

Minimum wage requirements within Europe in the context of posting of workers



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The number of posted workers is constantly on the rise within the European Union (EU). While the number of posted workers continues to increase significantly, unfair practices and unequal remuneration remain an important issue. Reaching the right balance between the freedom to provide cross-border services and the social rights of workers is high on the “to do” list of the European Commission.

Foreword



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As businesses recognize the advantages of globalization and digitalization, cross-border enterprises become a significant component of the EU market. Together with cross-border services comes international movement of staff, which is most often seen in the form of international posting of employees.

International postings bring a lot of baggage and lately they have been in the spot light of the European Commission as the currently applicable regulations do not seem to fit today's reality. Various forms of abusive practice, circumvention and malpractice in the implementation of the Posting Directive have resulted in labour market distortions and “social dumping” in labour intensive sectors of higher wage countries.

With the increase in the numbers of posted workers comes a higher demand for fairer conditions for the workers and companies concerned. And in this respect the European Commission has proposed a revision of the Posting Directive based on the concept of “equal pay for equal work”. This would bring a significant shift of approach as posted employees will be entitled not only to the minimum wage applicable in the host country but to the same remuneration (including benefits, bonuses, etc.) as a local employee performing the same job in the host country.

However, until the proposed revision of the Posting Directive comes into place, in the context of finding the right balance between the freedom to provide cross-border services and the social rights of workers, increased focus will be placed on genuine compliance with current requirements, mainly the minimum wage requirements.

This material provides a starting point in planning international postings, helping employers gain an overview of potential costs and obligations. The information herein is focused on the minimum wage requirements in EU/EEA Member States and Switzerland, and is intended to present a general overview of each Member State in terms of levels of minimum wage, how the minimum wage is determined, as well as administrative requirements with regard to following the EU requirements in terms of postings.

Given the complexity and the multitude of issues around international postings, and the severity of the penalties for non-compliance, it is highly recommended that employers posting employees abroad should seek expert guidance on minimum wage legislation, to establish not only the amount which needs to be paid and the forms of income which this can include, but also to clarify the most appropriate legal framework.

Over 2.3 million postings took place in 2017, 58.6% more compared to 2010. The concentration of posted workers is particularly high in Germany, France and Belgium, from a receiving perspective, and in Poland, Slovenia and Germany, from a sending perspective¹.

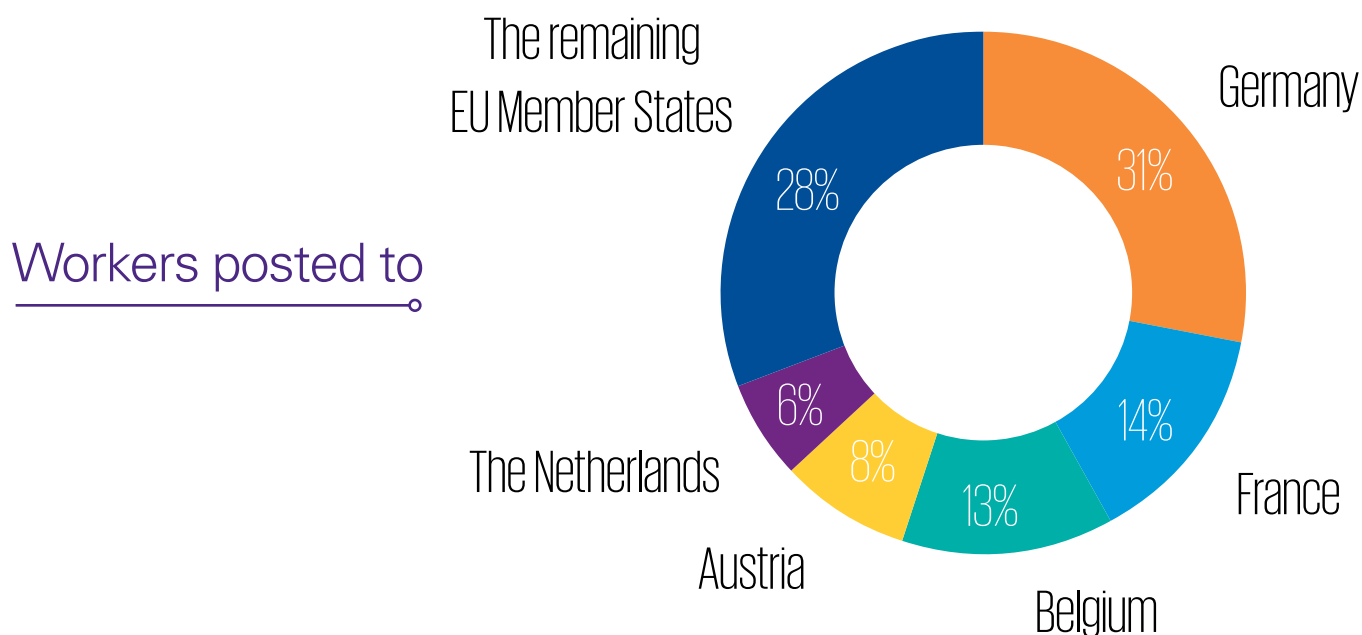
General overview

According to a study by the European Policy Centre, posting of workers is particularly frequent in the construction sector (42%), especially in small and medium-sized businesses; the manufacturing industry (21.8%); service sectors including personal services, such as education, health and social work (13.5%); and business services, like administrative, professional, and financial services (10.3%). Sectors less common for posting of workers are transport, communication and agriculture.

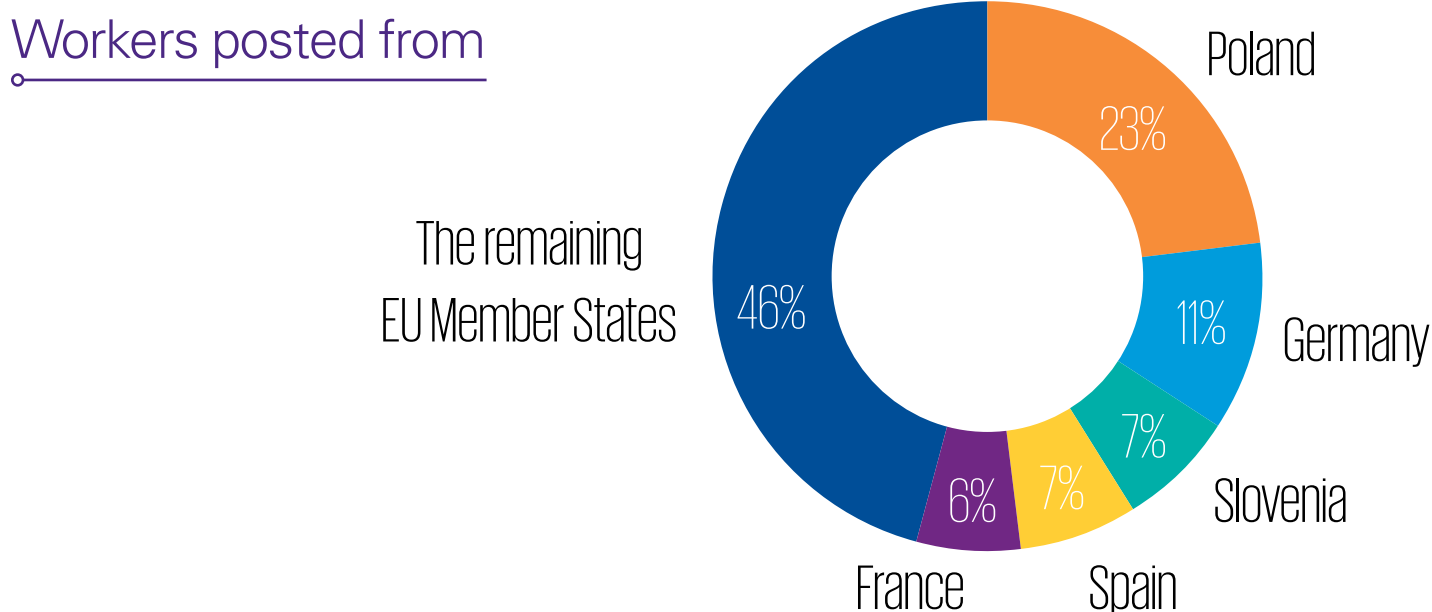
The concentration of posted workers is particularly high in Germany, France and Belgium, from a receiving perspective². These three countries alone receive more than 50% of the total posted population with Germany having one third of the total.



1. European Commission's website – Employment, Social Affairs & Inclusions, Country factsheets.
2. Data on received posted workers (posted to) only include figures related to postings to a single Member State, as a percentage of total postings. Also, the number of received posted workers is calculated based on the number of A1 certificates of coverage issued for that specific Member State as a host country.
3. Data on sent posted workers (posted from) include data on workers posted from that Specific Member state to only one Member State, as a percentage of total postings. Also, the number of posted workers is calculated based on the number of A1 certificates of coverage issued for that specific Member State as a home country.



From a sending perspective, Poland, Germany and Slovenia are the member states most active in posting employees abroad³.

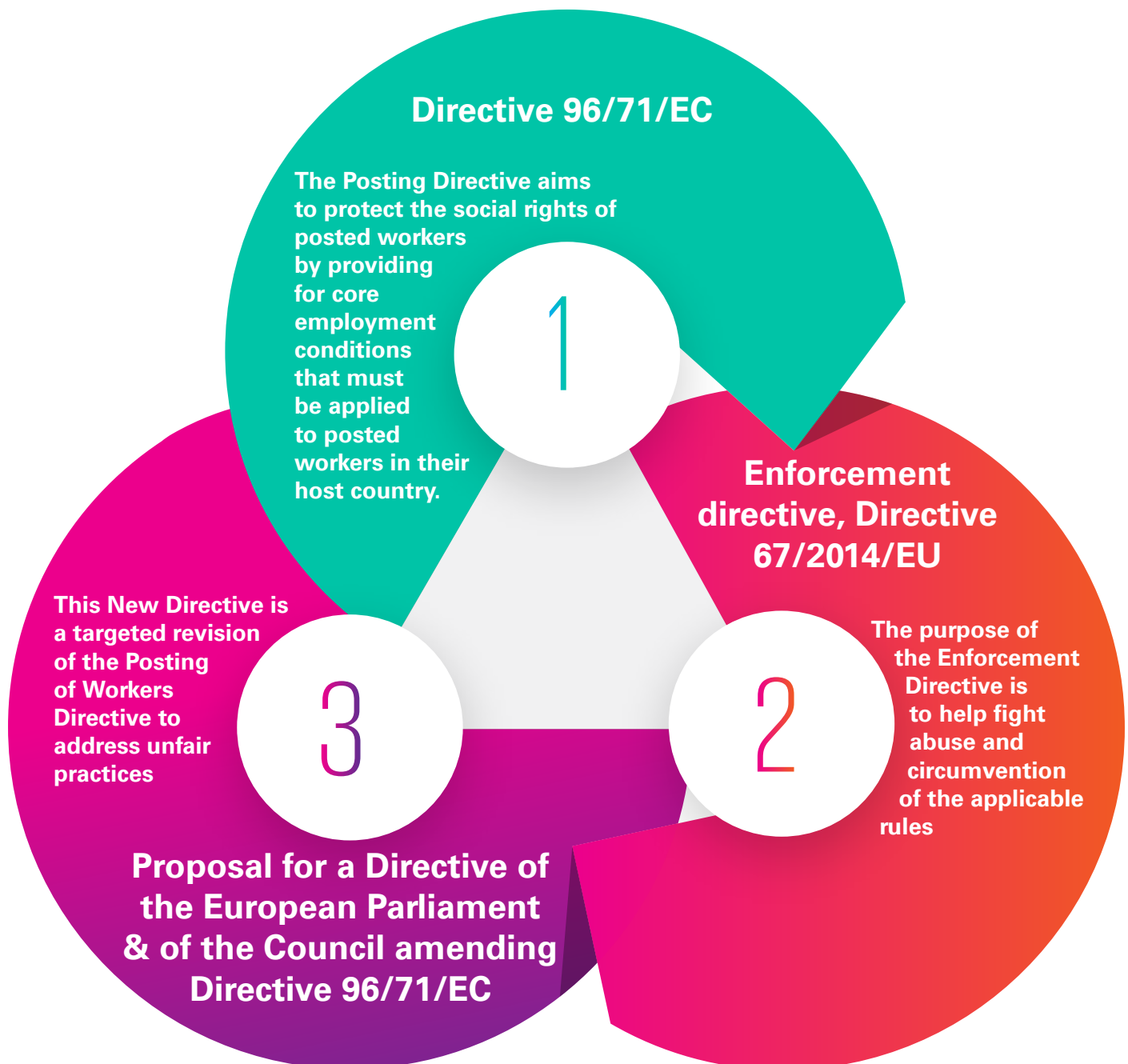


Minimum wage requirements will vary from one country to the other and in some cases even within the same country depending on the economic sector, occupation, age or education of the employee.



But what exactly regulates the minimum wage requirements within the EU?

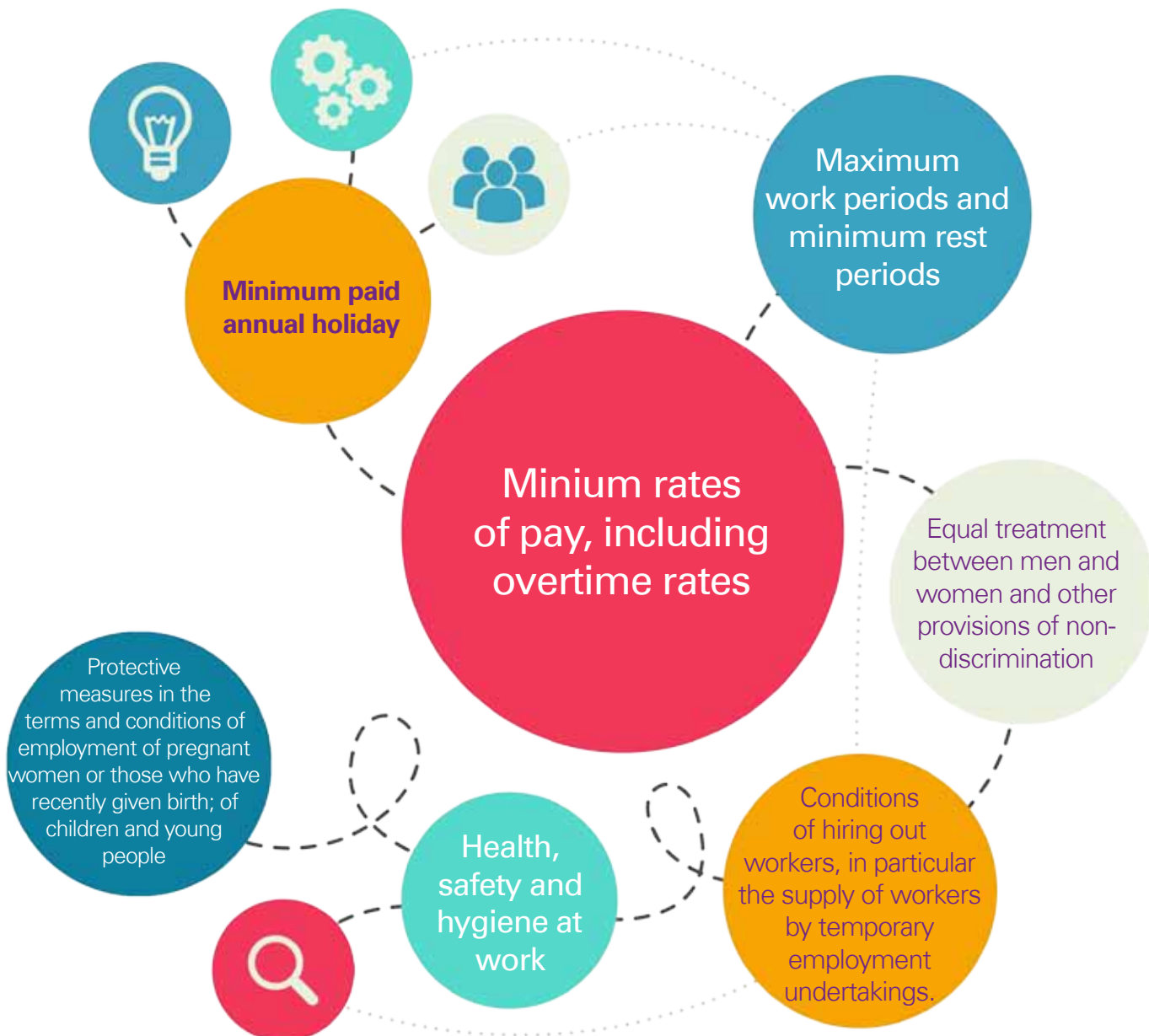
What is the legal framework regulating the posting of employees?



What is the purpose of Directive 96/71/EC?

The existing Posting of Workers Directive (Directive 96/71/EC, hereafter referred to as "the Posting Directive"), adopted in 1996 and in force since December 1999, provides a first framework to protect the social rights of posted workers and to prevent social

dumping. Member States have to ensure that posted workers are subject to the host country's laws, regulations and administrative provisions in relation to the following issues:



The Posting Directive also makes reference to the minimum pay which should be granted to the posted workers. But who defines and who establishes this minimum pay?

For the purposes of this Directive, the concept of minimum rates of pay referred to is defined by the national law and/or practice of the Member State to whose territory the worker is posted.

Consequently, when a posting is to be made, the minimum wage requirements in the Member State to which the individual is posted should be considered by the employer who is making the posting. It is consequently important for an employer who is planning to post workers to another Member State to understand what the minimum requirements are in that other state, as this could generate considerable additional costs.



To whom does the Posting Directive apply?

The Posting Directive is concerned with the free movement of workers and stipulates that workers are protected by the law of the Member State in which they work. As such, it applies to undertak-

ings based in a Member State which, within the framework of the transnational provision of services, post workers to another Member State in one of the following three situations:



When an employer posts a worker to another Member State on its own account and under its direction, under a contract which the employer has concluded with the party in the state for whom the services are intended.



When an employer posts a worker to an establishment or to an undertaking owned by the group in another Member State.



When the employer is a temporary employment undertaking or placement agency, and hires out a worker to a user undertaking, based in or operating in another Member State.

Why do we need an Enforcement Directive?

The Enforcement Directive on Posted Workers (Directive 2014/67/EU, hereafter referred to as “the Enforcement Directive”) was adopted by the Parliament and Council on 15 May 2014.

The Enforcement Directive focuses on aspects related to the enforcement of compliance, improving legal certainty and strengthening administrative cooperation such as:



Status of transposing Directive 67/2014/EU into the local legislation of each Member State



The Enforcement Directive was required to be transposed into national law by 18 June 2016. Consequently, in principle, the authorities now have the means to carry out effective inspections and take control measures. Moreover, companies will no longer be able to argue that there is a lack of legal clarity or lack of information

since the Member States are supposed to have taken measures to address these issues. Therefore, it is highly recommended that compliance should be regarded as a top priority and careful planning should be made at the beginning of any posting.

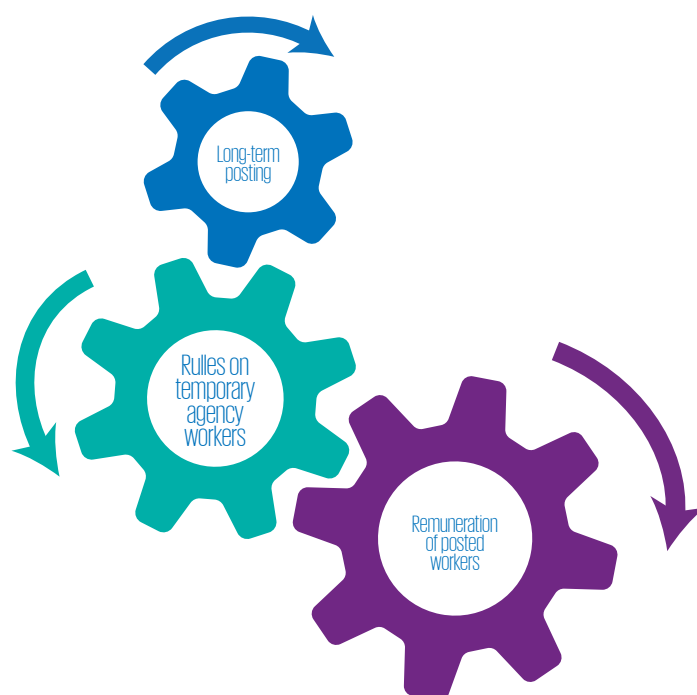
Do we need a new Posting Directive?

All the rules on remuneration that are applied generally to local workers will also have to be granted to posted workers.

The existing Posting Directive is no longer adequate for new realities within the European Market, i.e. the growth in wage differentials that create unwanted incentives to use posting as a means for unfair competition. The European Commission has referred specifically to the need to tackle the shortcomings in the concept of minimum rates of pay that have resulted in significant wage differences between posted and local workers, especially in Member States with relatively high wage levels.

As a result, on 8 March 2016 the European Commission proposed a revision of the rules on posting of workers within the European Union to address unfair practices leading to social dumping and by ensuring that the same work in the same place is rewarded by the same pay.

The targeted revision (hereafter referred to as “the New Directive”) will introduce changes in three main areas: remuneration of posted workers, including in situations of subcontracting, rules on temporary agency workers and long-term posting.



The revised Posting of Workers Directive and the Enforcement Directive are self-standing, complementary legal instruments pursuing different objectives. The first aims to achieve better protection of posted workers through the reduction of inequality, while the second aims to tackle abuse and fraud as well to as reinforce the exchange of information.

Remuneration of posted workers

The proposal sets out that posted workers will generally benefit from the same rules governing pay and working conditions as local workers. Currently, posted workers are already subject to the same rules as host Member State employees in certain fields, such as health and safety. However, the employer is not required to pay a posted worker more than the minimum rate of pay set by the host country. This can create wage differences between posted and local workers and potentially lead to unfair competition between companies. This means that posted workers are often remunerated less than the local workers for the same job.

Once the New Directive is implemented, all the rules on remuneration that are applied generally to local workers will also have to be granted to posted workers. Remuneration will not only include the minimum rates of pay, but also other elements such as bonuses or allowances where applicable. In order to ensure equity and transparency, Member States will be required to specify in a transparent way the different elements from which remuneration is composed on their territory. Rules set by law or universally applicable collective agreements will become mandatory for posted workers in all economic sectors. The proposal also gives the possibility to Member States to require subcontractors to grant their workers the same pay as the main contractor.

Rules on temporary agency workers

The New Directive will ensure that national rules also apply to temporary workers hired out by temporary agencies established in the Member State where the work is carried out.

Long-term posting

If the duration of posting exceeds 12 months (or 18 months in some cases), the labour law conditions of the host Member States will have to be applied, where this is favorable to the posted worker.

Road transport workers

The revised Posting of Workers Directive is expected to enhance the social and working conditions of road transport workers, and foster, at the same time, the efficient and fair provision of road transport services.

Consequently, the trend is for regulations on posting to become stricter and clearer at the same time, leaving less room for interpretation. We are looking forward to seeing how this New Directive will be implemented in practice. However, until then, the current rules, as provided by the Posting Directive and the Enforcement Directive, still apply.



Main findings

The purpose of this material is to give an overview of the minimum wage requirements within the European Union, European Economic Area and Switzerland (hereafter referred to as “the EU, EEA member states and Switzerland”), what these requirements consist of, as well as what salary components could be considered as part of the minimum wage.

This survey also covers the status and specifics of implementing the Posting Directive in the local legislation of each Member State. In this section, we detail our main findings with respect to the minimum wage requirements within the EU, EEA member states and Switzerland, trends observed and conclusions. The information presented in this report is based upon a brief survey covering issues relating to minimum wage requirements and compliance requirements with respect to postings to 31 countries within the European Union, European Economic Area and Switzerland, valid for March 2018.

This information is of a general nature and is not meant to cover all situations which might occur. It is consequently recommended that, prior to posting an employee to a Member State, the employer should cross-check the information herein with specialized consultants or lawyers in the relevant country, including making a check as to whether there have been any recent changes to the domestic legislation of the Member State concerned.

Do all Member States have a minimum wage?

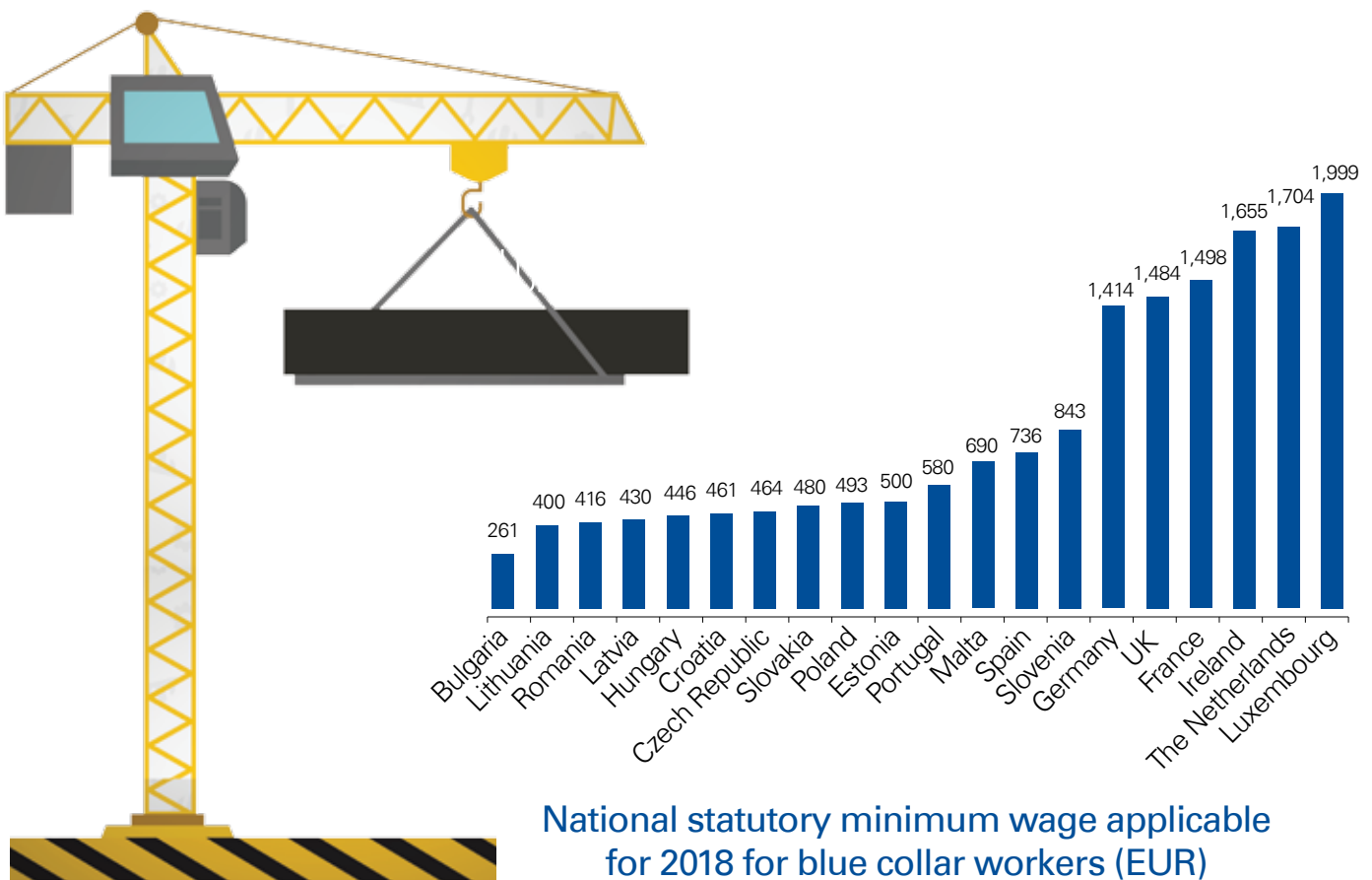
There are two main groups in terms of minimum wage policy. The larger group consists of the countries that have a national statutory minimum wage. Currently, 20 out of 31 countries under analysis have a national minimum wage.

The second, smaller group, consists of countries that do not have a national minimum wage requirement. What does this mean? This does not mean that these countries do not have minimum wages at all. It just means that the minimum wage is not set at national

level and is instead set based on Collective Bargaining Agreements. Consequently, in these countries, the minimum wage can differ based on industry, position, occupation, age, etc.

Sweden is the only Member State which has no legal minimum wage requirement for EU nationals.

In the 20 countries that have a minimum wage established at national level, it varies between EUR 261 per month in Bulgaria and EUR 1,999 per month in Luxembourg.



There are no significant differences in the minimum wage ranking as compared to 2017. The first 13 countries, in terms of minimum wage levels, are the same as last year and they have maintained their exact positioning in the classification. Slight changes have occurred between the lower end of the classification countries. The Czech Republic topped Hungary and Croatia and now has the 14th place in terms of minimum wage levels. Romania has climbed in the classification as well, due to certain changes happening within its internal legislation which have led to a transfer of the employer social security contributions to the employee and thus an artificial increase of the gross wage.

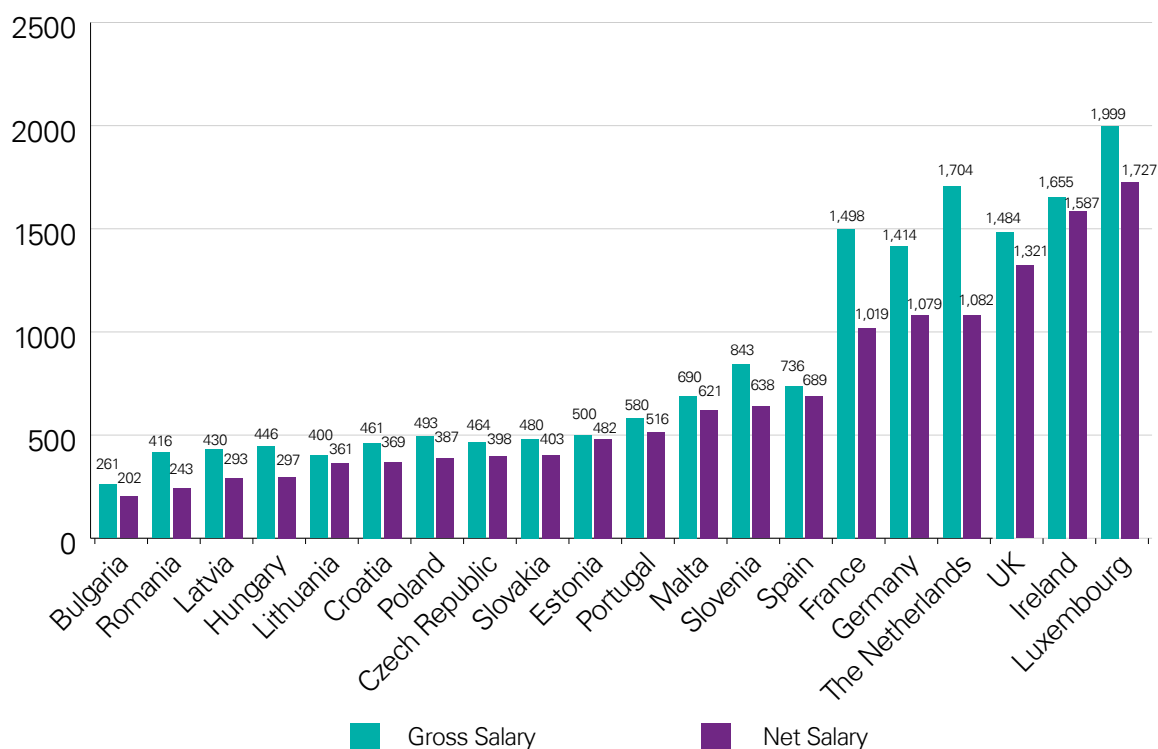
The national minimum wage is set as a fixed amount, either as a monthly, weekly, daily or an hourly rate. In certain countries, where the minimum wage is set as an hourly rate, the number of working hours/week may vary depending on the sector of activity. As a general rule, the national minimum wage is the gross amount before income tax and social security contributions, although this can sometimes differ from country to country.



When comparing the net minimum wage requirements against the gross, the trend is slightly different. Even though the extremes remain the same, with Bulgaria having the lowest gross and net minimum wage and Luxembourg having the highest gross and net minimum wage levels, the other Member States switch

places amongst each other. For example the UK climbs to the top of the chart, with the third highest net minimum wage level, after Luxembourg and Ireland. Ireland has the second highest net minimum wage replacing the Netherlands which had the second highest gross minimum wage (the fourth net minimum wage).

Monthly gross and net minimum wages applicable for 2018 (EUR)



What are the employer's costs related to the minimum wage?

We have prepared a high level comparison between the Member States which have a statutory minimum wage set at national level, starting from the applicable gross minimum wage, from the following perspectives:

- The cost borne by the employee (generally income tax and employee's mandatory social security contributions, less any tax credits/reliefs available).
- The net salary of the employee.
- The cost borne by the employer (employer's social security contributions).

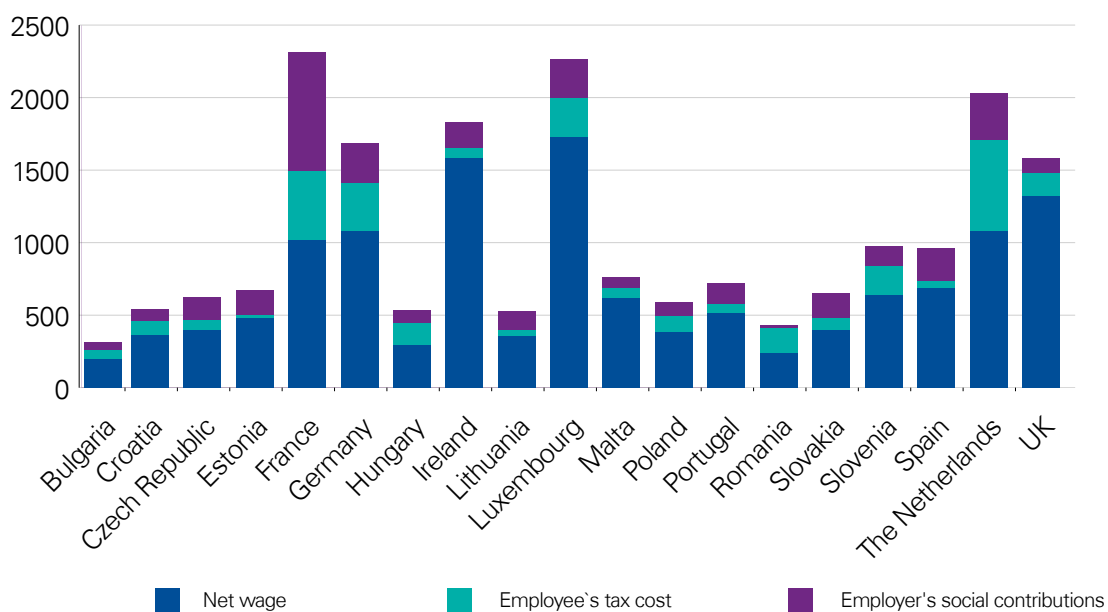
For the purpose of this comparison, the following general assumptions were made:

- The employee is assigned to the host country for a period of one year.
- The employee is single (no family members remaining in the home country or accompanying him/her to the host country).

- The employee is covered under the social security system of the host country.
- The employee has a standard remuneration package, without any additional benefits in cash or in kind.
- The employee works 100% of his/her time in the host country.

The comparison has been prepared for statistical purposes only, in order to present comparative figures applicable within the EU in relation to the minimum wage required by each EU Member State and the results of this calculation should be treated as such. It is thus recommended that, prior to posting an employee to a Member State, the employer should cross-check the calculation with specialized consultants in the relevant country.

Structure of costs for the employer in order to grant the minimum wage to its employees

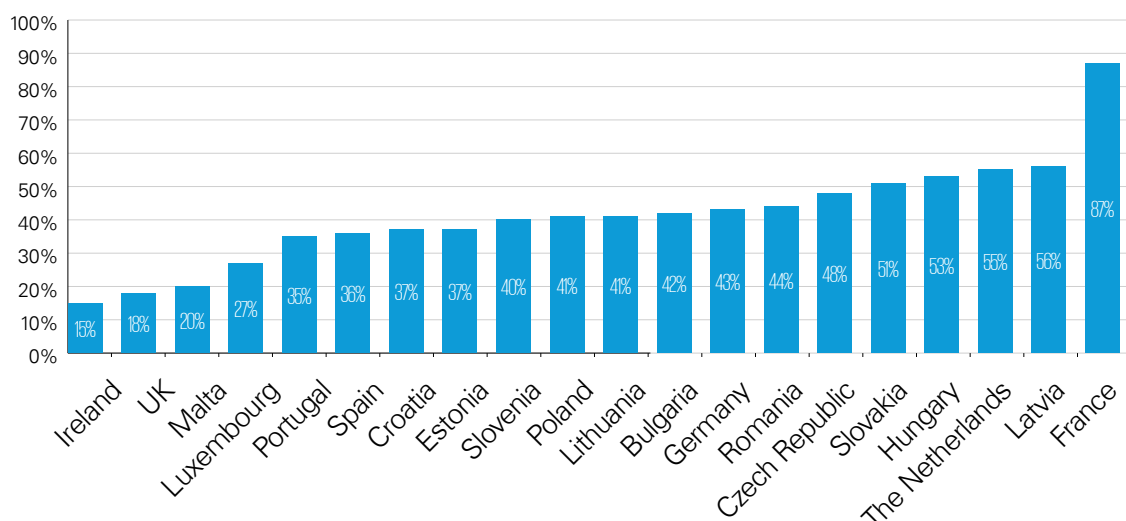


What is the effective tax rate applicable to the minimum wage?

The effective tax rate⁴ applicable to the minimum wage used in the member states is lowest in Ireland (15%). In the opposite corner, France has the highest effective tax rate (almost 87%), meaning that the employer's effective cost to grant the minimum wage is 87%.

Surprisingly, countries where the minimum wage is relatively low (Bulgaria, Lithuania, Romania) have high effective tax rates (over 40%) while countries with a high minimum wage (Luxembourg, Ireland, the UK) have effective tax rates below 30%.

Effective tax rate 2018



There are no significant changes in terms of ranking of effective tax rates compared to 2017. France continues to lead with an 87% effective tax rate while Ireland switched places with the UK, as the Member State with the lowest effective tax rate (15%).

One country that climbed in the ranking is Bulgaria, which now has the 9th highest effective tax rate, compared to the 15th highest effective tax rate in 2017.

What criteria does the minimum wage depend upon?

In some countries, including some which have a national minimum wage, the level of the minimum wage depends upon certain factors. These countries include Austria, Belgium, Finland, France, Greece, Hungary, Ireland, the Netherlands, Norway, Spain, Switzerland, and the United Kingdom.

Where an employer intends to post employees to these countries, more thorough research is required to find out the appropriate minimum wage requirement applicable to the specific activity to be carried out by the posted employee.



4. The effective tax rate has been calculated as the (total cost for the employer – net wage) / gross wage, where the total cost for the employer includes gross wage and employer's social security contributions.

How frequently does the minimum wage change

Frequent changes to the minimum wage can have an important impact. Changes directly influence the costs of the employer which is making the posting. The employer has to constantly be aware of changes to the minimum wage requirements in the country of posting and adjust the salary accordingly.

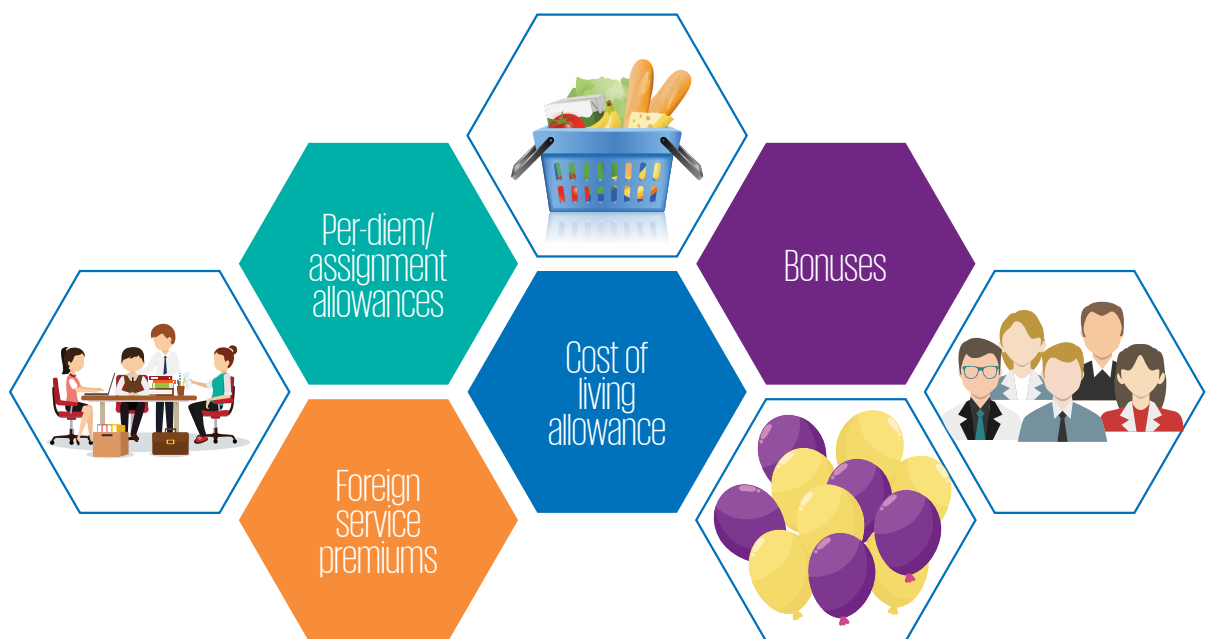
Even for the countries which have fixed national minimum wages, this can change. Generally the minimum wage changes periodically (usually once a year) but in certain cases it can also change during the course of a year.

Country	Rate	Currency	Level of the statutory minimum wage				Increase 2015-2016	Increase 2016-2017	Increase 2017-2018
			2015	2016	2017	2018			
Bulgaria	Monthly	BGN	380	420	460	510	10.53%	9.52%	10.87%
Croatia	Monthly	HRK	3029.55	3120	3276	3440	2.99%	5.00%	5.00%
Czech Republic	Monthly	CZK	9200	9900	11000	12,200	7.61%	11.11%	10.91%
Estonia	Monthly	EUR	390	430	470	500	10.26%	9.30%	6.38%
France	Monthly	EUR	1457.52	1466.65	1480	1,498	0.63%	0.91%	1.25%
Germany	Hourly	EUR		8.5	8.84	9		4%	0.00%
Hungary	Monthly	HUF	105000	111000	127500	138000	5.71%	14.86%	8.24%
Ireland	Hourly	EUR	8.65	9.15	9.25	10	5.78%	1.09%	3.24%
Latvia	Monthly	EUR	360	370	380	430	2.78%	2.70%	13.16%
Lithuania	Monthly	EUR	325	350	380	400	7.69%	8.57%	5.26%
Luxembourg	Monthly	EUR	1922.96	1922.96	1998.59	1998.59	0.00%	3.93%	0.00%
Malta	Weekly	EUR	166.26	168.01	169.76	173	1.05%	1.04%	1.62%
The Netherlands	Monthly	EUR	1507.8	1524.6	1551.6	1578	1.11%	1.77%	1.70%
Poland	Monthly	PLN	1750	1850	2000	2100	5.71%	8.11%	5.00%
Portugal	Monthly	EUR	505	530	557	580	4.95%	5.09%	4.13%
Romania	Monthly	RON	1050	1250	1450	1900	19.05%	16.00%	31.03%
Slovakia	Monthly	EUR	380	405	435	480	6.58%	7.41%	10.34%
Slovenia	Monthly	EUR	790.73	790.73	804.96	843	0.00%	1.80%	4.70%
Spain	Monthly	EUR	648.6	655.2	707.6	736	1.02%	8.00%	4.00%
UK	Hourly	GBP	6.7	7.2	7.5	8	7.46%	4.17%	4.40%

What can be included in the minimum wage?

At first glance, complying with a minimum wage requirement does not appear to be a complicated issue. Once the level of the minimum wage in the country where the posting takes place is known, all the employer has to do is make sure that level is reached. That might sound simple. However the practical difficulties and the challenges lie in understanding how the minimum wage is determined. The following questions may come up in such cases:

- Would a salary rise be enough if the employee does not earn enough income in the home country to meet the level of the minimum wage in the posting country?
- Can the posted employee be granted an assignment allowance on top of the home-country base salary to reach the minimum wage requirement in the country of posting?
- Would a bonus be sufficient?
- What about per-diems?
- Can transport and accommodation allowances be considered part of the minimum wage?



Of course, the above list can go on, with many more similar questions. The posting employer will also have to deal with issues relating to its country's domestic legislation, as well as internal policy (where appropriate), such as:

- An increase in salary to meet the minimum wage in the posting country could lead to employment law implications in the home country (e.g. what happens upon termination of the assignment, and can the base salary be decreased back to the home-country level after repatriation?).
- How can a different increase in salary for two assignees holding the same position be justified, when staff are posted to two different countries with different levels of minimum wage (e.g. assignment to Romania and assignment to Germany).

The Directive clearly states that allowances specific to the posting are to be considered part of the minimum wage, unless they are paid to reimburse expenditure on travel, board and lodging.

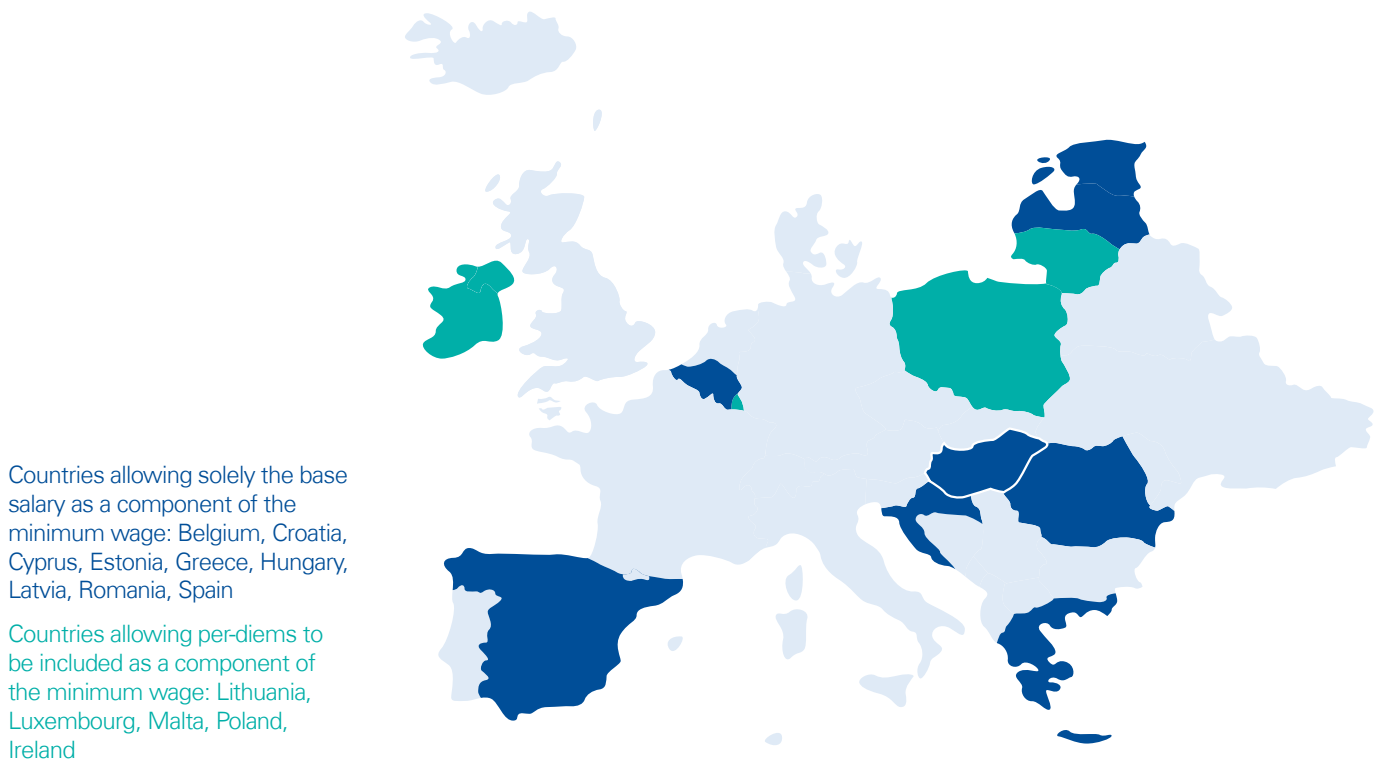
The concept of minimum rates of pay is defined by the national law and/or practice of the Member State to whose territory the worker

is posted, the so called Host Country. Therefore, differences may appear, depending on each Member State's domestic legislation.

For example, certain bonuses or allowances are constituent parts of pay in some Member States but not in others. Bearing this in mind, the country-by-country section of the report includes information on which salary items can be considered as part of the minimum wage in accordance with the domestic legislation of each country.

The absence of a clear definition of the constituent elements of pay results in legal uncertainty and practical difficulties for the bodies responsible for the enforcement of the rules in the host Member State, for the service provider when determining the wage due to a posted worker as well as for the awareness of posted workers themselves about their entitlements.

Moreover, if some of those bonuses or allowances have a favorable tax treatment (in the home or in the host countries), companies may try to abuse and use those remuneration items to boost base salary up to the minimum required level.



The main difficulty arises in relation to the countries which allow only base salary as a component of the minimum wage. For example for a Romanian employer to assign employees to Belgium, having to increase the base salary to the level of the Belgian minimum wage may present a significant financial problem. Also, there could be serious legal complications if the employer wants to reduce the base salary back to its original level once the employee returns.

On the other hand, certain countries allow per diems in the calculation of the minimum wage. Per diems are usually granted only during the course of the assignment, and thus they can be easily removed from the remuneration package once the posting ends. Another advantage is that per diems may benefit from a more favourable tax treatment (they may be exempt from tax in certain countries) therefore helping the employer to minimise its assignment costs.

Country-by-country report



Austria

Austria does not have a minimum wage set by law, as there is no specific legislation relating to a minimum wage requirement. However, collective bargaining agreements set a minimum standard.

The minimum wage in the bargaining agreements changes annually. Every year there is a percentage increase in the minimum wage. Some industries raise the minimum wage at the beginning of the year, while others change it during the year (e.g. 1 November).

The minimum wage is determined based on industry (e.g. retail, construction, metal, print and paper, and service industries) and on the occupation of the employee (depending on the level of qualification of an employee, the employer has to assign a rating at the beginning of the period of employment).

The maximum legal hours must not exceed 10 per day and 50 per week. In terms of how the minimum wage is determined, starting from 2015, every foreign employee who works in Austria has been entitled to obtain the minimum wage according to the applicable bargaining agreement. Austria includes foreign service premiums and bonuses as part of the minimum wage.

In the course of amendment of (in particular) trans-border measures to combat wage and social dumping, Directive 67/2014/ EU was implemented and came into force starting from 1 January 2017 in the form of a special Law against Wage and Social Dumping ("Lohn- und Sozialdumping-Bekämpfungsgesetz" – "LSD-BG"). The LSD-BG is also applicable for employees assigned or hired-out from foreign countries to Austria as well as for employees of foreign employers. In these cases, the following Austrian conditions have to be

met: minimum wage rates, holiday entitlements, working time provisions, notification obligations and obligation to hold certain documents and present them if required.

The above mentioned provisions are applicable for any kind of activity carried out in Austria. However there are exemptions ("list of exceptional cases") for certain short-term, small-scale activities in Austria which are not considered to be an assignment or hiring-out of employees, if the work carried out does not generate competitive distortions in Austria.

Employees hired-out to Austria are entitled to reasonable payment which is normal for the respective area. The remuneration is considered to be reasonable, if it corresponds with the collectively agreed remuneration or the legally established payment received by comparable employees for comparable work in the same company.

Furthermore, foreign employees are entitled to allowances such as Christmas bonus, holiday allowance and overtime premiums. These allowances are only granted if the bargaining agreement regulates it. Otherwise the employee is not entitled to them. Generally (unless otherwise provided for by the collective bargaining agreement) these allowances are granted on the basis of the monthly wage. In the case of supplements, other allowances, payment for overtime hours, these also have to be included in the basis of the calculation. On the other hand,

expense allowances (e.g. per-diems) cannot be included in the minimum wage.

If national Austrian provisions provide entitlement to special payments, monthly pro-rata portions must be paid out to the employee. Since 1 January 2017 this has also applied to the supply of temporary workers.

The only exemptions from the minimum wage requirement are remuneration components which are non-contributory according to Section 49 para 3 of the Austrian General Social Insurance Act (Allgemeines Sozialversicherungsgesetz - ASVG), as well as remuneration components which are only due according to the individual employment contract or company agreements.

The minimum wage requirement covers, in particular, the following remuneration components:

- Basic salary/basic wage.
- Overtime payments;
- Bonuses;
- Surcharges;
- Special payments;
- Idle time compensation.

From an administrative perspective, for postings to Austria, the home country employer must notify the posting to the relevant Austrian authorities before the beginning of work. The home-country employer must submit Form ZKO3 concerning postings and Form ZKO4 for personnel leasing cases.

The Federal Ministry of Finance has established a special coordinating office called "Zentrale Koordinationsstelle des Bundesministeriums für Finanzen" where cross-European postings must be notified. In the case of non-compliance with the above requirements, penalties vary as follows:

Offence	Penalties starting 1.1.2017
<p>Not keeping the A1 form available</p> <p>Not keeping the ZKO 3/ZKO 4 form available at the workplace</p>	<p>in case of an assignment: € 1,000 – € 10,000 per employee in case of recurrence: € 2,000 – € 20,000 per employee</p> <p>in case of hiring-out of employees: € 500 – € 5,000 per employee in case of recurrence: € 1,000 – € 10,000 per employee</p>
<p>Not keeping the wage/salary documents available</p>	<p>up to 3 employees: € 1,000 – € 10,000 per employee in case of recurrence: € 2,000 – € 20,000 per employee</p> <p>more than 3 employees: € 2,000 – € 20,000 per employee in case of recurrence: € 4,000 – € 50,000 per employee</p>
<p>Undercutting minimum rates of pay</p>	<p>up to 3 employees: € 1,000 – € 10,000 per employee in case of recurrence: € 2,000 – € 20,000 per employee</p> <p>more than 3 employees: € 2,000 – € 20,000 per employee in case of recurrence: € 4,000 – € 50,000 per employee</p>

Under certain conditions, it is possible that the employer may even be prohibited from carrying out activity in Austria for up to five years.

Please see below a link which leads to the official website of the Austrian Federal Ministry of Labour, Social Affairs, Health and Consumer Protection. There you will find all important information relating to the application of minimum wage requirements and collective bargaining agreements.

http://www.entsendeplattform.at/cms/Z04/Z04_10.3.5/collective-agreements/brief-overviews-of-the-collective-agreements



Belgium

The minimum wage is determined as a fixed amount, depending on occupation and industry.

In Belgium, minimum wages are set by collective bargaining agreements (CBAs), which means that every joint committee (JC) has a different minimum wage. Consequently, the change of the level of the minimum wage and the expected date for the change depend on the applicable

CBA. A system of automatic wage indexation also exists in Belgium, which is set by the CBA but it is imposed by law.

The minimum wage is determined as a fixed amount, depending on occupation and industry.

Blue collar workers JC 100: supplementary joint committee for blue collar workers (starters)	White collar workers JC 200: supplementary joint committee for white collar workers (starters)	Highly skilled (blue card)
EUR 1.562,59 (per month)	Class A: EUR 1.719,48 Class B: EUR 1.791,13 Class C: EUR 1.816,46 Class D: EUR 1.949,38	EUR 52.978 (gross per year)

As a rule, only the fixed base salary is considered part of the minimum wage. All additional advantages or allowances (such as per-diems, cost of living allowances, bonuses or foreign service premiums, etc.) are not included in the minimum wage.

For non-compliance with the minimum wage requirements (or non-payment of wages) a criminal fine of EUR 400 to EUR 4.000 or an administrative fine of EUR 200 to EUR 2.000 per individual may be imposed.

For assignments to Belgium where the employee remains subject to the home-country social security regime, the home-country employer must formally notify the Belgian social security authorities prior to the individual starting his or her activity in Belgium (by means of a so-called 'Limosa declaration'). If the home country employer does not meet this obligation, the host entity should in principle take care of it.

For non-compliance with the notification requirements, the employer will be charged with a criminal offence which carries a prison sentence of 6 months to 3 years and/or a criminal fine between EUR 4.800 and EUR 48.000. Alternatively, an administrative penalty may be applied, varying between EUR 2.400 and EUR 24.000 per individual.

If, in the absence of the employer, the Belgian entity fails to report the posted employee who is working or carrying out services at the entity's premises, the Belgian host entity is liable to a criminal fine of between EUR 800 and EUR 8.000 per individual or an administrative penalty of between EUR 400 and EUR 4.000 per individual. The same penalties apply for an assigned self-employed worker who has not duly reported his/her activities via Limosa.

The maximum legal working hours in Belgium are 8 hours per day and 38 hours per week (40h if 12 rest days are granted).

The Belgian Act of 11 December 2016 on the posting of employees (which entered into force on 30 December 2016) and the Royal Decree of 14 September 2017 (which entered into force on 1 October 2017) implement the Enforcement Directive 2014/67/EU into Belgian legislation.

In accordance with the Act of 11 December 2016, employers established in a Member State of the European Economic Area (EEA) and Switzerland who send employees who habitually work in a country other than Belgium to Belgium or who hire employees in a country other than Belgium to work on a temporary or part-time basis in Belgium ("posted employees"), must comply with certain Belgian labour law rules and some formalities.



Also employees posted from Belgium to another EEA country or Switzerland are covered by this new legislation.

Since 1 October 2017 and as introduced by the new legislation, the requirements on keeping social documents for posted employees have been extended.

The employer and liaison officer are required to archive these documents:

- A copy of the signed employment agreement of the posted worker or any similar documents;
- Various items of information about the conditions of the posting (e.g. duration of the posting, foreign salary and benefits in kind paid during the posting, conditions of repatriations of the seconded employee, etc.);
- An overview of the working hours (daily/ weekly working time, etc.);
- Proof of effective payment of the salaries, until one year after the end of the posting.

At the explicit request of the Belgian inspection authorities, the employer can be required to translate these documents into Dutch, French, German, or English.

The Act introduces a non-exhaustive list of elements which allows determination as to whether or not an employee can be considered a posted employee who carries out temporary activities in Belgium. The Act also introduces a non-exhaustive list of elements to check whether the foreign employer who posts employees to Belgium is carrying out substantive activities in the country of origin/home country.

The Act also prescribes that employees who are seconded from Belgium to work in another Member State of the EEA or Switzerland should not encounter any disadvantage when initiating legal or administrative proceedings against their employer in order to safeguard their entitlements under the Directive.

Furthermore, the Act provides a joint and several liability of any party which has a direct contract with an employer within the construction work sector, for the payment of salaries of the (posted) employees of the employer. Alongside the pre-existing general system of joint and several liability for wage debts, this specific system applies to all employees working in Belgium. An exemption is only possible when the principal holds a written statement that is signed both by him/herself and his/her contractor.

In addition, the same penalties may apply to the employer, per posted worker, for noncompliance with the documentary and representative requirements (e.g. if the liaison officer does not provide the requested documents to the Belgian inspection authorities).

Belgian legislation anticipated the requirement to respect the overriding mandatory (labour) law provisions, prior to implementing the Enforcement Directive into Belgian legislation. The authorities carry out audits on a regular basis and cases have been seen where the authorities compare the data in the Limosa notification with the data in the A1 application/working schedules. Working hours, minimum salary and other issues are certainly attention points for the authorities, particularly in sectors such as transport, construction, and security, but other sectors/companies too are subject to general social audits. The appointment of a liaison officer will facilitate the work to be done by the authorities (as he/she will have easier access to documents).

For information with regard to collective bargaining agreements and/or other industry specific agreements please see <http://www.werk.belgie.be/searchCAO.aspx?id=4708> (only available in Dutch or French).

Also, you may access <https://www.belgium.be/en/work> for information regarding obligations of foreign entities assigning personnel to Belgium.



Bulgaria

The minimum wage requirement in Bulgaria is fixed regardless of the industry, age or occupation.

Bulgaria has a minimum wage set at national level. From January 2018 the minimum wage is BGN 510 per month (approximately EUR 261), compared to BGN 460/month (approximately EUR 235) in 2017. The minimum wage is revised on an annual basis.

The minimum wage requirement in Bulgaria is fixed regardless of the industry, age or occupation. However, the minimum insurable income varies depending on the occupation and is generally higher than the minimum wage.

The burden of the social security and health insurance contributions in Bulgaria is split between the employer and the employee as follows: between 18.92% and 19.62% for the employer depending on the company's economic activity and 13.78% for the employee.

The taxable base of the employees represents the gross income less the employee portion of the social security or health insurance contributions for the respective month. This base is then taxed at a 10% flat rate.

The net remuneration of the employee is the result after the deduction of employee's social security and health insurance contributions as well as the tax due on the income.

In Bulgaria, the maximum legal working hours are 8 hours/day, equivalent to 40 hours/week.

The Enforcement Directive was transposed by Bulgaria by way of amendments to the Bulgarian Labour Code promulgated on 30 December 2016 and by the adopted Ordinance for the conditions and procedure for posting of employees within the framework of provision of services ("the Ordinance") effective from 10 January 2017.

The Ordinance applies to employers registered in a Member State of the EU/EEA, in Switzerland or a third country posting employees to Bulgaria, provided that the posting is temporary and there is an employment relationship between the sending employer and the employee during the period of posting.

Another condition that should be in place is that the posting should be made in the framework of provision of services for which the posted employee is sent:

1. In another undertaking on the account and under the direction of the employer under a contract between the employer and the party for whom the services are intended; or
2. In an entity which is part of the same group of companies.

The provisions of the Ordinance also apply to temporary work agencies which send employees to work temporarily in Bulgaria for a user undertaking.

The local undertaking which accepts the posted employee should keep at the employee's place of work for the period of the posting, in electronic format or hardcopy, a copy of the following documents provided by the foreign sending company:

1. Employment contract or equivalent document demonstrating the employment relations under the legislation of the home country;
2. Documents showing the hours worked containing information for the beginning, the end and the duration of the working time;
3. Payslips or copies of equivalent documents demonstrating paid salaries.

The above documents should be accompanied by translation into the Bulgarian language.

The foreign employer should be able to provide the documents relating to the posting in the event of inspections by the labour authorities up to 1 year after the end of the posting.

During audits the labour controlling authorities may require additional documents from involved parties, including an assignment letter or equivalent document, A1 certificate/Certificate of coverage, etc.

Employers registered in a Member State of the EU/EEA, in Switzerland or a third country posting employees to Bulgaria must notify the local labour inspectorate in whose territory the activity is to be carried out, by submitting an application in standard form, prior to the commencement of provision of services related to the posting.

The Ordinance provides that the applications should be submitted electronically through a single national website. However, the website is not operational yet and currently all applications are submitted on hard copy.

The foreign employer is also required to notify the labour inspectorate of changes in the posting conditions.

For non-compliance with the provisions of the labour legislation the labour authorities may impose sanctions of: i) from BGN 1,500 to BGN 15,000 (approximately EUR 770 to EUR 7,700) per breach for the employer and ii) from BGN 1,000 to BGN 10,000 (approximately EUR 510 to EUR 5,120) per breach for the responsible officer.

For recurring violations the penalties are i) from BGN 20,000 to BGN 30,000 (approximately EUR 10,000 to EUR 15,000) for the employer and ii) from BGN 5,000 to BGN 10,000 (approximately EUR 5,000 to EUR 10,000) for the responsible officer.



Croatia

Croatia has a minimum wage set at national level, however, where applicable, the provisions of the relevant collective bargaining agreements apply.

All employees who work in Croatia, irrespective of the industry, occupation or age, are entitled to a minimum wage in accordance with the Croatian Minimum Wage Act (Official Journal No. 39/13 and No. 107/17).

Under Government Decree (Official Journal No. 122/17), the gross minimum wage in Croatia in the period between 1 January 2018 and 31 December 2018 is HRK 3,439.80 per month (the equivalent of approximately EUR 462).

The amount of the minimum wage does not include increases in wages for overtime work, night work and work on Sundays, holidays or on other days that are not working days according to the law. The maximum legal working hours are

40 per week. Any additional work is considered overtime.

In certain cases, the applicable wage can be lower than the minimum wage set by the Croatian Minimum Wage Act, if that wage is part of a collective bargaining agreement. However, even in such cases, the wage cannot be lower than 95% of the minimum wage set by the Croatian Minimum Wage Act - i.e. HRK 3.267.81 for the 2018 year (the equivalent of approximately EUR 439).

Assignment allowances (e.g. per diems, cost of living allowances, foreign service premiums, etc.) cannot be considered part of the minimum wage.



For non-compliance with the above minimum wage requirements, fines, which range from HRK 60,000 (approx. EUR 8,060) to HRK 100,000 (approx. EUR 13,440) for the employer and HRK 7,000 (EUR 940) to HRK 10,000 (approx. EUR 1,350) for the employee can be imposed.

The Enforcement Directive was implemented into the Croatian legal system by the Law on Amendments to the Croatian Law on Foreigners (Official Journal No. 69/17) which came into effect on 22 July 2017.

In addition to the earlier obligation of an EEA employer to submit a posting declaration to the Labour Inspectorate prior to posting its workers in Croatia, an EEA employer has to designate a person who will keep certain documents at the place where the posted worker will work (or at another specifically indicated place in Croatia). Specifically, the designated person will be required to provide the following documents to the Croatian authorities upon their request:

- Copies of the Employment Contract of the posted worker,
- Work permit or another document proving that a posted worker who is a third country national is validly employed with his/her EEA employer that is posting the worker,
- Calculation of salary of the posted worker showing all salary elements and the manner in which the salary has been determined,
- Proof of payment of salary,
- Records on working hours showing commencement, duration and end of the posted worker's working hours, as well as
- All other documents that may be required by the Croatian authorities

These documents have to be retained for a period of five years after the posting ends.

Prior to commencement of work of a posted worker in Croatia, the EEA employer must submit a posting declaration to the Labour Inspectorate. The posting declaration must be submitted electronically, in the form and with all mandatory information as prescribed by the By-law on the form and content of a posting declaration, issued by the Croatian Minister of Labour.

An EEA employer that posts a worker to Croatia must designate in the posting declaration a person in Croatia who will act as the contact person for the Croatian authorities with a view to exchanging documents, requests, notices and other letters.

A failure to submit the posting declaration prior to the commencement of posting, or a failure to designate a person who will keep documents as well as the person who will act as the contact person for the Croatian authorities can result in fines of up to HRK 50,000 (approximately EUR 6,600) for the foreign employer, and in fines up to HRK 10,000 (approximately EUR 1,300) for its person responsible.

The same fines are prescribed for the Croatian service recipient who knew or ought to have known that the posted worker engaged to provide services is not validly employed by a foreign employer.

Please find below a link to the web page of the Croatian Ministry of Labour and Pension System which provides a detailed overview of the legislation in English on the minimum wage and obligations of foreign entities assigning personnel to Croatia: <http://www.mrms.hr/posting/posted-workers/>



Cyprus

The minimum wage is determined as a fixed amount or as an hourly rate depending on occupation.

Usually, the level of the minimum wage in Cyprus changes annually. However, since 1 April 2012 no changes have occurred and there are no indications as to when changes, if any, are expected. The minimum wage is determined as a fixed amount or as an hourly rate depending on occupation.

Based on the current legislation, the minimum wage applicable to certain occupations is as follows:

- (i) **Clerks, shop assistants, child-care workers (assistant baby and child minders), personal care workers (nursing assistants):** minimum monthly wage of EUR870 (upon completion of a six month period of employment is increased to EUR924);
- (ii) **Security guards:** minimum wage is an hourly rate of EUR4,90 (upon completion of a six month period of employment is increased to EUR5,20);
- (iii) **Cleaners:** minimum wage is an hourly rate of EUR4,55 (upon completion of a six month period of employment is increased to EUR4,84).

Assignment allowances such as per diems, cost of living allowances, foreign services premiums, and bonuses are not included in the minimum wage. However, the minimum wage may include commissions.

Cyprus has a legal limit of 8 working hours per day and 48 working hours per week.

Effective 16 June 2016, the Enforcement Directive's were transposed into the Law "concerning the posting of workers in the framework of the provision of services" ("hereinafter Law.63 (I)/2017").

Law. 63(I)/2017 was introduced as part of the Cyprus Labour legislation, based on the provisions of Directive 2014/67/EU, to monitor the terms of an assignment as being genuine whilst protecting the rights of posted workers.

Based on the provisions of Law. 63(I)/2017 a posted worker is a worker of an employer established in a Member State other than Cyprus who usually carries out work in a state other than Cyprus but is seconded to work for a limited period in Cyprus.

Workers temporarily posted to carry out work in order to provide services to a Cyprus company, fall under the scope of Law. 63(I)/2017, provided that there is an employment contract between the sending company and the workers moving to Cyprus, at the time of the secondment.

Law. 63(I)/2017 requires the receiving company in Cyprus to which the employees have been assigned to hold and make available to the Cyprus Labour Department, upon request, the following:

The employment contract (terms and conditions of the assignment), details of hours worked;

- The length of time an undertaking is established in the host Member State as well as the address where the host employer has its registered office or place of business;
- The place where posted workers are recruited and from which they are posted;
- The nature of the services provided, the number of clearly identifiable posted workers and the anticipated duration.

The Cyprus Labour Department must make an overall assessment of all factual elements, including whether an undertaking genuinely carries out substantive activities, other than purely internal management and/or administrative activities.

Every employer or their representative and any seconded worker to that employer must, when requested by the Cyprus Labour Department, provide any information, books, records, certificates or other documents or any other information relating to the details mentioned in section 3, as regulated in Law. 63(I)/2017.

The law provides that in place of the employer, a representative may be appointed to provide relevant details to the authorities upon request.

Non-compliance with the provisions of Law. 63(I)/2017, may result in imprisonment for up to 2 years or to a fine not exceeding fifty thousand euros (€ 50,000) or both.

Law.63(I)/2017 does not contain rules on the applicability, to assignees temporarily working in Cyprus, of e.g. the minimum wage, maximum working hours and non-discrimination.

In addition, the law does not apply to merchant shipping companies as well as to merchant sailors.

Please refer to the following link where you may be able to find any available public information with regard to any collective agreements: http://www.mlsi.gov.cy/mlsi/dlr/dlr.nsf/page11_en/page11_en?OpenDocument

Other available public information which is based on the provisions of the previous Directive 96/71/EC, may be found on the following link: http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/page1k_en/page1k_en?OpenDocument



The Czech Republic

The Czech Republic has a national minimum wage set by law and penalties for non-compliance with the minimum wage requirement can exceed EUR 70.000.

The Czech Republic has a minimum wage requirement set by law. The minimum wage is determined as a fixed amount and as an hourly rate. The minimum wage is revised by the Government generally in January of each year.

The current level of the minimum wage is applicable as from 1 January 2018. The minimum wage per hour is CZK 73.20 (approx. EUR 2.87), while the minimum wage per month is CZK 12,200 (approx. EUR 478.53), which is applicable to both blue-collar and highly-skilled workers. The minimum wage for disabled workers is CZK 12,200 (approx. EUR 478.53).

During 2017 the minimum wage per hour was CZK 66.00 (approx. EUR 2.59), while the minimum wage per month was CZK 11,000 (approx. EUR 431.46). The minimum wage for disabled-workers for 2017 was CZK 11,000/month (approx. EUR 431.46) for 40 working hours per week or CZK 66.00 per hour (approx. EUR 2.59).

The maximum number of legal working hours in the Czech Republic is 40 per week.

In terms of how the minimum wage is determined, with the exception of wages and salaries for overtime, extra pay for work on public holidays, night work, payment for work in a difficult working environment and work on Saturdays and Sundays, all wage components can be considered part of the minimum wage. However, the minimum wage does not include benefits provided in connection with employment, especially wage compensation, severance pay, travel expenses, or remuneration for work readiness.

In terms of administrative requirements, in the case of postings to the Czech Republic, no formal notification as regards the wage has to be submitted to the local authorities. However, penalties for non-compliance with the minimum wage requirement can be up to CZK 2 mil. (approx. EUR 78,447).

In the Czech Republic, the provisions of Directive 2014/67/EU of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System were implemented through amendment of three national Acts; Act no. 435/2004 Coll., the Employment Act, as amended; Act no. 262/2006 Coll., the Labour Code, as amended; and Act no. 251/2005 Coll., on the Labour Inspectorate, as amended.

Under Czech laws, both the sending employer and the accepting employer are required to fulfil certain statutory requirements when an employee is posted (unilaterally or under an agreement with the employee) for the performance of work within transnational provision of services in the Czech Republic for more than 30 days in aggregate within a calendar year. These obligations do not apply if an employee is posted for the performance of work within transnational provision of services by an employment agency.

The sending employer is required to have a copy of documents proving the existence of the employment law relationship at the employee's place of work. The documents must be translated into the Czech language.

According to the Employment Act, the person (accepting employer) who concluded a contract with a foreign (sending) employer, based on which the foreign employee was posted to perform work in the Czech Republic, is required to inform the Czech Labour Office in writing about certain information, e.g. identification details of the employee, address, travel document (passport) details, type and place of work, timeframe etc., on the day of commencement of work at the latest. Once notified, the information must be kept updated - any change or termination of posting in the Czech Republic must be notified within 10 calendar days.

Non-compliance may result in penalties, where the amount depends on the severity, whether it was a repeated breach etc. In general, the penalties that could be imposed on an employer differ depending on whether the employer is an individual or a legal entity. The amount of the penalty can be up to CZK 500,000 (app. EUR 19,612) for certain violations. Penalties are imposed by the Czech Labour Inspectorate.

The Labour Office Inspectorate focuses on inspections as you can see from their report published at <http://www.suip.cz/rocni-zpravy/>

Also, there is a possibility to conclude two types of Collective Bargaining Agreements ("CBAs") in the Czech Republic:

- CBA for a specific company/employer and
- CBA of highest type in relation to specific industry (concluded between the specific Trade Union which can then also be binding for other employers). The list of these types of CBA is available at <http://www.mpsv.cz/cs/3856>



Denmark

If any collective bargaining agreements apply or must be followed, these are typically re-negotiated every third year and this may involve a change in the minimum salary.

In Denmark there is no statutory minimum wage, and no provision on minimum wages is included in the Danish Secondment/Posting Act, which implements the EU Posting of Workers Directive. Generally, this means that if an EU employee is posted by the home-country employer to deliver services to a Danish company in Denmark, no minimum wage will apply.

However, in Denmark, pay and working conditions are typically laid down by collective bargaining agreements concluded between trade unions and employers' organizations. This system of labour market regulation is referred to as the Danish Model. The collective bargaining agreements include provisions on the minimum wage and other working conditions. These Danish collective bargaining agreements are not of general application and will generally not apply if an EU employee is seconded to Denmark as mentioned above. However, the EU employer may need to observe collective bargaining requirements from the relevant Danish unions in the branch. As a consequence, the Danish company receiving the services from the foreign employee may - due to the company's collective bargaining agreement(s), if the company is subject to any - be required to ensure or be encouraged to ensure that minimum wage and working conditions are provided to posted employees as well.

If any collective bargaining agreements apply or must be followed, these are typically renegotiated every third year and this may involve a change in the minimum salary. The minimum wage set by the collective agreements may vary depending on occupation, industry, length of service, education, skills, experience, age, etc.

The minimum wage includes the base salary and any mandatory allowances and fees stated in the relevant collective bargaining agreement. However, it will depend on the content of the specific collective bargaining agreement. In the case of non-compliance with the minimum wage requirements, the penalties will depend on the relevant collective bargaining agreement.

An EU citizen/ EEA national is eligible for a registration certificate, if she/he: is in paid employment, is self-employed, provides services in Denmark, is a retired worker, retired self-employed person or service provider, has been seconded, is a student at an educational institution accredited or financed by public authorities, and she/he is able to support him/herself during the period of residence in Denmark or has sufficient income or means so that she/he is not expected to become a burden on the public authorities. Separately, there is a general obligation for the foreign service provider (home company) to register the business and the seconded

employees in the Danish RUT register. In the case of non-compliance with RUT registration, fines may be imposed.

In relation to the maximum legal working time, Danish legislation includes different mandatory provisions. The legislation states that the number of working hours must not exceed 48 per week on average (including overtime) within a period of 4 months. Moreover, employees are entitled to a break if the number of daily working hours exceeds six.

With regard to night work, employees may only work 8 hours per day on average in a period of 4 months. As a general rule in Danish legislation, the working hours must be arranged in such a way that the employees have a period of rest of at least 11 continuous hours within each period of 24 hours. Danish collective bargaining agreements also include different provisions relating to working hours. Collective bargaining agreements typically state that the normal working hours are 37 per week.

The Enforcement Directive was transposed by Denmark by means of Law no.626 of 08 June 2016 and was effective as of June 18 2016. The Directive ensures better enforcement of the rights set out in the Posted Workers Directive. For employers to comply with the Directive, they are required to register in The Register of Foreign Providers (RUT).

Further, the Labour Market Fund for Posted Workers (AFU) was established effective from 18 June 2016. The AFU contribution amounts to 1 EUR annually per employee and is collected through social security contributions. Companies which have employees working in Denmark but which are not required to pay social security contributions in Denmark are required to pay the AFU contribution through the registration in RUT. The purpose of the fund is to ensure that posted workers are secured salaries at the correct level during posting. AFU can pay out salaries, pensions, holiday pay, allowances etc. if the work performed is covered by a collective agreement, and the case has been heard by a labour court.

Depending on the purpose of the posting and nature of the activities performed in the host country, some workers may not qualify as posted workers within the meaning of the Danish legislation (e.g. employees present in Denmark for training purposes).

The law required the sending company to register

a contact person at the place of work in Denmark. The contact person has to be a person staying in Denmark during the delivery of the service or while the work is carried out that the authorities can contact. A permanent representative is not required.

For employers to comply with the Directive, they are required to register in The Register of Foreign Providers (RUT). RUT is an online service and the website offers information in both Danish, English, German and Polish. The sending company has to set up an account before they can register. The sending company is responsible for correct information regarding the workplace, period and the person(s) performing the work.

The registration must be concluded before the work is carried out or no later than at the beginning of the activity. Any changes must be notified in RUT no later than the first working day after the change has entered into force. Changes include new workplace, new posted workers or a longer time period.

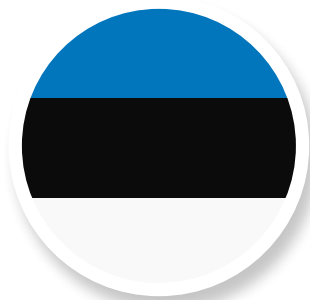
The company is required to provide the assignor with the documentation for the registration in RUT.

The company can upload an 'A1 certificate' to document, that the employee is covered by social security in the home country. This documentation is still only voluntary.

Non-compliance may result in penalties by the Danish Working Environment Authority, which might impose fines of 10,000 DKK. In particularly severe cases the fine is 20,000 DKK.

Penalties apply in the following cases:

- Failure to register on time or registration of incorrect information
- Failure to provide documentation when required by the authorities
- Failure to provide documentation to the assignor for timely and accurate notification in RUT.



Estonia

Besides the regular salary received during an assignment, per diems, cost of living allowances, foreign service premiums and bonuses are not considered as part of the minimum wage.

Estonia has a national minimum gross wage requirement. From 2018 the level of the minimum gross wage applicable to blue collar workers and other EU nationals for full time employment is set at EUR 500 per month. This represents an increase (6,38%) from EUR 470 per month which was the level during 2017.

The current minimum gross wage for highly skilled workers, non-EU citizens who are holders of the European Union (EU) blue card, is currently EUR 1,719 per month (EUR 1,832 as of March 2018). However, the employer is required to pay remuneration to an alien during the period of validity of an EU Blue Card the amount of which is at least equal to 1.5 times the annual average gross monthly salary, as last published by Statistics Estonia (the new annual average gross monthly salary will be published in March 2018).

In the following cases, the minimum gross wage for an EU Blue Card holder currently may be EUR 1,421 (EUR 1,514 as of March 2018). However an employer is required to pay remuneration to an alien the amount of which must be at least equal to 1.24 times the annual average gross monthly salary, as last published by Statistics Estonia (the new annual average gross monthly salary will be published in March 2018) for:

- Employment as a top specialist or a junior administrator.
- Employment as a top specialist in natural or technical science.
- Employment as a top specialist in the health service.
- Employment as a specialist in pedagogics.
- Employment as a specialist in business or administration.
- Employment as a specialist in information or communication, or
- Employment as a specialist in the legal, cultural or social sphere.

The current minimum gross wage for a foreigner working as a top specialist, with appropriate professional training or experience for employment in the field, is EUR 2,292 per month (EUR 2,442 as of March 2018). However, the employer is required to pay remuneration to a foreigner working as a top specialist, the amount of which should be at least equal to 2 times the annual average gross monthly salary, as last published by Statistics Estonia (the new annual average gross monthly salary will be published in March 2018).

The minimum gross wage for a foreigner working as an expert, adviser, consultant or skilled worker is EUR 1,146 per month (EUR 1,221 as of March 2018). However, the employer is required to pay remuneration to a foreigner worker the amount of which must be at least equal to the annual average gross monthly salary, as last published by Statistics Estonia (the new annual average gross monthly salary will be published in March 2019).

The maximum legal working hours in Estonia are 8 hours per day and 40 hours per week. Besides the regular salary received during an assignment, per diems, cost of living allowances, foreign service premiums and bonuses are not considered as part of the minimum wage. Specific rules concerning foreign employment can be found from the webpage of the Police and Border Guard Board.

Also, Estonia has implemented Directive 67/2014/EU and changed the law of working conditions of employees posted to Estonia. The employer of a posted employee must provide the Labour Inspectorate with the information concerning the posting, but no later than on the day the posted employee commences the performance of work in Estonia. If an employee posted to Estonia performs work which is connected with construction work (involving the construction, renovation, maintenance, alteration or demolition of buildings, including excavation work, earthmoving work, actual construction work, or the assembly and demolition, connection and installation, modification, renovation, repair, disassembly, demolition, maintenance, painting, cleaning or repair of prefabricated components) and the employer does not pay the employee wages, the wages should be paid by the person who ordered the service from the employer of the posted employee. A posted employee has the right of recourse to a labour dispute resolution body of the Republic of Estonia for the protection of his/her rights.

In Estonia the Labour Inspectorate is the implementing authority for Directive 96/71/EC of the European Parliament and of the Council concerning the posting of workers in the framework of the provision of services and Directive 2014/67/EU of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services. The Labour Inspectorate is required to make information available and reply to reasoned requests for information concerning Acts, other legislation and extended collective agreements that apply to a posted employee.



Finland

As of September 2017, the posting undertaking is required to submit a notification to the occupational health and safety authority about the posting of workers to Finland under an agreement on cross-border service provision and the Finnish contractor should ensure that the posting undertaking meets this obligation.

Finland does not have a minimum wage set at national level. However, the minimum wage requirement is determined under the collective agreements concluded between the Finnish employers' associations and trade unions.

The minimum wage is determined for different industry/occupational sectors based on the employee's professional skills, experience or other types of information such as the geographical position of the workplace.

There are also many industry/occupational sectors without any binding collective agreement, which in practice means that there are no minimum wage rules applicable. In these situations, the wage level should however, according to law be the normal and reasonable wage level, which is normally applied in similar work positions.

The maximum legal working hours in Finland are 8 hours per day or the equivalent of 40 hours per week. However, different rules included e.g. in the Finnish collective bargaining agreements might apply for overtime work.

In terms of administrative requirements, in the case of assignments to Finland, the new Act on Posting Workers entered into force on 18 June 2016. Directive 67/2014/EU was implemented by the aforementioned act. The main changes to the previous act are mentioned in the following chapters.

The posting undertaking is required to submit a notification to the occupational health and safety authority about the posting of workers to Finland under an agreement on cross-border service provision. The contractor should ensure that the posting undertaking submits the aforementioned notification. The aforementioned notification requirement came into force in September 2017. More information on this can be found e.g. on the web site of the Ministry of Economic Affairs and Employment <http://tem.fi/en/obligation-to-notify>.

Following the adoption of Intra Corporate Transfer Directive (2014/66/EU), a new section was added to the Act on Posting Workers which states that the act shall also be applied to employees mentioned in an act implementing the aforementioned directive.

The penalty system has radically changed. The previous criminal penalties have been replaced by the new administrative negligence fee to be applied. The amount of the negligence fee ranges from EUR 1.000 to EUR 10.000 and is imposed by the occupational health and safety authority.

Under the cross-border administrative cooperation a relevant authority of another EU member state or the European Commission may send to a relevant Finnish authority a reasoned request for information or to perform checks, inspections or investigations. Finnish authorities may provide information to this authority or to the European Commission for the purpose of monitoring compliance with legislation on posted workers, notwithstanding confidentiality provisions and other limitations on the right to information. When providing confidential information, the Finnish authority should request that the information be kept confidential.

A relevant Finnish authority may also send to an authority of another EU member state a reasoned request for information or to perform checks, inspections or investigations. For the purpose of monitoring compliance with legislation on posted workers, a Finnish authority may also request information that is confidential under the legislation of Finland or another EU member state or that is subject to some other limitation on obtaining information. If so requested by an authority of another member state, the Finnish authority should keep confidential any confidential information it receives.

The previous Act on Posted Workers regulated that the posting undertaking should have a representative in Finland whom the posted worker and the authorities can contact at all times during the posting of the posted worker. The representative may be a legal entity or an individual.

According to the Collective Agreement for the IT service sector (which can be found at http://teknologiateollisuus.fi/sites/default/files/file_attachments/tes_2018_englanti_web.pdf) the employee's salary is generally paid monthly. The employee's salary is determined in accordance with the competence classifications of the collective agreement, unless there is a local agreement on the use of a workplace-specific scheme.



France

Minimum wages in France are defined as a fixed amount or through collective bargaining agreements which are usually set per industry.

The current minimum wage level is applicable from 1 January 2018 and it can change once or twice a year, usually in January and/or July.

Minimum wages in France are defined:

1. By legal provisions (there is a fixed amount for full time employees working 35 hours per week and an hourly rate, for part time employees).
2. By collective bargaining agreements (CBAs). There are various CBAs, since there is usually one per industry. A CBA applies mandatorily to a company falling within its scope. The CBA defines the minimum wages according to the employee's position within the company.

From January 2018 the legal minimum wage is EUR 1,498.47 gross per month for a full time employee working 35 hours per week. During January - December 2017 the legal minimum wage was EUR 1,480.27 gross per month for a full time employee working 35 hours per week. Hours worked above 35 per week are regarded as overtime and should lead to additional compensation.

To be entitled to a Passport Talent - European Blue Card, an employee should earn at least EUR 53,836.5 per year. According to French regulations, assignment related allowances can be part of the minimum wage (i.e. COLA, Foreign Service premiums, bonuses). However, the amounts paid to the assignee to compensate for expenses actually borne, as well as the expenses directly borne by the employer like travel expenses, accommodation or meals, are

not taken into account in the minimum wage and cannot be supported by the employee.

Directive 2014/67/EU concerning the posting of workers was transposed into French domestic law in 2015. In this regard, prior to the beginning of a temporary assignment to France, a specific notification (déclaration préalable de détachement) should be sent by the home-country employer to the French labour inspectorate. The home-country employer must also appoint a representative in France. The French host company should verify that these requirements have been fulfilled.

In the case of non-compliance with the above requirements French regulations provide for different penalties depending of the type of legal failure. They range, from a fine to criminal prosecution. The foreign company/French host company may also have to pay the employees additional amounts to respect the minimum wage.

There are recent regulations in that respect that reinforce the penalties in the case of non-compliance with legal requirements when posting foreign employees to France.

Generally speaking, the legal working time in France is 35 hours/week. The maximum daily legal working time is 10 hours. The maximum working time/week is 48 hours. However, the average weekly working time cannot exceed 44 hours over any period of 12 consecutive weeks.

The French legislation concerning posted workers applies not only for Member States of the EU, the European Economic Area (EEA) and for Switzerland, but also for third countries.



Before the beginning of the assignment, the foreign company must mandatorily complete an online Prior Declaration of posted workers. This Declaration can only be completed on the "SIPSI" online portal (<https://www.sipsi.travail.gouv.fr>).

The French purchaser and contractor must verify that the Foreign Service provider has fulfilled this obligation. In the case of failure to declare, or submission of an incorrect or incomplete declaration, they are subject to an administrative fine. They are also required to complete the online Prior Declaration of posted workers within 48 hours of the beginning of the assignment.

In addition to the Prior Declaration, the foreign company must appoint a representative on French territory. This representative should communicate with the authorities on behalf of the employer and hold a copy of all the documents that the authorities could ask for. All these documents must be translated into French. In the case of an audit, the Labour inspector must be able to identify the employee's minimum wages, supplementary remuneration for overtime, working days, working hours, and annual leave. A proof of payment of the salary can also be required.

The foreign company must also comply with the minimum legal and collective agreement's provisions. For instance, foreign employers who posted workers in France must respect French employment and labour legislation concerning the rights to strike, and the fight against undeclared work. Moreover, "Minimum wages" includes the legal minimum wage and any other minimum wage provided in a Collective Bargaining Agreement (bonus, indemnities, allowances or compensations, salary increase, etc.)

If the service provider fails to declare the posted worker, and/or appoint a representative, if the information transmitted is incorrect and/or incomplete, or if the purchaser and the contractor fail to control the foreign service provider, they are subject to an administrative fine of maximum 2000€ per posted worker (4 000€ in case of reiteration) and a maximum total amount of 500 000€.

Also, failure to comply with the posting of workers obligations, can lead to penalties such as administrative fines, the obligation for the contractor and the purchaser to provide the posted workers with decent accommodation, or financial solidarity for the payment of the minimum wages, social charges and/or French Taxes.

You may visit the website www.legifrance.gouv.fr for public information regarding the collective bargaining agreement or the obligations of foreign entities assigning personnel to France.



Germany

Germany has a minimum wage requirement set at national level. In addition, there are specific minimum wage requirements set within collective bargaining agreements and for agency workers.

Germany has a minimum wage requirement set at national level.

On 1 January 2015, Germany's law on the statutory minimum wage became effective. Consequently, a general minimum wage requirement has been implemented for all occupations. It affects all individuals working in Germany regardless of their nationality and the location of the employer.

The current statutory minimum wage since 1 January 2017 is EUR 8.84/working hour. This minimum wage has not been adjusted for 2018.

In addition, there are minimum wage requirements in collective bargaining agreements which are often higher than the nation-wide minimum wage requirements and which, however, depend on the industry and occupational group. In addition, there are minimum wage requirements for agency workers which are as follows:

- By end of March 2018: EUR 8.91/working hour in the Eastern provinces and EUR 9.23/working hour in the remaining provinces
- In the period between April and December 2018: EUR 9.27/working hour in the Eastern provinces and EUR 9.47/working hour in the remaining provinces

There is no differentiation between blue-collar workers and highly qualified employees. However, for third national employees who need a work permit for Germany and apply for a Blue Card, the minimum wage requirement is EUR 52,000 gross per year (2018) or EUR 40,560 gross per year (2018) for selected occupational groups (IT-specialists, doctors, engineers, etc.). For any other third country nationals who need a work permit, but do not qualify for a Blue Card, the requirements for their wages is to be at least as high as the wages for comparable German or EU employees, but not less than the minimum wage requirements. The next adjustment is due to take effect from 1 January 2019.

In Germany, the standard working hours are 8 hours/day, or the equivalent of 48 hours/six days per working week.

Besides the regular salary received during an assignment, any payment which is perceived as an equivalent for the normal performance of services, but not for rewarding special purposes, can be considered as part of the minimum wage. Consequently, if bonus payments fulfil this criterion, they can only be considered in the month in which they are paid.

In terms of administrative requirements, in the case of assignments to Germany, there is a formal notification which has to be submitted to the Customs authority in the case of employment in certain industries as well as in the case of agency work. Generally, the home employer has to file this notification prior to the performance of work. However in the case of agency work from foreign lessors, the obligation falls on the lessee of leased employees.

In the case of non-compliance with the minimum wage or notification requirements there are certain penalties which are applicable:

- For non-payment or delayed payment of the minimum wage – up to EUR 500,000
- For non-compliance with the notification obligations – up to EUR 30,000.

Further penalties such as withdrawal of business license are possible depending on the degree of severity.

The regulations of the Directive on Posted Workers 96/71/EG and the Enforcement Directive 2014/67/EU have been transposed into the German Posted Workers Act (Arbeitnehmerentsendegesetz – AEntG) and the Minimum Wage Act (Mindestlohnengesetz – MiLoG).

The Enforcement Directive was fully implemented in Germany, before the implementation period expired on 18 June 2016.

In general, foreign-domiciled employers who post workers to Germany to carry out work or to provide services are required to register the posting. However, the registration is only necessary under certain conditions. In particular, whether or not a registration is required, is mostly determined by the branch/industry of the employer's business.

Further, German law does not differentiate between posted workers and business travellers.

Therefore, any employee performing work or providing services in Germany – even if only for a day – could be considered as posted worker subject to registration obligations. However, if the employee does not perform actual work or services but visits Germany for business reasons only, he/she may not need to abide by any registration requirements.

The employer is required to keep and store documents related to the posting such as the employment contract, proof of remuneration, in case of applicability of a generally binding collective bargain agreement, the proof of compliance with its rules and the proof that the employer pays social security contributions correctly. Moreover, the employer posting the employee is required to name a German address for formal deliveries.

In Germany, different types of registration obligations apply depending on the industry or branch of the employer. A registration is only required if a generally binding collective bargain agreement is in force or if the employer works within a branch which is considered especially susceptible to illegal employment.

With regard to content and operational process, both registration procedures are identical. The registration needs to be submitted at least the day before the employee starts performing work in Germany. As the relevant authority, the German Customs ("Zoll") operates an online-tool for the purpose of the registration application. Registrations can only be made by using this online-tool – registration via mail or fax is not possible. It is possible to register several employees within one notification. Moreover, the employer needs to ensure and guarantee the compliance with the rules of applicable generally binding bargain agreements.

Non-compliance with registration obligations may result in penalties. The relevant amount depends on the frequency and the severity of the violation. Delayed or incorrect registrations as well as registrations without the employer's guarantee, may trigger fines of up to EUR 30,000.



Besides the regular salary received during an assignment, per diems, cost of living allowances, foreign service premiums and bonuses are not part of the minimum wage.

Greece has a national minimum wage requirement. Before Greece's recourse to International Monetary Fund (IMF) and European Commission funding, the minimum wage used to change on an annual or bi-annual basis. However, this no longer applies, and the current minimum wage is expected to remain unchanged during the period of Greece's financial adjustment. Generally, minimum wages depend on different factors.

For certain occupations, there are Sectorial Collective Labour Agreements providing for the minimum wages of the covered personnel (only a few Sectorial Collective Labour Agreements are currently in force). If the personnel do not fall within any Sectorial Collective Labour Agreements, the minimum wages are provided for by the General National CLA/Law 4093/2012 (if the employers are not members of trade unions participating in the conclusion of the National General Collective Labour Agreements) and depend on status (employee or worker), age, prior term of service and/or marital status (married/single).

For example, under the National General Collective Labour Agreements, the minimum monthly gross salary of a single employee below the age of 25 with no prior term of service is EUR 510,95 per month whereas for a married employee working under similar circumstances the monthly gross salary is set at EUR 562,05 per month. An employee below the age of 25 with no prior term of service falling within Law 4093/2012 will be entitled to EUR 510,95 whether married or single (no marriage allowance is provided in Law 4093/2012). The above minimum gross salary is increased to EUR 586.08 for single employees over the age of 25 with no prior term of service.

The minimum wage for employees is determined as a fixed amount on a monthly basis, while the minimum wage for workers is determined on a daily basis. The maximum legal working hours in Greece are 8 hours per day, or the equivalent of 40 hours per week.

Besides the regular salary received during an assignment, it seems that per diems, cost of living allowances, foreign service premiums and bonuses are not considered as part of the

minimum wage. In these cases, for assignments especially, caution should be paid to the salary package granted in order to ensure that the Greek minimum wage requirement is met.

In terms of administrative requirements, in the case of assignments to Greece, the home country employer must notify the Greek Employment Authorities with respect to the postings prior to the commencement of the activity. For non-compliance with the notification and minimum wage requirements the employer could face temporary cessation of operations, monetary penalties or even imprisonment in serious cases.

In Greece, Presidential Decree 101/2016 transposed into Greek legislation the provisions of Directive 2014/67/EU.

The cross border execution of decisions on the imposition of penalties is also provided for.

Presidential Decree 101/2016 applies to seconded employees, i.e. employees assigned to Greece by employers registered in the European Union or in the European Economic Area to work locally within the context of cross border provision of services. This legislation does not apply to merchant sailors.

Presidential Decree 101/2016 requires the sending company to have (either in hardcopy or electronically) the following information available at the employee's place of work: employment agreement or any other equivalent document, payslips or other documents showing payment of salary, documents showing the employee's presence at work setting out the time of commencement and end and the duration of the daily working hours.

The above obligation applies for a period of up to two years following the end of the assignment, whereas the sending company must forward to the authorities, upon the latter's request, copies of the above documents (in either English or Greek) within fifteen days from the receipt of the related request.

Finally, a copy of the list of seconded employees (to be filed by the sending company as per the heading below and authenticated by the



employment authorities of the place of provision of the seconded employees) must be posted in a prominent place on the receiving company's premises.

The sending company must also file with the employment authorities of the place of provision of the employees' services, at the latest by the commencement of the assignment and irrespective of the latter's duration:

- a) A written declaration setting out certain details (for instance, details of the sending company, including details of its legal representative and representative in Greece during the assignment period, address/addresses where the seconded employees will provide their services, details of the receiving company etc.);
- b) A list of seconded employees (in two copies) setting out certain details (personal details of the seconded employees, daily and weekly working hours, remuneration etc.).

In case of change of any of the details set out above to be included in the list of seconded employees, an amending list must be filed within fifteen days from the date the change

becomes effective. Further, in the case of change or amendment of the working hours or of the organization of the working schedule, an amending list must be filed at the latest before the change/amendment comes into force and in any case before the commencement of the seconded employees' work.

Presidential Decree 101/2016 provides that the sending company must appoint a representative in Greece during the secondment period, who will act as the liaison between the sending company and the authorities.

Non-compliance with the obligations entails administrative penalties which can be imposed on the sending company and/or the receiving company (i.e. penalty ranging from EUR 300 to EUR 50 000 for each violation, with the exact amount depending on various factors, such as the severity and frequency of violation, whether any similar violations have also been identified, number of employees and size of the company, degree of fault etc.). The penalties are imposed by the employment authorities ("Σώμα Επιθεώρησης Εργασίας" – "Σ.ΕΠ.Ε.").



Hungary

Form T104 must be filed with the Hungarian tax authority within a maximum of 30 calendar days from the start of the assignment.

The minimum wage in Hungary normally changes on an annual basis, in January of each year.

The minimum wage is determined on a monthly, weekly and hourly basis. An increased minimum wage is applicable to full-time employees who carry out certain physical work or work which requires secondary/higher education.

As from January 2018 the minimum wage is HUF 138,000 (approximately EUR 443), compared with 2017 when it was HUF 127,500 (approximately EUR 411). In addition to that, an increased minimum wage applies to employees with at least secondary school education level or working in a position requiring intermediate professional qualification in 2018, which is HUF 180,500 (EUR 580). In Hungary only the base salary, as established through the employment contract, may be considered as part of the minimum wage.

In addition, the Hungarian Labour Inspectorate may impose penalties. The maximum legal working time in Hungary is 12 hours per day and 48 hours per week.

Regarding postings to Hungary, form T104 must be filed with the Hungarian tax authority within a maximum of 30 calendar days from the start of the assignment. The obligation falls with the host employer with respect only to assignees who have foreign tax residency status and are likely to receive income taxable in Hungary. For failure to file the form, the Hungarian tax authority may impose a fine up to HUF 500,000.

New provisions of the Hungarian Act on the Labour Code and Act on Labour Inspection entered into force in order to introduce into Hungarian legislation the provisions of Directive 2014/67/EU of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting (assignment) of workers in the framework of providing services as of July 2016.

Registration and reporting obligation should be performed by companies located within the EEA and posting (assigning) their employees to Hungary in order to provide services.

The obligations should be fulfilled electronically (in Hungarian or English) via the labour inspectorate website of the Hungarian Ministry of National Economy.

The following data are required to fulfil the registration:

- Foreign company's data,
- Information relating to the working activity,
- Details of the foreign company's contact person.

The registration should be filed by the foreign company by no later than the first Hungarian workday of the employee.

Prior to the start of posting (assignment), the Hungarian company should inform the foreign company about the above described labour rules applicable in Hungary.

Furthermore, it is also a requirement to keep and upon request disclose to the authorities documentation concerning the assignee (e.g.: employment contract, time-sheets, proof of payment) during the period of the employee's Hungarian posting (assignment) and for a further 3 years following the end of the posting (assignment).

The following data are required to fulfil the registration: foreign company's data (e.g. name, headquarters) information relating to the working activity, contact details of the foreign company's contact person. (The contact person should be an individual who is able to represent the Company before the Hungarian Authorities anytime upon request.) The registration should be filed by the foreign company by no later than the first Hungarian workday of the employee. (The Hungarian company may also file the registration on the foreign company's behalf.)

Posting from non-EEA countries should also be reported to the Hungarian Ministry of National Economy. However, in this case no registration obligation applies.

No special penalties have been introduced into Hungarian legislation for non-compliance. However, in the case of a labour inspection the relevant authority may appeal to fulfil the above obligations and might levy penalties accordingly.

The amount of the penalty depends on the Authority's discretionary decision and might be between HUF 30,000 – HUF 20,000,000 (approx.: EUR 96 – EUR 64,238).

The Hungarian Labour Inspectorate carries out continuous audits and at the end of each calendar year it publishes the inspection plan for the next year. According to the inspection plan for 2018, the Labour Authority will concentrate on agricultural activities and temporary agency work in the field of labour safety. The inspection plan states that the Labour Authority will also audit compliance with minimum wage and guaranteed wage regulations and the compliance of employers with their notification obligation towards the respective authorities. The inspection plan does not mention any special inspections regarding compliance with "Posting" regulations, which, however, does not mean that during an investigation these rules will not be audited by the inspectors.

In 2017 the Labour Authority found the majority of infringements regarding labour safety obligations in three sectors (building industry, agriculture and processing industry). In 2017, the focus of the Authority's inspection was almost the same as in 2018, the reason being the significant increase in the minimum wage /guaranteed wage.

The link below includes information about collective bargaining agreements. Although it is mandatory to report the conclusion of a collective bargaining agreement in Hungary, a number of the respective parties (employer and trade union(s)) do not comply with this obligation. The datasheet to be filled out by the employer and the content of the collective bargaining agreement applicable to more employers may only be disclosed to others if the contracting parties have previously consented thereto (<http://www.mkir.gov.hu/ksznyily.htm>).

Information about the effective Hungarian laws in connection with posting are available at the following site http://www.ommf.gov.hu/index.php?akt_menu=551

The following is the "homepage" of posting, where the aforementioned information link may also be found in addition to Q&A section and the link where the declaration regarding posting may be made by the employer: http://www.ommf.gov.hu/?akt_menu=547&set_lang=123



Iceland

In the case of assignments to Iceland, a formal notification must be submitted to the local authorities by the host employer within 7 days of the assignee's arrival.

Iceland does not have a minimum wage requirement set at national level.

However, there are minimum wage requirements included within the various collective bargaining agreements.

All Icelandic employees must contribute to a union of their choice, each union applying a different minimum wage. The current minimum wage is applicable as from 1 May 2015 and it is revised when the collective wage agreements are updated.

Currently, the minimum wage for the majority of Icelandic unions is ISK 280,000 (approximately EUR 2,240). It is expected that the minimum wage will increase to ISK 300,000.00 (approx. EUR 2,400) on 1 May 2018.

Generally, the minimum wage is applicable to all categories of workers, with no difference between blue collar workers and highly skilled workers with an EU blue card. However, there may be certain differences depending on the collective agreement that applies.

In relation to the maximum legal working hours, Iceland has defined a maximum of 13 hours per working day and a maximum of 48 hours per week, including overtime.

Besides the regular salary received during an assignment, the Cost of Living allowance and bonuses (including any additional compensation given to the employee) are considered part of the minimum wage.

In terms of administrative requirements, in the case of assignments to Iceland, a formal notification must be submitted to the local authorities by the host employer. The notification should be submitted to the Iceland Registers within 7 days of the assignee's arrival.

Regarding Directive 67/2014/EU, this has not been implemented in Iceland's legislation. An implementation bill was presented last spring but when the Icelandic parliament (Alþingi) closed for the summer it was still under discussion in the relevant committee. The process was further delayed with new election last autumn, but the bill will, however, most likely be taken up again with the parliament during its current term.

Please see the Icelandic Confederation of Labour web site: <http://www.asi.is/vinnurettarvefur/icelandic-labour-law/> for any available public information sources with regard to collective bargaining agreements and/or other industries specific agreements.

Regarding obligations of foreign entities assigning personnel to your country (e.g. obligation to notify the relevant authorities as per the Directive etc.) please see the Directorate of Labour web site: <https://vinnumalastofnun.is/en/foreign-workers>



Ireland

Ireland considers per-diem, cost of living allowance, foreign service premiums and bonuses as part of the minimum wage.

Ireland's minimum wage requirement applicable from 1 January 2018 is EUR 9.55 per hour, a rise from EUR 9.25 applicable during 2017.

The minimum wage is stipulated in the National Minimum Wage Act. The minimum wage is determined as an hourly rate and it depends on the age of the employee (trainee or seniors) as follows:

Age	Minimum wage applicable
Under 18 years old	6.69 (70% of the minimum wage)
1st year of employment over the age of 18	7.64 (80% of the minimum wage)
2nd year of employment over the age of 18	8.60 (90% of the minimum wage)

Stage of the training	Minimum wage applicable
1st part of the course	7.16 (75% of national minimum wage)
2nd part of the course	7.64 (80% of national minimum wage)
3rd part of the course	8.60 (90% of national minimum wage)

Each part of the course must last at least one month and no more than a year.

In relation to the assignment allowances included in the minimum wage, Ireland considers per-diem, cost of living allowance, foreign service premiums and bonuses as part of the minimum wage.

In the case of non-compliance with the minimum wage requirements, criminal proceedings, imprisonment or fines may be imposed.

The maximum average legal working hours in Ireland are 9.6 hours per day or 48 hours per week.

Directive 67/2014/EU was transposed into law in Ireland on 27 July 2016.

The key measures which are being introduced in these Regulations include:

- A new requirement on foreign service providers when posting workers to Ireland to notify the Workplace Relations Commission (WRC) - they must provide information which will allow the WRC to monitor posting activity and ensure compliance with posting rules;
- A new subcontracting liability in the construction sector is introduced to guard against posted workers being paid less than their minimum entitlements - where a posted worker in construction is not paid the applicable statutory rates of pay by their direct employer, the contractor one step up the supply chain can also be held liable;
- The creation of a right for a posted worker to refer a complaint to the Director General of the WRC naming both their employer and the contractor one step up as respondents;
- The introduction of a defence of due diligence for the contractor in any claim before the WRC - the Regulations set out in detail the test or criteria which the contractor will have to satisfy in order to use the defence of due diligence;
- New measures which allow for the enforcement of cross border financial administrative penalties and fines.

The Regulations apply to EU companies sending employees to work in Ireland for a limited period. There is no definition on how long a posting or secondment should last. We only know from the definition of Posted Workers that the posting is for a "limited period".

Foreign employers posting employees to Ireland in the framework of the provision of transnational services, are required to hold and keep (during the whole period of assignment and following the end of assignment) copies (in electronic format or hardcopy) in an accessible place the following documentation:

-The employment contract of a posted employee or the written statement of terms of employment (within the meaning of s3 of the Terms of Employment (Information) Act 1994) or other equivalent document certifying employment terms

-Where relevant, time sheets or equivalent documents indicating the working time of a posted worker including the commencement and termination of work and the number of hours worked on a given day

-Payslips or equivalent documents specifying the remuneration of a posted worker along with the amount of deductions made in accordance with the applicable law and proof of transferring the remuneration to the employee i.e. proof of wages.

During the period of assignment and after this period, the employer posting an employee to Ireland is required to make the above documentation available at the request of the WRC, together with the appropriate translation into the English language (if necessary), no later than one month from the date of receiving the request.

The Regulations impose the obligation on foreign employers to designate a person to liaise with the WRC and to send out and receive documents and notices as necessary. The Regulations do not expressly dictate that this should be an Irish resident person but this approach would appear the most practical i.e. a person within the host company or within KPMG as their agent.

The law states that breaches of the administrative requirements and control measures are an offence and that the service provider may be liable –

(a) On summary conviction, to a class A fine (currently €5,000), or

(b) On conviction or indictment, to be a fine not exceeding €50,000

Sectorial specific agreements (Sectorial Employment Orders) can be accessed at www.workplacerelations.ie

Also, obligations as per the Directive can be found at www.workplacerelations.ie



The minimum wage is determined by negotiation between employers and different unions and depends on certain criteria such as industry or professional expertise of the employee.

Italy does not have a minimum wage set at national level. However, the minimum wage is generally established by the National Collective Labour Agreements, which are updated yearly for each category of employee.

The minimum wage is determined by negotiation between employers and different unions and it depends on the industry, employees' level, etc.

The maximum legal working hours in Italy are 8 hours per day or the equivalent of 40 hours per week. Overtime is allowed up to 8h/ week, 250 h/year, followed by a customised approach in relation to the collective agreements, which are based on the employee's status/ occupation within the company/ district.

Besides the regular salary received during an assignment, cost of living allowances, foreign service premiums (and certain reimbursement of expenses) are considered as part of the salary.

A full list of all current National Collective Agreements is available at the following Link. These are in the Italian language,

<https://www.cnel.it/Contratti-Collettivi/Contrattazione-Nazionale/Archivio-Corrente>

The Enforcement Directive 2014/67/EU was transposed into Italian legislation in July 2016 by means of Decreto Legislativo n136 of 17 July 2016 (published in the Official Journal of 21 July 2016) and the legislation came into force from 22 July 2016. Subsequently a further decree, Decreto Legislativo 10 August 2016 of the Ministero del Lavoro e Delle Politiche Sociale introduced the administrative architecture underpinning the legislation.

The Italian legislation more or less implements Directive 2014/67/EU on a word for word basis. Perhaps most striking is the implementation of a portal and online registration form (www.cliclavoro.it) allowing a speedy and efficient online registration. Foreign employers (EU and non -EU) and placement agencies who post employees to Italy are now required to notify the Ministry of Labour, not less than 24 hours before the secondment starts and in the event of any changes to the conditions of the secondment. The website and online registration form is available in both the Italian and English languages.

More information on the regulations including FAQs in English language are available at the following link

<http://www.distaccoue.lavoro.gov.it/Pages/Home.aspx?lang=eng>



The responsibility for registration and compliance rests with the foreign employer (seconding employer), although they will need to identify representatives in Italy responsible for record keeping and liaison with the social parties. It is, of course, possible to appoint either a representative of the host company or an external third party to carry out these roles. The new legislation now makes it clear that the Ministry of Labour will notify INPS (the Social Security Agency) of secondments to enable a cross-check with the A1 position.

An important change has been made to the role of Italian Labour Inspectors because they will be able to verify whether rules on assigned individuals have been followed and where they consider the individual was not properly seconded they can categorise the individual as an Italian employee. However, there is no definition as to how the secondment will last.

The legislation on registration do not apply to non-EU nationals who have been already issued with a work permit to work in Italy.

Employers posting employees to Italy are required to hold and keep for the whole assignment and a further two years after the end of assignment, copies of the:

- Employment contract of a posted employee or other equivalent document certifying employment conditions;
- Working time of a posted worker indicating the commencement and termination of work and the number of hours worked on a given day;
- Documents specifying the remuneration of a posted worker along with the amount of deductions made in accordance with the applicable law and proof of transferring the remuneration to the employee.

The employer must have the above documents translated into Italian and available in maximum 5 days after the Italian Labour Inspectors request them.

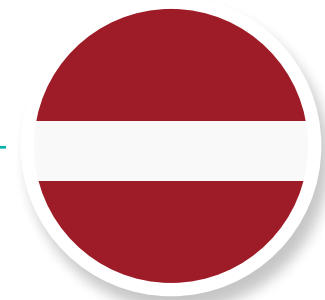
Foreign employers are required to appoint a person resident in Italy authorised to represent a foreign company in maintaining records and liaise with the Italian authorities and to act as a legal representative for putting the social parties in contact with the employer for possible collective negotiations. This person does not have to be present at the workplace but available as required.

Decreto Legislativo n136 introduces a penalty regime for discrepancies committed by an employer posting an employee to as follows:

An administrative penalty of between Euro 150 and Euro 500 for failure to register a new secondment on time

- Violations of record keeping requirements from Euro 500 to Euro 3000 per individual employee involved
- Failure to appoint a liaison or record-keeper Euro 2,000 to Euro 6,000
- The total of all penalties cannot exceed Euro 150,000

In cases where a secondment is not considered authentic, the fines could range from euro 50 for every employee involved per day, subject to a minimum of Euro 5,000 and maximum of Euro 50,000.



Latvia

In the case of assignments to Latvia, host employers need to notify the tax authority one day before the employee starts working and the home employer is required, prior to posting the employee, to inform the Latvian State Labour Inspectorate.

Latvia has a minimum wage requirement in place. The Latvian Government reviews the minimum wage level each year and it is expected to be increased in 2019 and 2020. The Latvian minimum wage is a fixed amount of EUR 430 per month (EUR 380 during 2017) and it does not depend on professional expertise, industry or age.

The minimum wage is the lowest wage that all employers must grant to their employees for work within normal working hours. The maximum working time in Latvia is 8 hours per day or 40 hours per week.

In the case of assignments to Latvia, host employers need to notify the tax authority about all new hired employees one day before the employee starts working (one hour before if reported through the electronic declaration system). For noncompliance with the minimum wage requirement, Latvian employers can face an administrative penalty of up to EUR 7,100. If the requirement is breached repeatedly within one year, the penalty increases to EUR 14,000.

The Enforcement Directive 2014/67/EU has been transposed by Latvia into the Labour Law, as well as into the Latvian Administrative Violations Code and Civil Procedure Law.

The provisions of the Labour Law do not apply to ship crews of merchant shipping companies.

The employer should ensure the storage of the concluded employment contracts, assignment agreements, pay-slips, time-sheets and documents which prove the payment of wages for two years after the completion of the posting.

The employer who posts an employee to perform work in Latvia is required, prior to posting the employee, to inform in writing (in the Latvian language) the Latvian State Labour Inspectorate on the posted employee.

The employer failing to comply with the regulations of posting of an employee to carry out work in Latvia will be subject to administrative penalties in accordance with the procedures of the Latvian Administrative Violations Code.

The amount of the penalty depends on the nature of the violation, frequency of the violation, severity etc. The fine for non-compliance in general with the Latvian Labour Law may range between EUR 35 – EUR 1,100. However, the Latvian Administrative Violations Code also lists other employment related violations for which penalties may reach EUR 14'000.

For public information regarding obligations of foreign entities which send an employees to perform work in Latvia, you may access the Ministry of Welfare of the Republic of Latvia webpage <http://www.lm.gov.lv/text/2070>



Lithuania

Besides the regular salary received during an assignment, per-diems are considered as part of the minimum wage.

Lithuania has a minimum wage set at national level.

As of January 2018 the minimum wage is EUR 400 per month (equivalent of EUR 2.45 per hour). In accordance with the new Labour Code, as of

July 2017 the minimum monthly wage can only be paid for unqualified work. Work is considered to be unqualified, if no specific qualifications or skills are required from the employee.

Level of the employee	Monthly amount EUR	Hourly amount EUR
Blue collar	400	2.45
Highly skilled (blue card)	>400	>2.45

There are no general rules established in Lithuania to change or review the minimum wage regularly, e.g. annually or in January each year. This is basically a political issue so it is difficult to predict the particular upcoming changes in the future.

Besides the regular salary received during an assignment, per-diems are considered as part of the minimum wage.

Standard working hours in Lithuania are 8 hours per day or the equivalent of 40 hours per week. Various exceptions might be applicable in accordance with specific laws, government resolutions and collective agreements. According to the new Labour Code that came into force as of July 2017, maximum working hours, including overtime but excluding work under an agreement on additional work, must not exceed 48 hours in any 7 calendar days. Maximum working hours, including overtime and work under an agreement on additional work, must not exceed 12 hours per day and 60 hours in any 7 calendar days.

In terms of administrative requirements, in the case of assignments to Lithuania, an employer who posts employees to Lithuania is required to notify the Lithuanian labour authorities with respect to these postings. The notification must be submitted no later than one working day prior to the start date of activity of the assignees. Non-compliance with the above mentioned requirement can lead to various penalties for the posting employer.

If the stay of an assignee in Lithuania exceeds 3 months during a 6 month period, he/she needs to obtain a certificate confirming the right to reside in Lithuania from the migration authorities (applicable for EU/EEA/Swiss citizens only).

Once the certificate is obtained, he/she will also need to declare his/her place of residence to the municipality. No specific deadlines exist for migration obligations. However, the necessary certificates (registrations) must be obtained (completed) when relevant obligations arise.

The Directive was implemented in Lithuania on 28 June 2016 by amending the Lithuanian Law on Guarantees Applicable for Assigned Employees. However, on 1 July 2017 this law was revoked and the provisions regarding assigned employees have been transferred to the newly adopted Lithuanian Labour Code, the Lithuanian Law on the National Labour Inspectorate and the Note Regarding Provision of Information About Assigned Employees.

The covered persons are assigned employees. Under Article 107 Part 1 of the Lithuanian Labour Code, assignment of an employee is defined as a situation when the employee performs his/her work duties in a place other than his/her permanent place of work. Assignment rules apply to employees assigned to Lithuania, as well as employees delegated from Lithuania to a foreign country.

Article 107 Part 6 of the Lithuanian Labour Code states that an employee assigned to a foreign country for a term exceeding 30 days should be provided with certain information, in particular: information about the employer, place where the work function will be performed, the type of employment agreement, description of the work functions, start and end dates of the work, details of the annual vacation, information on how the termination of the employment agreement may be initiated, salary, working time,



information about the valid collective agreements, the term of assignment, currency of the salary, other applicable payments / benefits, relocation conditions, etc.

Under Article 109 Part 1 of the Lithuanian Labour Code and Article 3 of the Note Regarding Provision of Information About the Assigned Employees, the foreign employer (assigning company) delegating the employee for a temporary assignment in Lithuania for the term exceeding 30 days (or delegating to perform construction works) should notify the local department of the Lithuanian Labour Inspectorate about the assigned employee. The notification should be filed in the Lithuanian language and should be provided not later than one day before the start of the work (assignment) in Lithuania.

Non-compliance with the registration requirements may result in a penalty. The amount thereof depends on the frequency of the violation, the severity etc., and it may be up to EUR 440.

Assignments of foreign employees to Lithuania, irrespective of the time spent in Lithuania, may trigger certain tax obligations for the assignee and/or for the host company. Certain assignments to Lithuania also have to be reported for tax purposes by Lithuanian companies. Therefore, in general, international assignments can be tracked by the authorities and this is one of the areas they monitor.

The list of collective agreements can be found here: <https://socmin.lrv.lt/lt/paslaugos/administracines-paslaugos/kolektyviniu-sutarciu-registras>

Publicly available information on obligations of foreign entities assigning personnel to Lithuania: https://www.vdi.lt/Forms/Tema.aspx?Tema_ID=50



Luxembourg

Per diems, cost of living allowances and foreign service premiums may be considered as part of the minimum wage.

Luxembourg legislation provides for a minimum wage requirement. As from January 2017, the minimum wage applicable was set at EUR 1,998.59 per month. However this is updated

periodically, with no specific rule as to how often the update takes place. The minimum wage is determined as a fixed amount and it depends on the worker's age and skills.

Age	Skill	Minimum wage (EUR)
15-16		(75% of the standard minimum wage)
17-18		1,598.87 (80% of the standard minimum wage)
Over 18	Blue collar	1,998.59 (100% of the standard minimum wage)
Over 18	Highly skilled	2,398.30 (120% of the standard minimum wage)

Per diems, cost of living allowances and foreign service premiums may be considered as part of the minimum wage, except from reimbursement of professional expenses. Penalties for non-compliance with the minimum salary range from EUR 251 to EUR 25,000 and this may double for repeat offences within two years.

For public information regarding obligations of foreign entities assigning personnel to Luxembourg, please visit the website:
<http://itm.lu/en/home.htmls>



Malta

It is the responsibility of the employer posting the worker to Malta to notify the Director of Labour and the Director of Industrial and Employment Relations (DIER) of its intention to post a worker to Malta prior to the commencement of the posting.

Malta has a minimum wage set at national level. However, the minimum wage requirement is determined by the economic activity of the enterprise as stipulated in the applicable Wage Regulation Order and by the age of the employee.

Where no Wage Regulation Order applies, the level of the minimum wage effective as of January 2018 is as follows:

	2017	2018
Under 17 years	EUR 160.14	EUR 162.89 per week
Age 17 years	EUR 162.98	EUR 165.73 per week
Age 18 and over	EUR 169.76	EUR 172.51 per week

The minimum wage increases annually and is expected to change starting from 1 January of each year.

In terms of legal working hours, the general rule is that the average working time, including overtime, must not exceed 48 hours for each seven day period, spread over a reference period of seventeen weeks. It is, however, possible to exceed this average provided that the employee consents in writing. Exceptions also apply in relation to certain types of employment covered by a particular Wage Regulation Order.

Besides the regular salary received during an assignment, per diems (daily allowance, to cover food and incidental costs while traveling in connection with one's work or being employed at a distance from one's home), cost of living allowance (amount paid by employers to protect assignees while on assignment from increased cost of goods and services in the host location as compared to those in the home country), foreign service premiums (assignment related allowances) and bonuses (additional compensation given to an employee above his/her normal wage) are considered as part of the minimum wage.

In terms of administrative requirements, in the case of assignments to Malta, it is the responsibility of the employer posting the worker to Malta to notify the Director of Labour of the intention to post a worker to Malta, prior to the date of posting.

For non-compliance with this notification obligation, a fine of between EUR 117 and EUR 1,165 may be imposed.

In the case of non-compliance with the minimum wage requirement, penalties between EUR 232.94 and EUR 2,329.37 may apply. In addition, the employer may be liable to pay the employee the amount due.

The Enforcement Directive was transposed into Maltese law by means of the Posting of Workers in Malta Regulations, 2016 (Subsidiary Legislation 452.82 of the Laws of Malta).

In any case of a posting to Malta, the undertaking posting the worker is required to notify the Director of Industrial and Employment Relations (DIER) of its intention to post a worker to Malta. A 'Notification of a Posted Worker to Malta' form is to be prepared for this purpose. The Notification Form accompanied with a copy of the posted worker's employment contract (with the posting undertaking) and, in the case of a TCN posted employee from an EU/EEA country, also with a copy of his/her existing working licence, should reach the Department of Industrial and Employment Relations prior to the commencement of the posting. The undertaking making use of the services of the posted worker is required to keep a copy of this Notification Form at the place of work for monitoring purposes by the inspectors of the DIER.

All employees posted to Malta are entitled to receive equality of treatment with Maltese employees. Minimum conditions include maximum work periods and minimum rest periods as applied to various classes of employees, minimum paid annual holidays as applied to various classes of employees, minimum rates of pay, including overtime rates as applied to various classes of employees,

equality of treatment between men and women and other non-discrimination provisions in accordance with the laws of Malta, protective measures with regard to terms and conditions of employment protecting pregnant women or women who have given birth a short while before, protective measures in accordance with the laws of Malta with regard to terms and conditions of employment protecting children and young people, measures in accordance with the laws of Malta relating to health, safety and hygiene at work, as well as the conditions for hiring out of workers, in particular the supply of workers by temporary employment undertakings.

The fines for breaching the provisions of the Posting Workers in Malta regulations are a minimum of Euro 117 and not more than Euro 1,165.

Please refer to the following wage regulations orders which are applicable to particular industries: <https://dier.gov.mt/en/Legislation/Pages/Wage-Regualtion-Orders.aspx>

For information regarding obligations of foreign entities assigning personnel to Malta please visit the following website:

<https://dier.gov.mt/en/Employment-Conditions/Posting%20of%20Workers%20in%20Malta/Pages/Information.aspx>



The Netherlands

The service provider will have a notification obligation, while the Dutch recipient should verify the notification.

Currently, the Netherlands has a gross minimum wage set at national level. However, the minimum wage is determined based on the age of the employee. The age barrier for entitlement to the full minimum wage has gone down from 23 to

22 years effective 1 July 2017 and this will further drop to 21 from 1 July 2019.

The level of the minimum wage is determined monthly, weekly and daily as per the table below:

Period	Employees over the age of 23* - 2017	Employees over the age of 22* - 2018
Daily	EUR 71.61	EUR 72.83
Weekly	EUR 358.05	EUR 364.15
Monthly	EUR 1,551.60	EUR 1,578.00

* Employees under the age of 23 (until 1 July 2017) or 22 (after 1 July 2017) are granted a different minimum wage.

In the survey, only employees entitled to the full minimum wage were taken into consideration.

The law does not lay down how many hours there are in a full working week. There are usually 36, 38 or 40 hours in a full week, depending on the normal work hours in the particular profession. Therefore the hourly minimum wage varies.

A new provision has applied since January 2016 stating that the minimum wage should be paid to a bank account. Furthermore, a mandatory holiday allowance of 8% of the gross wage is applicable. Blue collar workers can only work in the Netherlands for the minimum wage mentioned above if they are EU/EEA or Swiss nationals.

Special salaries, higher than the minimum wage, apply to non-EU/ EEA and Croatian highly skilled migrants who apply for residence work authorizations and for blue card holders.

The maximum legal working schedule in the Netherlands is 12 hours per day or 60 hours per week.

Effective 1 January 2018 the minimum wage also applies to any work hours in addition to the regular working hours in the profession or industry, unless this work is paid as compensatory time-off.



Another important change as from 1 January 2018 is that independent contractors or freelancers are covered by the scope of the law and should thus also be paid at least the minimum wage.

Effective 18 June 2016, the Directive's rules were taken over in the act "Wet arbeidsvoorwaarden gedetacheerde werknemers in de Europese Unie" or WagwEU. In accordance with the Directive, the aim of WagwEU is to ensure that assignments really are temporary, that self-employment is not fake and that the sending company has substance.

A subsequent decree contains the checks which the authorities should apply to determine if an employee is temporarily assigned to work in the Netherlands and, in this way, falls under the scope of the act. Examples of these checks are: duration and start-date, will he/she return, does he/she normally work in the home country, the nature of the activities performed in the host country, whether or not the sending company pays for housing in the host country, earlier time spent in the Netherlands, proof of continuation of the home country social security, from where and how regularly the services are managed, who pays etc.

WagwEU requires the sending company to have (either in hardcopy or electronically) the following information available at the employee's place of work: the contract of employment, documents showing the number of hours worked, copy/copies of payslip(s), proof of payment of social security contributions, proof of the identity of the sending and receiving companies, the assignee and the person responsible for paying the assignee's wage and proof showing that the assignee's salary has been paid. Upon the authorities' request, the sending company is responsible for providing this information after or during the assignment within a reasonable timeframe.

To help employers comply with the legislation there is a central website in English and Dutch which shows all the relevant conditions for companies to register as well as a factsheet.

However, the digital reporting system through which the information should be submitted by the foreign employer, is not yet in place in the Netherlands. The filing obligation has been suspended, probably until 1 January 2019.

The receiving company must also report to the authorities if the sending company has not met / not fully met its obligations.

WagwEU provides for the sending company to appoint a contact person in the Netherlands to act as a liaison for the authorities.

The penalties for non-compliance are about EUR 12,000 depending on the frequency of the violation and its severity.

The Dutch authorities are very strict in enforcing the employer's obligation to pay staff according to the Minimum Wage Act. This is audited in several ways, for instance by the authorities checking the central payment system (SUWI-net) or by inspections on site by the Labour Inspectorate. Furthermore, construction sites must maintain a strict gate administration which is very often checked as well.

There are many different collective labour agreements in the Netherlands. The following website has a collective labour agreements search function, which might be useful: <https://www.fnv.nl/sector-en-cao/alle-caos/>

Public information on obligations of foreign entities assigning personnel to the Netherlands may be found on the link <https://www.government.nl/documents/publications/2016/10/20/factsheet-terms-of-employment-posted-workers-in-the-eu-act>



Norway

In Norway allowances cannot be included in minimum wage.

Norway is one of the Nordic countries which does not have a statutory fixed minimum wage requirement in place. Generally, remuneration is negotiated between the parties, either individually or collectively.

However, in certain industries or business sectors there are generally applicable collective agreements in place which provide mandatory

minimum wages for certain groups of employees.

The minimum wage can change at different times for different industries. However, generally, it changes annually, during spring. The minimum wage depends on education, experience etc.

Below you can find some examples of the current mandatory minimum pay in certain industries:

Industry	Qualifications	Mandatory minimum wage per hour
Building sites	Skilled employees	NOK 197,90
	Unskilled employees	NOK 177,80
	Unskilled, min. 1 year work experience	NOK 185,50
Maritime construction/shipbuilding industry	Skilled workers	NOK 169,94
	Semi-skilled worker	NOK 162,22
	Unskilled worker	NOK 154,59
	In addition various increments are applied to wages	
Agriculture and horticulture*	Unskilled employees	NOK 135,05
	Skilled worker	NOK 131,05 + NOK 11,00
	In addition various increments are applied to wages	
Cleaner*		NOK 177,63

In addition, the employer must pay the costs of travel, board and lodging.

Currently, in addition to the industries mentioned above, there are generally applicable collective bargaining agreements in place in the following industries: electro, fish processing enterprises,

hotel, restaurant and catering, and the transport industry (both transport of freight and of persons).

It is important to determine whether the work is covered by an agreement which contains provisions on the minimum wage. Moreover, enterprises participating in public procurement will

have a contractual obligation to apply minimum pay according to either a national applicable collective bargaining agreement or a generally applicable collective bargaining agreement. This should be assessed prior to submitting a tender.

Moreover, in terms of how the minimum wage is determined, wages are remuneration for labour. Allowances come in addition to wages and should not be included in minimum pay.

Mandatory normal working hours are a maximum of 9 hours a day and maximum 40 hours a week. Thus, most employees work 8 hours a day Monday-Friday. Shorter working hours may apply according to a generally applicable collective bargaining agreement or a national applicable collective bargaining agreement. The working hours should be stated in the employment contract.

If the conditions are fulfilled the employer may apply average calculation of normal working hours. Average calculation of normal working hours means that employees may work longer hours per day and week for a specific period, provided the extra hours put in are taken out in

free time. On average, the employee must not work more than the maximum normal working hours according to the legislation or the applicable collective bargaining agreement. Before average calculation of working hours can be adopted, certain mandatory requirements must be followed in order for it to be valid. In some cases, average calculation of working hours may require consent from the Norwegian Labour Inspection Authority.

In addition, the Norwegian Annual Holiday Act applies.

In terms of administrative requirements, in the case of assignments to Norway, the employee needs to be registered with the Central Office for Foreign Tax Affairs on a specific form (RF-1199).

The Enforcement Directive 67/2014/EU has been implemented in Norwegian legislation as from 1 July 2017.

Several government agencies have cooperated to launch a website called <https://www.workinnorway.no/en/Home>. This website contains some relevant information with regard to working/ and or doing business in Norway.





Poland

Besides the regular salary received during a posting, per diems, cost of living allowances, foreign service premiums and bonuses are considered as part of the minimum wage as long as they are paid in monetary form.

Poland has a minimum wage set at national level.

The level of the minimum wage is usually published in September and is applicable from 1 January of the following year. The minimum wage is a fixed amount determined based on the increase in the price of goods.

As from January 2018 the level of the minimum wage is PLN 2,100 (approximately EUR 500) fixed for both blue collar workers and highly skilled workers, corresponding to full time employment, based on an employment contract only (i.e. it is not applicable to civil law based contracts). In 2017, the minimum wage was PLN 2000 (approximately EUR 460).

The maximum legal working hours in Poland are 8 hours per day, or the equivalent of 40 hours per week.

Besides the regular salary received during a posting, per diems, cost of living allowances, foreign service premiums and bonuses are considered as part of the minimum wage as long as they are paid in monetary form.

Penalties of between PLN 1,000 and PLN 30,000 apply for noncompliance by an employer with the minimum wage requirements. The employer is also responsible for paying the missing amount and interest to the employee.

As regards the implementation of Directive 67/2014/EU, on 18 June 2016, the provisions of Poland's Seconded Persons Act entered into force. The new rules aim to introduce into Polish legislation the provisions of Directive 67/2014/EU concerning the posting of workers in the framework of the provision of services.

The foreign employer is required to meet the above obligations (filing the declaration and nominating a contact person) no later than the first day the employee works in Poland.

In the case of assignments already underway on the date the new regulations came into force (18 June 2016), the employer is required to meet the above obligations within three months.

The most important key issues regulated by the Polish Seconded Persons Act concern posting workers to Poland as part of the provision of services, monitoring compliance with provisions on the posting of workers, implementation of information obligations related to the posting of workers, cooperation with relevant authorities of other Member States regarding the posting of workers, protection of employees posted to and from Poland, rules of conduct related to notification of employers posting employees from Poland on the imposition of a penalty or administrative fine, as well as applications for the enforcement of a penalty or administrative fine imposed on an employer.

The new Legislation also gives the Polish Labour Inspectorate the role of verifying whether or not the employer posting the employee to Poland to work carries out a substantive activity in the sending state and whether or not the assignment is temporary.

The new regulations are applicable to EU and Non-EU companies which send employees to work in Poland and are not applicable to commercial navy companies with regard to crews of commercial vessels and international transport, excluding cabotage.

The employer is required to keep and hold during the period of assignment in an accessible and easily identifiable place in Poland, the employment contract of a posted employee or other equivalent document certifying employment conditions, the working time of a posted worker indicating the commencement and termination of work and the number of hours worked on a given day as well as documents specifying the remuneration of a posted worker along with the amount of deductions made in accordance with the applicable law and proof of transferring the remuneration to the employee.

An employer posting an employee to Poland is required to make the above documentation available at the request of the Polish Labour Inspectorate, together with the appropriate translation into Polish, no later than within 5 working days of the date of receiving the request. The documents must be retained for two years

after the assignment ends and should be provided to the Polish Labour Inspectorate within 15 working days of the request.

The employer is required to appoint an authorized person to represent the foreign company in contacts with the Polish Labour Inspectorate.

An employer posting an employee to Poland, should submit to the Polish Labour Inspectorate a statement containing the information necessary to check the actual situation at the workplace on the first day the employee works in Poland at the latest. The Polish Labour Inspectorate should be notified of any change to the information contained in the statement no later than within 7 working days of the date of the change.

Penalties of between PLN 1000 and PLN 30000 (approx. 200 – 6500 EUR) can be imposed for breaches of the regulations.



Portugal

The minimum wage does not depend on occupation, industry or age. It is also applicable to all employees irrespective of their professional background (e.g. blue collar workers, highly skilled workers or other categories).

Portugal has a minimum wage requirement which is updated as needed by the economic environment, with no specific timetable.

The current level of the minimum wage, applicable from January 2018, is EUR 580 per month and there is an intention to proceed with a gradual increase in the amount of the minimum wage during the next few years. Previously, as from January 2017, the minimum wage was set at EUR 557 per month.

The minimum wage does not depend on occupation, industry or age. It is also applicable to all employees irrespective of their professional background (e.g. blue collar workers, highly skilled workers or other categories).

Assignment related allowances such as per-diem, cost of living allowances, foreign service premiums, bonuses or other similar payments are not considered as part of the minimum wage.

In the case of assignments to Portugal, neither the assignee, nor the home or the host entities have any special notification requirements towards the local authorities.

The maximum legal working time in Portugal is 8 hours per day and 40 hours per week.

We understand that Directive 67/2014/EU has been transposed by Law n.º 29/2017 of 30 May 2017.



Romania

The Romanian minimum wage cannot include cost of living allowances, foreign service premiums, bonuses or per-diems.

The national minimum wage is established by Government decision (generally on an annual basis) or after consultation with trade unions and employers.

As from 1 January 2018 the minimum gross wage is RON 1,900 lei per month (approximately 413 EUR, using an exchange rate of 1 EUR = 4.6 RON).

For foreigners, the same minimum wage applies in the case of local employment or assignment to Romania. However, in the case of highly skilled employees, who hold an EU blue card, the minimum wage requirement is the equivalent of 4 times the average gross wage in Romania (i.e. 4 * RON 4,162 = RON 16,648 applicable for 2018).

In Romania the standard working hours are 8 hours per day and 40 hours per week.

Where the normal working hours are, by law, less than 8 hours/day, the minimum hourly wage is calculated by reference to the minimum gross wage and the average number of hours worked per month.

Minimum wage rates are also established by the applicable collective agreements. However these amounts cannot be lower than the national minimum gross wage.

Under the Romanian Labour Code, wages are defined as base salary, allowances, benefits, as well as other additional payments. The base salary cannot be lower than the national minimum wage. Consequently, the Romanian minimum wage cannot include cost of living allowances, foreign service premiums, bonuses or per-diems.

Setting a base salary below the minimum national wage constitutes a civil offence and is penalised by a fine of between RON 300 and RON 2,000 for each employment contract where the base salary is set below the minimum wage. Repeatedly setting wages below the national minimum wage may constitute a criminal offence.

The Enforcement Directive was transposed into Romanian legislation by means of Law no.16/2017 and its application norms dated 18 May 2017.

The employer is required to keep in an accessible and easily identifiable place in Romania, copies of the employment contract or an equivalent document, details of the salary and proof of

payment, as well as details of working time and an attendance card. In some cases, the authorities may also ask for the A1 certificate an intercompany agreement and any other relevant documents.

In accordance with Romanian legislation, the employer is required to send to the local labour inspectorate, a declaration regarding the assignment of own employees, at the latest on the working day prior to commencement of the activity.

The employer is also required to nominate a legal representative in Romania, to establish contact with the Romanian authorities. If the employer has no legal representative in Romania, one of the employees seconded to Romania should be designated as a contact person with the Romanian authorities.

The Romanian authorities may impose fines (i.e. RON 5,000 – RON 9,000, the equivalent of approximately EUR 1,090 – EUR 1,960, at the exchange rate of 4.6 RON/EUR) for:

- Not filling in the informative form;
- Not holding and making available to labour inspectors at their request the above mentioned documents;
- Not presenting a translation into Romanian of the documents requested;
- Not presenting the documents required by the authorities after the termination of the secondment period, at the request of the Labour Inspectorate or of the local labour inspectorates, within a maximum of 20 working days from receipt of the request;
- Not fulfilling the requirement to designate a person to liaise with the relevant national authorities and to send and receive documents and / or opinions, if appropriate;

Companies are required to keep the required documents for 3 years after the end of the assignment and may be requested to present them during this time.

If the informative form is incomplete or has inaccurate information in the statement, the authorities may impose fines of between RON 3,000 – RON 5,000.



Slovakia

The host employer faces fines exceeding EUR 33,000 if it fails to notify an assignment or employment to the Slovak authorities.

Slovakia's minimum wage is determined annually through government regulation. The Slovak government passes the regulation in October each year and it enters into force starting from 1 January of the following year.

The minimum wage is determined as a fixed, monthly amount, for employees who are paid monthly and have a regular weekly working time. The minimum monthly wage in 2018 is EUR 480. For other employees an hourly rate is applicable, which is EUR 2.759 in 2018. The minimum wage must be paid out to every employee in an employment relationship. Employees whose remuneration terms are not regulated in a collective agreement are also eligible to receive at least the minimum wage.

Sector wide, so called higher level collective bargaining agreements can be accessed on the webpage of the Ministry of Labour of the Slovak Republic via the following link (in Slovak only):

<https://www.employment.gov.sk/sk/praca-zamestnanost/vztah-zamestnanca-zamestnavateľa/kolektívne-pracovnoprávne-vztahy/kolektívne-zmluvy/>

Higher level collective bargaining agreements are concluded between country-wide representative(s) of employees and representative(s) of employers for a specific sector or sectors. These collective agreements should guarantee more favourable or comparable rights of employees than the statutory minimum set forth by the Labour Code. Additionally, there are also collective bargaining agreements concluded between the employer and trade unions, which apply only to the specific company.

Minimum wage claims, however, do not apply to e.g. public servants, civil servants, members of the armed forces, customs officers, firemen, judges, prosecutors.

The level of the minimum wage claims do not depend on the occupation, but on the type of work (i.e. complexity, responsibility and level of work difficulty). Each position must be classified in one of the six levels of work difficulty.

The minimum wage claim for each level of work difficulty is determined by multiplying the minimum wage by the index stated for the relevant level of work difficulty. Below you can find examples of the six levels of work difficulty:

Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
e.g. Cleaner	e.g. Administrative worker	e.g. Nurse	e.g. Chief accountant	e.g. Production manager	e.g. Managing director



As the minimum wage level depends on the level of work difficulty, the type of work must be taken into consideration. Highly skilled workers are generally classified in the fifth and sixth level of work difficulty. For example, for blue collar workers the minimum wage is at least EUR 480 (EUR 435 during 2017) per month, while for highly skilled workers in the sixth level of work difficulty (e.g. workers with a blue card), the minimum wage is at least EUR 960 (EUR 870 during 2017) per month.

The Slovak minimum wage includes cost of living allowances, foreign service premiums, bonuses and payment for work on professional or personal anniversaries (unless it is provided from the net profit or from the social fund). However, per-diems are not considered part of the minimum Slovak wage.

For non-compliance with the Slovak labour regulations on employment, the employer may face fines of up to EUR 200,000.

In the case of postings to Slovakia, the assigning employer must notify the National Labour Inspectorate not later than on the first day of the assignment. The host employer must inform the relevant Office of Labour, Social and Family

Affairs in relation to the start/termination of the assignment within 7 days of the commencement/ termination of the assignment. The host employer faces fines of up to EUR 33,193.91 if it fails to notify the assignment or employment to the Slovak authorities.

In general, the maximum legal working time in Slovakia is 8 hours per day or 40 hours per week. Special rules apply for working hours of young workers (under 18 years of age), those working in an environment which presents a high risk of cancer and healthcare workers.

Directive 67/2014/EU was implemented via Slovak Act No. 351/2015 Coll. on cross border cooperation in assignment of employees for performance of work in provision of services as amended, which became effective on 18 June 2016. This act primarily sets forth rules for identification of the assigning employer and assigned employee as well as obligations of the host employer towards respective public authorities.

The assigning employer is required to notify the Slovak National Inspectorate on assignment of its employees to Slovakia, at the same time providing statutory information, such as identification data,



number of assigned employees, scope of services to be provided, duration of the assignment (commencement and termination) and place of performance of work by the Posted Employee.

The assigning employer must appoint a representative for delivery of documents. This person must be resident in Slovakia during the entire period of the assignment.

The assigning employer must notify the National Labour Inspectorate not later than on the first day of the assignment. This can be done electronically via the webpage of the National Labour Inspectorate (<https://www.nip.gov.sk/?form&lang=sk>) or in hardcopies by post. Also, the assignment must be notified to the local Inspectorate via delivery of a registration card by the recipient of services. The obligation to notify applies to every posted employee, regardless of the duration of their posting, i.e. even assignments as short as one day need to be notified. No minimum periods are stipulated by the law.

Moreover, the host employer is required to keep documents related to the posting at the workplace of the employee; these documents include:

- The employment contract entered into between the host employer and the posted employee,
- Working time records of the posted employee,
- Records of payslips (salary paid) of the posted employee.
- The A1 form concerning social security (paid by the member state of origin) for tax purposes (in any language of the EU).

The relevant records should be kept even after the completion of the posting.

The Labour Inspectorate can impose penalties of up to EUR 100,000. In the case of illegal work, penalties can be between EUR 2,000 and EUR 200,000.



Slovenia

For non-compliance with the minimum wage requirements, the general penalty is between EUR 3,000 and 20,000. For employers with 10 or fewer employees, the penalty is between EUR 1,500 and EUR 8,000. A penalty between EUR 1,000 and EUR 2,000 is also applicable to the individual that represents the employer, who is responsible for the non-compliance.

Slovenia has a minimum wage requirement and the level of the minimum wage is generally updated every year in January. As from January 2018 the level of the minimum wage was set at EUR 842.79 and it is the same irrespective of the individual's professional expertise (e.g. blue collar workers, highly skilled workers or others).

The minimum wage is determined as a fixed amount and is based on economic factors, such as growth of retail prices, change in salaries, economic growth and changes in employment. The minimum wage includes all salary elements according to the Employment Relationships Act, except supplements for night work, work on Sundays, or work on public holidays and work-free days determined by law. These supplements are added to the amount of the minimum wage. Thus, assignment related allowances such as cost of living allowances, foreign service premiums or bonuses may be considered part of the minimum wage.

For non-compliance with the minimum wage requirements, the general penalty is between EUR 3,000 and 20,000. For employers with 10 or fewer employees, the penalty is between EUR 1,500 and EUR 8,000. A penalty between EUR 1,000 and EUR 2,000 is also applicable to the

individual that represents the employer, who is responsible for the non-compliance.

The maximum legal working time in Slovenia is 8 hours per day or 40 hours per week.

Directive 96/71/EC has already been implemented into current legislation, through the Employment, Self-Employment and Work of Aliens Act, the Employment Relationship Act, the Private International Law and Procedure Act, and the Employment and Insurance Against Unemployment Act.

Directive 2014/67/EU was implemented into legislation on 1 January 2018 through the Posting of Workers Act which also includes Directive 96/71/EC.

Information on collective bargaining agreements and/or other industry specific agreements can be found on the Ministry of Labour, Family, Social Affairs and Equal Opportunities web page.

Public information sources detailing obligations of foreign entities assigning personnel to Slovenia can be found on the Financial Administration of the Republic of Slovenia web page or on the Health Insurance Institute of Slovenia web page.



The minimum wage set by the government and the collective bargaining agreements may include only the basic working hours in a month and thus assignment related allowances such as cost of living allowance, foreign service premiums, and per diems are not considered part of the minimum wage.

There is a minimum wage requirement in Spain, which is set by the government. For 2018, the minimum wage is EUR 735.90/month. However, collective bargaining agreements (national, regional or sectional), usually set another minimum wage requirement, depending on the activity or professional category, which is always higher than the one set by the government.

The minimum wage set by the government is applicable as from 1 January and it is updated every year. Collective bargaining agreements set the minimum wage for a fixed period of time as well, generally for one year.

The minimum wage set by the government is a fixed amount. However, collective bargaining agreements can determine other remuneration systems. Generally, collective bargaining agreements set a fixed amount as well as additional amounts which depend on productivity, seniority, etc.

The minimum wage established by the government does not depend on the occupation, industry or the age of the employee, but is set based on agreement between the government, the most representative unions and employers. However, the minimum wage set by the collective bargaining agreements can consider other criteria such as occupation or position in the company, as it depends on the sector.

The minimum wage set by the government does not distinguish between blue collars, highly skilled or other type of workers, as it is a fixed amount. However, collective bargaining agreements usually set a level of minimum wage depending on the category of the employee.

The minimum wage set by the government and the collective bargaining agreements may include only the basic working hours in a month and thus assignment related allowances such as cost of living allowance, foreign service premiums, and per diems are not considered part of the minimum wage.

The Spanish Workers Statute establishes a maximum of 9h per day and 40h per week. However, the duration of the working day or week may be different, depending on the applicable collective bargaining agreement.

The Enforcement Directive was transposed from 27 May 2017 by means of Royal decree-law 9/2017 and its application norms. The law states that a displaced employee is an employee of an employer established in a Member State other than Spain who usually carries out work outside Spain but is sent to work for a limited period on Spanish territory.

The rule is also applicable to the transfer of the employee to a different place of work of the same Company or another Company of the group as long as the employee works in Spain.

The regulation is applicable to employees of a Temporary Employment Company who are ceded by a foreign Company and displaced by this Company to perform their work in Spain for a limited period of time.

The employer is required to communicate electronically the displacement to the corresponding authority according to the territory where the service are provided.

The employer should be able to provide employment contracts, payrolls, and accreditation documentation from the Member State to work in Spain, as well as timetable records of the working day, if the labour inspectorate requires them.

The penalties for breach of provisions of the Royal Decree-Law are between Euro 626 and Euro 6,250 for serious offenses and between Euro 6,251 and Euro 187,515 for very serious offenses.

Collective bargaining agreements are all published in the Official Journal of each Region or Province or the Official State Journal if the CBA is national.



Sweden

The home country employer must notify the Swedish Work Environment Authority no later than five days after the assignment has begun.

Sweden does not have a minimum wage requirement for EU nationals.

The legal working hours are 8 hours per day or 40 hours per week. Overtime and standby time may be allowed within certain limits.

In terms of administrative requirements, in the case of assignments to Sweden the home country employer must notify the Swedish Work Environment Authority no later than five days after the assignment has begun. The notification should include certain specific information such

as both the home and the host employer as well as a contact person for the employer. More information, in English: <https://www.av.se/en/>

The notification can be filed online, on the Swedish Work Environment Authority's website. Penalties starting from SEK 20,000 may be levied in the case of non-compliance with the notification requirements.

Directive 67/2014/EU was implemented in Sweden on 1 June 2017 as part of legislation on posting of workers.



Switzerland

The minimum wage is determined either based on the provisions of potentially applicable collective labour scheme(s) or in the case of assignees for whom no collective labour scheme applies, individually on a case by case basis.

Switzerland does not have a minimum wage set at national level. However, the minimum wage requirements are set out for specific industries in hundreds of collective labour schemes (some of which mandatorily apply to all employees working in Switzerland whether or not the employer or its Swiss host group company is a party to the scheme).

In addition to the above and regardless of the type of industry and work performed in Switzerland, the following applies without exception: Employees who are employed outside Switzerland and are designated to work in Switzerland as assignees must be paid a salary for the time in Switzerland which is in line with the customs in the relevant Swiss canton, industry and profession (so-called Swiss reference salary). In this respect, the Swiss immigration authorities always check on the salary requirements when processing a work permit application.

In addition, in the event of labour inspections in Switzerland on site, the employer may be required to provide evidence to the authorities that the salary (plus expenses) outlined in the work permit application and supporting documents is actually being paid (by providing pay slips, records of expense compensation payment, etc.).

All 26 Swiss cantons apply their own standard salary levels, meaning that when determining a relevant reference salary every case is analysed individually. All cantons, however, base their

assessment on their statistical reference salaries for comparable Swiss employees in their geographical area. This means that for all sorts of activities and groups of employees they apply a statistical reference salary range and usually request the assigning employer to pay the average of the statistical salary range to the employee.

If a salary turns out not to be sufficient during the work application process, time consuming negotiations with the authorities on the adjustment payments and drafting and signing of new supporting documents are required.

The minimum wage is determined either (i) based on the provisions of potentially applicable collective labour scheme(s) or (ii) in the case of assignees for whom no collective labour scheme applies, individually on a case by case basis.

For assignees for whom no collective labour scheme applies, the following main criteria must be taken into consideration:

- Specific role/activities/ responsibilities when working in Switzerland;
- Age.
- Job grade.
- Overall level of occupation (e.g. 50%, 80%, 100%).
- Weekly hours of work as per employment/ assignment contract.



- Qualification level (highest level academic and professional certificate).
- Overall professional experience.
- Service for the applying employer.
- Number of employees employed by the Swiss group entity.

In Switzerland, the maximum legal working hours per day/week depends on the specific activity and industry. In addition to the assessed Swiss reference salary, the employer must pay the employee expenses for meals and housing, as well as for travel related to the assignment in Switzerland.

Besides the regular salary, received during an assignment to Switzerland, cost of living allowances and foreign service premiums may be considered salary components which count towards the reference salary.

In terms of administrative requirements, at least an online notification or even a formal application is required to be submitted to the local authorities (depending on the location of the home company, nationality of the assignee, duration of assignment and total duration of all assignments of the same employer to Switzerland in the current calendar year).

All 26 cantons apply different processes to the different permit types. In the case of non-compliance with the above requirements the employer may be liable to the following:

- Subsequent payment of the salary gap claimed.
- Requirement to pay the proceeding fees.
- Administrative penalties (fines up to CHF 30,000, exclusion from the Swiss market for one to five years, inspection costs covered by offending employers).
- Criminal penalties (fines up to CHF 1,000,000, seizure of assets such as unlawful earnings).
- Penalties set out in the generally applicable collective employment contract.

Regarding Collective Labour Agreements in Switzerland, please see the following links:

https://www.seco.admin.ch/seco/de/home/Arbeit/Personenfreizugigkeit_Arbeitsbeziehungen/Gesamtarbeitsvertraege_Normalarbeitsvertraege/Gesamtarbeitsvertraege_Bund/Allgemeinverbindlich_erklaerte_Gesamtarbeitsvertraege.html

https://www.seco.admin.ch/seco/de/home/Arbeit/Personenfreizugigkeit_Arbeitsbeziehungen/Gesamtarbeitsvertraege_Normalarbeitsvertraege/Gesamtarbeitsvertraege_Kantone.html



The United Kingdom

The level of the minimum wage is determined based on the age of the worker and whether the individual is employed as an apprentice.

The United Kingdom has a National Minimum Wage ('NMW'). Historically, NMW rates used to change annually on 1 October. However, in April 2016, the Government also introduced the National Living Wage ('NLW'). From April 2017 onwards, NLW and NMW rates are now reviewed and increased at the same time.

The NMW rate per hour depends on age and whether the employee is an apprentice (see table below). Currently, the NMW is £ 7.05 per hour for workers aged 21 to 24 and will be raised to £7.38 as from 1 April 2018.

Since 6 April 2016, a mandatory NLW has applied to workers aged 25 and over. This rate of pay was introduced through an amendment to the NMW Regulations to ensure that the rules that apply to the NMW rates for workers aged under 25 also apply to workers entitled to the NLW. All employers must pay employees aged 25 and over at least £7.50 per hour (£7.83 from 1 April 2018). The NMW will still apply for workers aged 24 and under.

The NLW operates in conjunction with the existing NMW Regulations.

The minimum wage in the UK is determined as an

hourly rate.

For NMW purposes, the pay allocated to a pay reference period in the UK is any pay which is:

- received during that period,
- earned in that period but not received until the next pay reference period.

The pay in the period will consist of the total eligible earnings for NMW purposes and is not limited to the hourly rate received by the individual.

The NMW is calculated by dividing pay by the number of actual hours worked in the relevant pay reference period.

The legislation in relation to the NMW is extremely complex. The calculation of the NMW may be further affected by the type of worker being paid (as determined by their contract of employment e.g. hourly paid or salaried worker), the working practices in operation and how working time is identified and captured for payroll purposes.

The level of the minimum wage is determined based on the age of the worker and whether the individual is employed as an apprentice.

Year 2018	Apprentice	Under 18	18 -20	21 to 24	NLW 25 and over
April 2017 (current rate)	£3.50	£4.05	£5.60	£7.05	£7.50
Rate from April 2018	£3.70	£4.20	£5.90	£7.38	£7.83



For instance, the NMW rates for Apprentices are based on age. Apprentices are entitled to the apprentice rate if they are either:

- under 19
- 19 and above and in the first year of their apprenticeship

Apprentices aged 19 or above who have completed the first year of their apprenticeship are entitled to the minimum wage rate for their age.

Work experience refers to a specified period of time that a person spends in a business, during which they have an opportunity to learn directly about working life and the working environment. The nature and arrangements for work experience vary and an individual's entitlement to the National Minimum Wage will depend on whether the work experience offered makes the individual a worker for National Minimum Wage purposes.

Cases which are not eligible for the minimum wage:

- Government training schemes or European Union Programmes: if a person is doing work experience in a government scheme to provide training, work experience or temporary work.
- Work experience as part of an education course – a person doing work experience which is a requirement of a higher or further education course for less than one year is not eligible for the minimum wage.
- Volunteers.

The UK considers bonuses as part of the NMW/ NLW. However some employers pay workers special allowances over and above standard pay (e.g. London weighting). These allowances may not count towards minimum wage pay unless they are consolidated into the worker's standard pay or they relate to the worker's performance. Consequently Cost of Living Allowance and foreign service premiums may not count towards the minimum wage unless they are consolidated into the assignees' base pay.

Certain deductions an employer makes from a

worker's pay will reduce pay for the purposes of calculating NMW if they are:

- in relation to a workers expenditure in connection with the employment; or
- made for the employer's own use and/or benefit and are not a liability owed by the worker and paid on his/her behalf to a third party.

Examples might include the purchase of uniform items by the worker, pension contributions under a salary sacrifice arrangement and accommodation provided to workers.

In case of non-compliance with the minimum wage requirements the employer might be required to:

- repay arrears of the minimum wage to each worker named on the notice
- pay a penalty to the Secretary of State

The government has announced a package of measures to improve compliance and strengthen the enforcement of the minimum wage. This includes increasing financial penalties for non-compliance from 100% to 200% of the arrears employers owe, setting up a dedicated team in HMRC (the UK tax and customs authority) focused on tackling the most serious cases of non-compliance, and further increasing HMRC's enforcement budget.

The NMW Naming Scheme came into effect on 1 January 2011, the objective being to raise awareness of minimum wage enforcement and deter employers who would otherwise be tempted to break minimum wage law. The relevant government department publishes a list identifying those businesses that have underpaid workers, which often receives much press attention.

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