2 successive fixed-term contracts, irrespective of length, are suspended until 1 January 2012.

Minimum wages
The mandatory minimum salary in Poland is PLN 1,276 (EUR 289) per month.

Working time
The maximum duration of the regular working week is 40 hours.
Overtime is limited to 8 hours per week, with a limit of 384 or 376 hours per year depending on the length of the employee's leave.

Vacation leave
Employers are required to give employees with less than 10 years of service a minimum of 20 working days' annual leave per year. This is increased to 26 working days' leave per year for employees with service of 10 years or more. Collective agreements, internal regulations or individual employment contracts may provide for longer periods of leave.

Sick leave
An employee will receive remuneration from the employer during 33 days or 14 days (in case of an employee over 50 years of age) of sick leave in any calendar year. Thereafter, the Social Security Agency pays a sickness allowance for the remaining period of sick leave. The benefit in principle amounts to 80% of the employee's remuneration. Sick leave is in principle payable for 182 days.

Maternity leave
Employees are entitled to maternity leave of:
- 20 weeks for each single birth
- 31 weeks for each double birth
- 33 weeks for each triple birth
- 35 weeks for each quadruple birth
- 37 weeks for each multiple birth of five or more

Employees are entitled to a maternity benefit equal to 100% of remuneration. The maternity benefit is paid by the Social Security Agency. After 1 January 2010 there will be additional maternity leave from 2 to 8 weeks. There will also be paternity leave from 1 to 2 weeks.

Non-competition clauses
Written non-competition clause may be used in all types of employment contracts. The clause may cover the period of employment, as well as a post-termination period. There is no maximum statutory limit on the duration of a post-employment non-competition clause. The employer is required to pay compensation for the non-competition obligation. The minimum statutory compensation is 25% of the remuneration (including bonuses, etc.).

Individual dismissal
Employment can be terminated by mutual agreement of the parties, upon notice, or without notice.
Notice periods are 3 days, 1 week, 2 weeks, 1 month or 3 months, depending on length of employment and type of employment contract.
The dismissal of an employee should have grounds. The Labour Code does not specify grounds for dismissal, except for disciplinary dismissals.
Employees are entitled to severance pay only if dismissal is for reasons not related to the employee (e.g. organisational or economic reasons). The amount of severance pay will vary between 1, 2 or 3 months' remuneration, depending on length of employment with the employer. The maximum amount of severance pay is capped at fifteen times the mandatory minimum salary.

Collective agreements
Company-level collective agreements are rare, but if they are not in place, an employer employing 20 employees or more should issue "remuneration regulations".
Higher-level collective agreements are also rare and in general are not an issue in practice.

Unions
Unions are easy to establish in Poland. In collective employment matters, unions automatically represent all employees, regardless of union membership. In individual matters, unions represent its members and non-members upon their request.
Unions maintain a strong position in the labour market, although membership is on the decline.
Works Councils may be established if headcount in the company is 50 employees or more.

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Russian Federation

General employment law environment
The Labour Code regulates employment relationships in the Russia Federation.
The present version of the Labour Code was first introduced in 2001. It is amended several times per year. The most recent amendments came into effect on 1 August 2009. Subsequent amendments are expected to come into effect on 1 January 2010.
The parties to an employment agreement can agree on contractual provisions that differ from the Labour Code, provided they are not less favourable to the employee and are not inconsistent with the Labour Code.

Employment agreements
An employer and employee must enter into a written employment agreement, which contains the following terms:
- Type of work
- Place of work
- Commencement date
- Salary conditions (including base salary, fringe benefits, increment and other bonuses)
- Working and rest time
- Mandatory social insurance provisions
- Any other provisions, if required by law.

Employers are required to give employees copies of all local normative acts (policies). Employees are required to confirm by signature that they have received copies of these polices and that they have read and understood them.

Fixed-term contracts
Fixed-term contracts are limited to a maximum duration of 5 years.
A fixed-term contract may be concluded only in certain cases specified by law e.g. for the period of absence of another employee, for occasional works (not more than 2 months) or for seasonal works. The Labour Code provides for the possibility of concluding the fixed-term contract with the General director, the Deputy general director and the chief accountant of the company.
The Labour Code does not explicitly provide for renewing a fixed-term contract, so it is recommended that employers execute a new contract with the employee. Courts tend to conclude that employment is for an indefinite term if several fixed-term contracts are concluded in succession.

Minimum wages
The mandatory minimum salary in the Russian Federation is RUB 4,330 (EUR 100) per month, as of 1 January 2009.

Working time
The maximum duration of the regular working week is 40 hours.
Overtime is limited to 4 hours over a maximum period of 2 consecutive working days. Maximum overtime is 120 hours a year.

Vacation leave
Employers are required to give employees a minimum of 28 calendar days' annual leave per year. This is increased to a minimum of 31 days for employees with an open-ended working day and other periods for special categories of employees, such as employees working in the districts far north of the Russian Federation etc.
Collective agreements or internal regulations may provide for longer periods of leave.

Sick leave
The employer is required to pay for the first 2 days of leave. Thereafter, the Social Security Fund pays for the remaining period of sick leave. There is no maximum period of sick leave.
The amount of compensation an employee will receive during a period of sick leave will depend on length of service with the relevant employer:
- Employees with less than 5 years' service are entitled to 60% of average salary
- Employees with 5 to 8 years' service are entitled to 80% of average salary
- Employees with more than 8 years' service are entitled to 100% of average salary.

Compensation for sick leave is capped at a maximum of RUB 18,720 (EUR 435) per month. It is assumed that for 2010 this cap will increase to aprox. RUB 20,030 (EUR 465).

Maternity leave
Employees are entitled to 70 calendar days of maternity leave before the expected date of childbirth (increased to 84 calendar days for multiple births). Employees are entitled to an additional 70 calendar days of maternity leave after the birth of the child (increased to 86 calendar days for a complicated birth or 110 calendar days for multiple births).
Employees are entitled to receive 100% of average salary during maternity leave, capped at a maximum of RUB 25,390 (EUR 590) per month. For 2010, this cap will increase to RUB 27,170 (EUR 631).The maternity benefit is paid by the Social Security Fund.

Non-competition clauses
Non-competition clauses cannot be used after the employment relationship has ended.

Individual dismissal
Permissible grounds for individual dismissal are specified in the Labour Code.
Termination may not take place for reasons outside of these grounds.
Employees are generally entitled to severance pay of 2 months' average salary where dismissal is for organisational reasons (i.e. a reduction of personnel or liquidation of the company). Severance pay may be increased through individual agreement, collective agreement or internal regulation.

Collective agreements
There are two types of collective agreements in the Russian Federation:
- Company-level collective agreements
- Higher-level collective agreements.

Higher-level collective agreements are rare and are generally not an issue in practice.
The Labour Code regulates company-level collective agreements and contains the procedures for concluding these types of agreements.

Unions
Unions are easy to establish and there are several types of unions, depending on the level of competence (e.g. shop-floor union organisation, all-Russia union, all-Russia association of unions, inter-regional union, inter-regional association of unions, territorial association of unions, territorial organisation of union).
Unions maintain a strong position in the labour market, although union membership is on the decline. Unions generally only represent employees who are members of the union. However, in certain cases, such as where a collective agreement has been concluded, the union may represent all employees, regardless of union membership.
A non-union employee may also authorise a union to represent him or her.

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Slovak Republic

General employment law environment
The Labour Code regulates employment relationships in the Slovak Republic.
The current Labour Code was introduced in 2001. It has been amended several times. The most recent amendments came into effect on 1 January 2009.
The parties to an employment agreement can agree on contractual provisions that differ from the Labour Code, provided they are not less favourable to the employee and are in accordance with mandatory provisions of the Labour Code.

Employment agreements
An employer and employee must enter into a written employment contract which contains the following terms:
- Type of work
- Place of work
- Commencement date
- Wage conditions (including agreed salary, bonuses for overtime work or work on rest days etc).

Additional clauses to be included in an employment contract include other working conditions, such as payment terms, working time, holiday leave, notice periods etc.

Fixed-term contracts
The maximum term of a fixed-term contract is 3 years. This must be agreed in writing. The Labour Code contains specific rules on the extension or renewal of fixed-term contracts. Generally, the fixed term contract can only be extended or renewed once within a three year period.
The Labour Code permits unlimited extension or renewal but stipulates, specific grounds. This applies to cases like small employers (with less than 20 employees), temporary substitution of an employee, seasonal work or to specific categories of employees such as recipients of old age, disability or widow's pension, or top managers.

Minimum wages
The mandatory minimum salary in the Slovak Republic is EUR 295.50 per month, as of 1 January 2009.

Working time
The maximum duration of the regular working week is 40 hours.
Overtime is limited to 8 hours per week, with a limit of 400 hours per year.

Vacation leave
Employers are required to give all employees a minimum of 4 weeks' annual leave per year. This is increased to 5 weeks for employees, over the age of 18, with 15 or more years service (not related to one employer).
Collective agreements, internal regulations or individual employment contracts may provide for longer periods of leave. Individual agreements should respect the principle of non-discrimination.

Sick leave
Employers pay for the first 10 calendar days of sick leave. Thereafter, the Social Insurance Agency pays for the remaining period of sick leave (if longer than 10 days). The law does not state a maximum period of sick leave (nevertheless, the Social Insurance Agency pays sick-leave benefits only for a period of 52 weeks).
Employees are entitled to receive 55% of their daily salary during sick leave, capped at a maximum amount of EUR 17.80 per day. This is reduced to 25% of daily salary during the first 3 days of sick leave and is capped at EUR 8.10 per day.

Maternity leave
Employees are entitled to 28 weeks of maternity leave commencing 6 weeks before the expected date of childbirth. In the event of multiple births or if the employee is single, the employee is entitled to 37 weeks of maternity leave.
Employees are entitled to receive 55% of their daily salary during maternity leave, capped at a maximum of EUR 17.80 per day. The maternity benefit is paid by the Social Insurance Agency provided that employees meet the relevant requirement. Otherwise they are entitled to a state social benefit parent's allowance (EUR 158.67 monthly).

Non-competition clauses
Non-competition clauses cannot be used after the employment relationship has ended.

Individual dismissal
Employment contracts can only be terminated on grounds listed in the Labour Code. Employees are entitled to at least 2 months' notice of dismissal. This increases to at least 3 months for employees with at least 5 years service with the employer.
Employees are entitled to severance pay of 2 months' average salary if dismissal is for organisational or health reasons not connected with work. Severance pay increases to at least 3 months' average salary for employees with at least 5 years of service with the employer. If dismissal is for work-related health reasons (i.e. occupational disease or occupational injury), severance pay increases to at least 10 months' average salary. The amount of severance pay may be increased in an employment contract, individual agreement, collective agreement or internal regulation, provided that the principle of non-discrimination is observed.

Collective agreements
There are two types of collective agreements in the Slovak Republic:
- Company-level collective agreements. These are common in public service and other industries
- Higher-level collective agreements can be concluded between a group of employers and trade unions. As from 1 April 2007, they might under certain conditions be extended to other employers operating in the same branch of industry, regardless of union membership.

Collective agreements may provide more beneficial rights and obligations than labour law regulations.

Unions
Unions are easy to establish in the Slovak Republic. Unions automatically represent all employees, regardless of union membership. Unions currently do not occupy a strong position in the labour market, and membership is on the decline.
Currently very few Works Councils exist in the Slovak Republic.

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The law is stated as at 31 August 2009

Nothing stated in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. Action should not be taken on this document alone. For specific advice on any particular aspect you should consult the relevant country representative listed above.

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