

KPMG Guide to the Posting of Workers 2023



KPMG in Romania

2023

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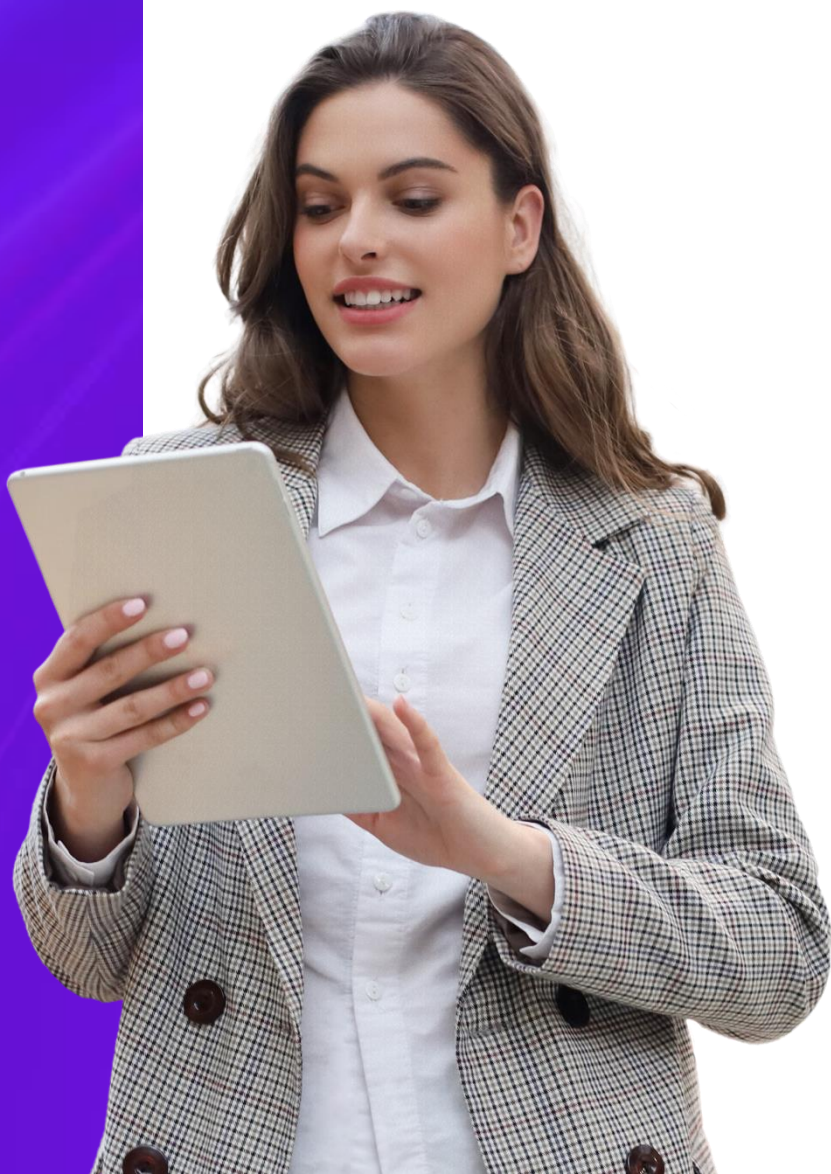
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01



Introduction



Introduction

Do you send your workers to work in another EEA country and/or Switzerland for a limited period of time?

Once the workers have completed their tasks, do they return to work for your company?

If you replied yes to these questions, you are likely subject to the European rules for posted workers.

European rules for posted workers came into force in 1996, but it is only after fairly recent amendments to the rules and the introduction of mandatory declarations prior to a posting that the topic rose to the very top of the agendas in administrations around Europe and companies sending workers to or within Europe. With the pandemic behind us, the topic of posted workers in Europe is back

We have [condensed historic background](#) about why and how European rules for posted workers came about on one page, if it has your interest!

European Commission has recently published its first report on data for declarations for posted workers in the EU for 2020,¹ and here are some highlights:

- 01 5.5 million postings were registered for 1.5 million posted workers.
- 02 Main sending countries are Poland and Germany while the main receiving countries count Germany, Netherlands, France and Austria.
- 03 In 8 countries filing a declaration for posted workers is possible only through postal mail, e-mail and/or fax (survey conducted in 2021). Other countries states provide electronic declaration for posted workers.
- 04 16 countries require declarations for posting for workers posted by undertakings in countries outside EU/EFTA/UK. The number of posted third country nationals, both those residing in the EU and those who are residents outside the EU, are on a steep increase.²

Rules for posted workers are not likely to change any time soon, so the authorities seem to focus on enforcing the existing rules, conducting more (joint) labour inspections, digitizing and using technology to conduct more efficient labour inspections.

In this year's guide, we aim to provide you with an overview over working conditions in the EU countries focusing on those terms and conditions relevant to posted workers.

¹ [KE-07-23-105_EN-N \(2\).pdf](#)

² [ela-report-posting-third-country-nationals.pdf \(europa.eu\)](#) : Note that Hungary now requires that postings from a non-EU country to Hungary are registered in the Hungarian registration system for posted workers. This means that in total 17 EU member states require registration of postings from non-EU countries.

General overview

The following terms and conditions of employment of the host country apply to posted workers:

- Remuneration, including overtime rates;
- Maximum working hours and minimum rest periods;
- Conditions on hiring out workers, (e.g. hiring-out temporary staff through agencies);
- Conditions for pregnant women, women who have recently given birth, children and young people (under the age of 18);
- Equal treatment of men and women and other rules preventing discrimination;
- Treatment for workers in your host Member State
- Minimum paid annual leave;
- Health, safety and hygiene at work;
- Conditions on accommodation, if provided by your employer;
- Allowances and reimbursement of expenses to cover travel, board and lodging costs in the host Member State. This applies if you are required to travel during the assignment or to travel to and from your regular place of work in the host Member State and if this is the regular

What you have to do for posted workers:

Get your A1- certificates for social security coverage. A1-certifies document that posted workers remain covered by the social security system in their home country.

If a posting is for longer than 3 months, posted worker must register residence with the host country's authorities. The time spent in the posting will not accumulate the right to permanent residence. Different rules may apply to third country nationals.

Inform yourself about collective agreements in the host country: depending on the country where workers are posted, posted workers may be entitled to rights through collective agreements.

What you do not have to do for posted workers:

- If a posted worker is a citizen of the EU, the European Economic Area (from Iceland, Liechtenstein and Norway) or Switzerland, there is no need to apply for a work permit.
- Posted workers does not need to have professional qualifications recognised. However, posted worker may need to make a written declaration for some professional skills, for example to operate cranes, special elevators or drilling machines.
- When A1- certificates covering the period of posting are issued in the home country, you do not need to register posted workers with the social security authorities in the host Member State. They remain insured in the home country.
- Posted workers who are third country nationals need a work permit for the country where they are employed. Then, the same conditions apply to them as to other posted workers who are EU citizens.

Following are explanations of some fundamental terms in the context of posting of workers:



Posted worker

is an employee who is sent by the employer to provide services in another member state on a temporary basis and in the context of a contract of services, an intra group posting or a hiring out through a temporary agency.

Short term posting

When a worker is posted up to 12 months, only the core of working terms and conditions apply accordingly to the rules in the host country.

When posted workers replace each other, it all counts as a single 12 (18) month posting period.

Long term posting

If a worker is posted for more than 12 months, almost all terms and conditions of employment of the host country apply.

However, you can issue a notification to extend the duration of your regular-term posting from 12 to 18 months, maintaining the same terms and conditions of employment. This extension is at the discretion of the competent authorities

Provision of a service

Posted worker must provide services to service recipient in the host country. Services in this context are normally provided for remuneration and in particular include:

- Activities of an industrial character.
- Activities of a commercial character.
- Activities of craftsmen.
- Activities of professions.

Recipient of a service

There must be a recipient of service in the host country. A recipient can be an undertaking, but it can also be a private person that is not an undertaking.

Following are explanations of some fundamental terms in the context of posting of workers:



Equal pay for equal work – The concept of remuneration

Posted worker must be remunerated accordingly to the rules in the host country. This means that the posted worker must be remunerated with appropriate salary and all other mandatory elements of remuneration accordingly to the rules in the host country and taking into account all relevant elements such as seniority, professional qualifications etc.

Only the parts of remuneration that are not mandatory accordingly to the rules in the host country do not have to be paid to the posted worker.

Reimbursement of costs for posting

Costs for food, lodging and transport must follow the rules in the host country, too. Costs for posting such as cost of food and lodging cannot be added to remuneration. Any allowance paid to the posted worker which does not clearly state what it covers will be considered as expenditure for posting and not as remuneration.

Registration obligation

Posted workers must be registered in the host country before the commencement of work. Each country has its own registration system, and each country decides if the registration is not required for certain activities. For example, Belgium, Denmark, Austria, France, and the Netherlands exempt workers going to seminars or conferences from the registration obligation.

Currently 17 EU member states require registration of workers posted from a non-EEA country/Switzerland.

Business travelers

are covered by the rules for posted workers if they are sent to provide services to a service recipient in another country. In such instance the registration obligation will apply.

However, if business travel does not occur in the context of the provision of services (e.g. conference, fare trade) the rules for posted workers will not apply. The key is to define the nature of activities performed in the host country.

Remuneration

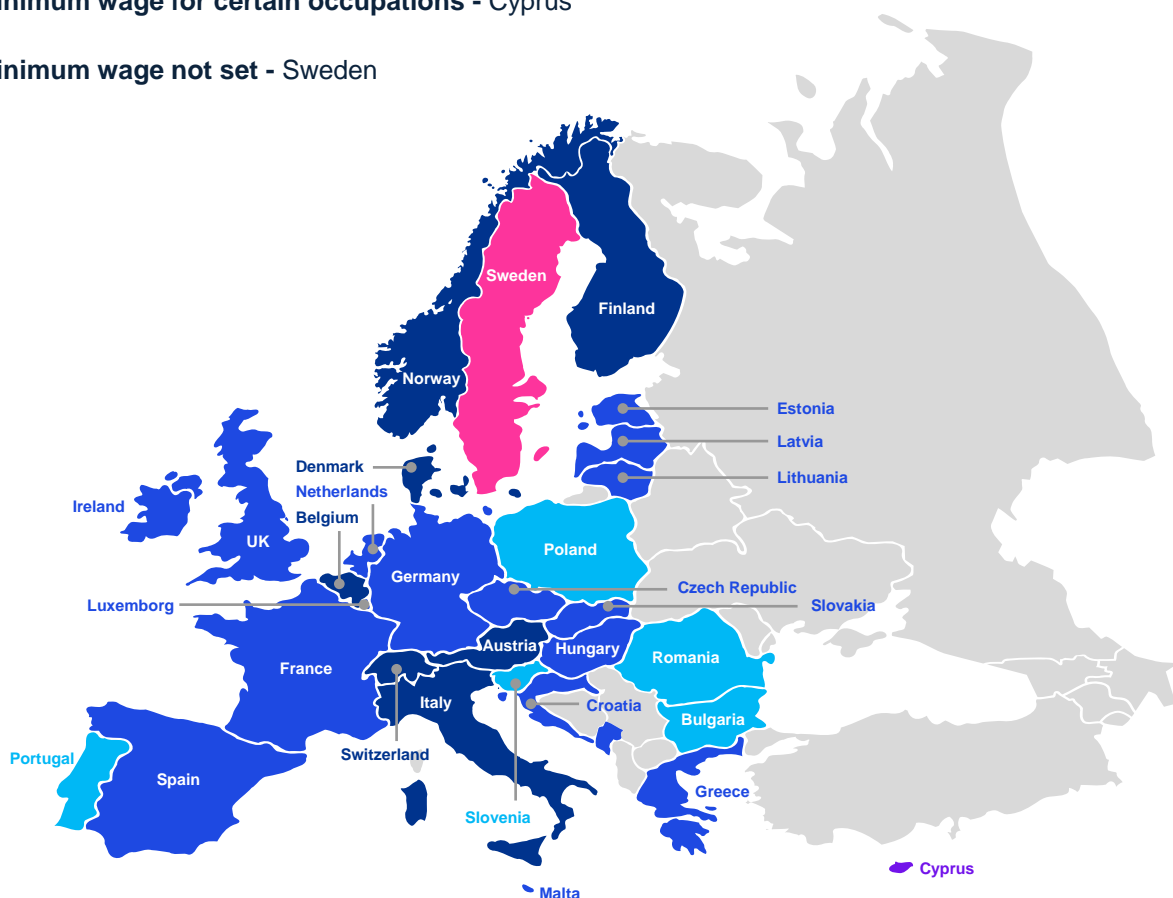
Wage setting

Many European countries set wages on national level and through collective bargaining agreements (CBA).

Collective bargaining agreements are set in different ways (per industry, per sector, between trade unions and employers etc.). However, these cannot be lower than the minimum wage set at national level.

If collective bargaining agreements with general/universal applicability exist, then the wage granted to an individual cannot be lower than the wage guaranteed by the agreement (irrespective of the minimum wage applicable at national level).

- 01 Minimum wage set at national level only** – Bulgaria, Poland, Portugal, Romania, Slovenia,
- 02 Minimum wage set through CBAs only** – Austria, Belgium, Denmark, Finland, Italy, Norway, Switzerland
- 03 Minimum wage set both at national level and through CBAs** - Croatia, Czech Republic, Estonia, France, Germany, Greece, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Slovakia, Spain, UK
- 04 Minimum wage for certain occupations** - Cyprus
- 05 Minimum wage not set** - Sweden



Registration requirements



	Posting up to 12 months	Extension of a posting	Shortening of a posting	Posting over 12 months	Business travelers	Posting from a non-EU country
Austria	Yes	Yes	Yes	Yes	Yes	No
Belgium	Yes	Yes	Yes	Yes	Depends *	Yes
Bulgaria	Yes	Yes	Yes	Yes	No	Yes
Croatia	Yes	Yes	Yes	Yes	Yes	Yes
Cyprus	Yes	Yes	Yes	Yes	Depends *	No
Czech Republic	Yes	Yes	Yes	Yes	Depends *	Yes
Denmark	Yes	Yes	Yes	Yes	Depends *	Yes
Estonia	Yes	Yes	No	Yes	No	No
Finland	Yes	Depends *	Depends *	Yes	No	Yes
France	Yes	Yes	Yes	Yes	Depends *	Yes
Germany	Yes *	Yes *	No	Depends *	Depends *	Yes
Greece	Yes	Yes	No	Yes	Depends *	Yes
Hungary	Yes	Yes	Yes	Yes	Depends *	Yes
Ireland	Yes	Yes	Yes	Yes	No	No
Italy	Yes	Yes	Yes	Yes	No	Depends *
Latvia	Yes	Yes	No	Yes	Depends *	No
Lithuania	Yes	Yes	Yes	Yes	No	Yes
Luxembourg	Yes	Yes	Yes	Yes	Yes	Yes

* Please see comments in the country by country section

Registration requirements



	Posting up to 12 months	Extension of a posting	Shortening of a posting	Posting over 12 months	Business travelers	Posting from a non-EU country
Malta	Yes	Yes	Yes	Yes	Yes	No
Netherlands	Yes	Yes	No	Yes	Depends *	No
Norway	Yes	Yes	Yes	Yes	Depends *	Yes
Poland	Yes	Yes	Yes	Yes	Depends *	Yes
Portugal	Yes	Yes	Yes	Yes	Depends *	No
Romania	Yes	Yes	Yes	Yes	Depends *	No
Slovakia	Yes	Yes	No	Yes	No	No
Slovenia	Yes	Yes	Yes	Yes	No	Yes
Spain	Yes	Yes	Yes	Yes	Yes	No
Sweden	Yes	Yes	Yes	Yes	Depends *	Yes
Switzerland	Yes *	Yes	Yes *	No *	Yes *	No *
UK	No	No	No	No	No	No

* Please see comments in the country by country section

Notification news & tips

News



Estonia

New online platform

The Labour Inspectorate in Estonia now offers a user-friendly self-service platform, TEIS, for easier submissions of the registrations for posted workers. These were previously filed manually. Effective July 17, 2023, registration via TEIS requires information such as the employer's details, contact person, posted employees' data, posting duration, client information, and work specifics.

Luxembourg

Changes to mandatory pre-registrations

The Luxembourg PWD notification portal has been amended. Several data fields have been changed, mostly minor in nature. Two significant changes, however, concern the mandatory pre-registrations required with the Ministry of the Economy, and for Luxembourg VAT. These reference numbers are no longer mandatory fields.

France

Online platform upgraded

The French PWD notification portal has been streamlined, and the process to obtain and use the receipt of submission has been improved. The notification confirmation now includes a QR Code which can be scanned by a smartphone to extract the relevant data. The fields required for submissions remain the same.

Tips



European Union

Many EU countries require non-EU employers to also register postings

While the requirement for intra-EU posting is covered under the EU Posted Worker Directive, many EU countries have extended the obligation to register posted workers to non-EU employers to also notify postings to their countries. This includes Belgium, Bulgaria, Czechia, Denmark, Germany, Spain, France, Croatia, Italy, Lithuania, Luxembourg, Austria, Poland, Romania, Finland, Sweden (according to EU reporting).

Signature of PWD forms

A small number of jurisdictions require that the PWD registration is signed, including Croatia, Czechia, Romania, Slovakia and some Spanish regions. A proxy can be appointed by the employer for such signatures.

Tips (continued)



Late registrations

PWD registrations must be made prior to the commencement of the posting. Although it is possible to submit late registrations via most country portals, it should be recognized that doing so may result in penalties and/or inspections. Certain country portals, however, do not permit a past date to be entered as the posting start date, such as Hungary, Italy, Slovenia and Sweden.

Notifying multiple postings

Almost all country portals facilitate the notification of multiple postings per submission. This functionality is not available, however, for Austria, Czechia, Malta and some Spanish regions.

Austria

Third-country nationals require additional documents

EU PWD notifications very rarely require supporting documents. One important exception concerns non-EU citizens posted to Austria. These postings require upload of proof of right to work in Austria, generally a work permit or residence permit.

Germany

PWD notifications only required for limited industries and activities

Germany has one of the most narrow notification requirements in the EU. Generally, a notification on the minimum wage portal may only be required in the following industries, which are considered high-risk for "labour dumping":

- Construction
- Haulage, transport and logistics
- Meat packing
- Forestry
- Passenger transport
- Private security
- Industrial cleaning
- Fairgrounds and amusements
- Catering
- Hotels
- Trade fairs and exhibitions (i.e. installation and dismantling)

Employers posting workers to Germany should also be aware of the monthly pay threshold, and duration test.

KPMG's PWD Quarterly Review

For more news and tips, regarding both notification procedures and labour law, please refer to our PWD Quarterly Review

<https://kpmg.com/xx/en/home/insights/2022/06/gms-posted-worker-quarterly.html>

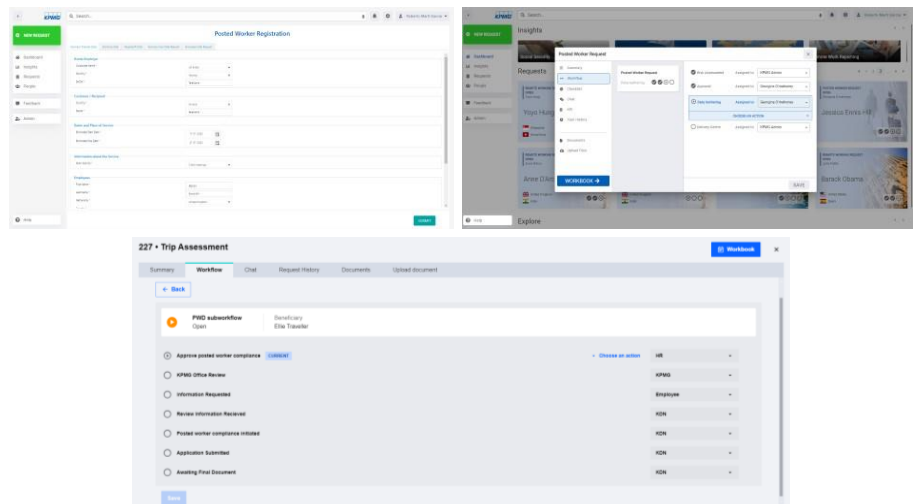
KPMG's solution

KPMG's PWD and A1 Compliance Solution

- 01 KPMG offers a robust, end-to-end solution for managing compliance related to the Posted Workers Directive (PWD), EU Social Security Coordination (A1s) and social security agreements (Certificates of Coverage (CoCs)), from the risk assessment through to the completion of downstream compliance.
- 02 The solution is particularly suited to high-volume, time-sensitive trips such as business travel, but is also configurable for assignee populations
- 03 KPMG will collate the necessary data for PWD registrations and A1/CoC applications and execute the necessary filings.
- 04 The KPMG solution utilizes our Business Traveller (BT) and LINK Go workflow technology, system integration and automation, and a centralized delivery approach, ensuring efficiency, consistency and quality
- 05 Our dedicated PWD Service Delivery Team works closely with subject-matter experts from across the KPMG network who have deep expertise on European legislation and local requirements .
- 06 The data collection process can be fully automated (by using LINK Go) or partially manual (using PWD Service Delivery Team resources in Budapest) depending on business requirements and data integrations.



KPMG LINK Go: Assessment & Data Gathering



KPMG's solution

KPMG offers a fixed fee solution for PWD and A1 /CoC submissions across Europe, the UK, the US and other locations.



Travel Booking /
Assignment Initiation

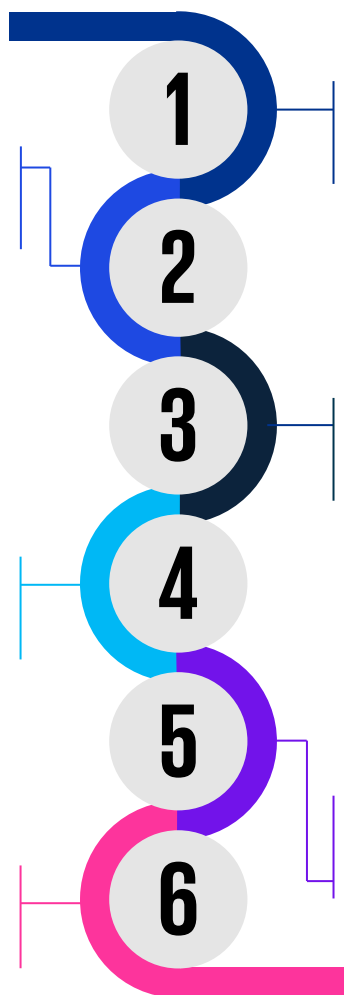
Identification and initiation of
service(s)



Data collation and review



Upload proof and instruction to
assignee / traveller



Trip risk assessment



Document and information
gathering



Registration / Application
processing



Contact Us



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Country-by-country report



Austria

Belgium

Bulgaria

Croatia

Cyprus

The Czech republic

Denmark

Estonia

Finland

France

Germany

Greece

Hungary

Ireland

Italy

Latvia

Lithuania

Luxembourg

Malta

The Netherlands

Norway

Poland

Portugal

Romania

Slovakia

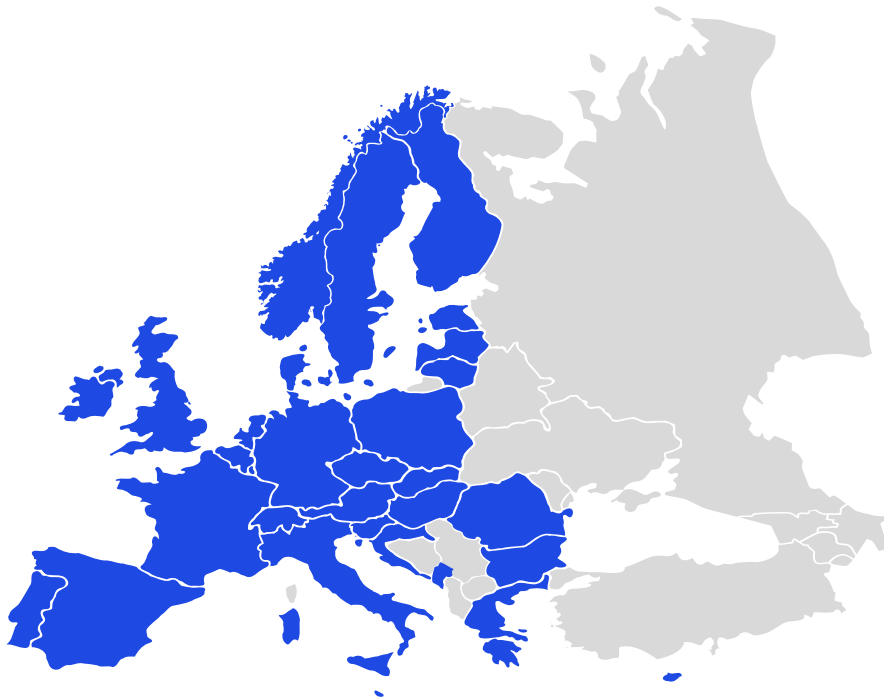
Slovenia

Spain

Sweden

Switzerland

United kingdom



Select a country

Austria

News



Austria has transposed rules for posting of workers in international road transport into national legislation (Austrian Anti-Wage and Social Dumping Act (LSD-BG))

In particular, national legislation provides clarification of cross-border transports that do not constitute posting. Further, it introduces special registration obligations and control measures, obligation to keep documents available in vehicle and to transmit documents upon request by authorities.

New legislation stipulates administrative fines for non-compliance.

General

Foreign employers posting workers to Austria must distinguish between posting (assignment) (*Entsendung*) and hiring out of workers (*Arbeitskräfteüberlassung*) since different legal provisions and obligations apply depending on the type of the posting.

Remuneration of posted workers

Minimum wage is set through collective bargaining agreements (or minimum wage scales).

Austria does not have minimum wage set in law. Collective bargaining agreements (or minimum wage scales) set minimum standard. Minimum wage in collective bargaining agreements changes (usually) annually.

For illustrative purposes, please see below remuneration applicable in 5 selected industries (amounts applicable in March 2023):

- Automotive industry:** Depending on position and previous years of service/seniority: between EUR 2.236,16 and EUR 8.002,48 gross, 14 times a year.
- Telecom industry:** Depending on position and previous years of service/seniority: between EUR 1.687,25 and EUR 6.527,03 gross, 14 times a year; as of October 2023: between EUR 1.744,04 and EUR 6.746,69 gross, 14 times a year.
- IT- industry:** Depending on position and previous years of service/seniority: between EUR 1.950 and EUR 5.935 gross, 14 times a year.
- Construction industry:** Depending on position and previous years of service/seniority: between EUR 1.902 and EUR 6.663 gross, 14 times a year (for white-collar employees).
- Oil & Gas industry:** Depending on position and previous years of service/seniority: between EUR 2.336,13 and EUR 11.638,99 gross, 14 times a year.



What can be included in the remuneration



To avoid administrative penalties, every posted worker working in Austria must receive minimum remuneration (including surcharges, other surcharges and overtime pay) which is stipulated in Austrian law, applicable collective bargaining agreement or minimum wage scale.

Expense allowances (such as lump sums, tax-free per-diems etc.) are not credited against minimum wage. If national Austrian provisions provide a title to special payments, monthly pro-rated portions must be paid out to posted worker.

Included in the remuneration

Base salary/base wage

Overtime payments

Bonuses

Surcharges (e.g. overtime surcharge (50 pct./100 pct. etc.), shift bonus, hardship allowance, hazard bonus)

Special payments (Foreign service premium, Cost of living allowance, Hardship premium, Country allowance, Assignment allowance)

Not included in the remuneration e.g.

Tax-free Per-diems

Housing (if expense reimbursement)

Transportation costs

Meal costs, dirt surcharge

Severity allowance

Working hours



Workers posted to Austria benefit of minimum break of 30 minutes when working day exceeds 6 hours, minimum rest of 11 hours between shifts, and minimum weekly rest of 36 hours.

Maximum working time is 12 hours per day / 60 hours per week. Besides, within a reference period of 17 weeks, average weekly working time of 48 hours may not be exceeded.

Mandatory registration of posted workers



Posting or hiring out of workers must be notified to Central Coordination Office (ZKO), Austrian Federal Ministry of Finance, prior to commencement of work in Austria (so-called "ZKO notification"). Changes of data required for notification about posting shall be notified without delay (amendment notification).

ZKO notification must be submitted exclusively by filing electronic forms of Federal Ministry of Finance (ZKO 3 for posting; ZKO 4 for hiring out of employees).



Mandatory registration of posted workers (continued)



Highlighted exemptions are featured below:

- Posted worker receives monthly gross remuneration of at least 120 pct. of 30 times daily ASVG-maximum contribution basis (2023 level: EUR 7.020).
- Temporary intra-group postings or hiring out of specially qualified workers for maximum of 2 months per calendar year, as long as work performed in Austria is for research and development, planning of project work, training, or otherwise for purposes of exchanging experiences, consulting, controlling, or participating in cross-border group-department with management and planning functions or work in connection with delivery, commissioning (and related training), maintenance, service work and repair of machines, equipment and IT- systems.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Yes

Posting from a non-EU country

No, however immigration legislation applies.

Documents and legal representation

Following documents shall be kept available only during the posting / hire-out at place of work in Austria, either in hardcopy or electronically:

Notification documents, social security documents and official permits such as:

- Valid and correct certificate for social security coverage (A1-certificate), provided that posted / hired-out worker is not subject to mandatory social security in Austria.
- ZKO 3 / ZKO 4 notification.
- Work permit of posted / hired-out worker, if applicable.

*Generally, every business traveler needs to be registered from day one, unless an exemption applies: there is no registration obligation in case of postings of short duration (approx. 1-7 days) if only certain activities are performed (e.g. attending seminars and congresses without rendering any services, business meetings, etc.) and as long as no services are rendered. Quick assessment should be carried out prior to business travel.



Documents and legal representation (continued)

Wage documents in German or English such as:

- Employment contract or statement containing information about terms and conditions for employment.
- Payslips (*Lohnzettel*);
- Proof for payment of remuneration / bank transfer statements.
- Wage records.
- Records of working time.
- Documents relating to pay categorization to verify remuneration payable to posted worker during posting.

Austrian legislation provides for foreign employer to indicate legal representative in Austria than is able to establish contact with Austrian authorities.

Penalties for non-compliance



Under certain conditions, foreign employer may be banned from carrying out activity in Austria for up to 5 years.

Offence

Penalties starting 1 September 2021

Violations of notification obligations and obligation to keep notification documents, social security documents and official permits readily available.

Up to EUR 20.000

Not keeping documentation about remuneration available.

Up to EUR 20.000
In case of recurrence:
up to EUR 40.000

Remuneration is undercut.

EUR 20.000 - EUR 400.000

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker is Austria, under the condition that remote worker does not deliver services in Austria.

For example, if remote worker works from home in Austria for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.



Remote working (continued)

Employment law



For individuals with employment contract under foreign law who choose to work in Austria (under a “remote working” concept), it must be analyzed which law governs the relevant employment relationship and to which extent Austrian law must be considered (in particular when it comes to overriding mandatory rules).

Tax



Remuneration for remote working in Austria for a foreign employer will normally be subject to Austrian taxation from first day. In such case, it needs to be analyzed if remote working in Austria triggers tax liability for the foreign employer (permanent establishment).

If withholding obligation arises in Austria, foreign employer must fulfil certain payroll accounting requirements:

- Register with Austrian tax authorities for wage tax withholding.
- Calculate, withhold, and transmit Austrian wage tax to Austrian tax authorities monthly (i.e., until 15th day of the month following respective wage payments).
- Mandatory annual reporting of wages and wage tax summary (“Jahreslohnzettel” – form “L 16”).

According to guidelines from Austrian tax authorities, it is not required that payroll administration and wage tax calculation respectively are implemented within Austrian territory. It is also possible to administer these obligations from abroad, but this must be done in accordance with Austrian legal requirements and moreover, respective documentation must be transferable to Austria at any time upon request from tax authorities.

These factors render calculation as well as payment of Austrian wage tax difficult for foreign companies. In practice, foreign employers source these duties out either to tax consultant in Austria or, if applicable, affiliated company in Austria.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Austria in which case A1- certificate must be issued by the competent social security authority in order to avoid the application of Austrian social security.

When Austrian social security applies, social security contributions encompass employee's contributions (generally 18,12 pct. for recurring payments) and employer's contributions (generally 21,23 pct. for recurring payments) up to monthly contribution basis cap adjusted each year.

Foreign employer must register with Austrian insurance agency as well as calculate, withhold, and transfer both remote worker's and foreign employer's contributions on a monthly basis to insurance authorities. Monthly reporting of contribution base is also required.

Public Source of Information

The link to the official website of the Austrian Federal Ministry of Labor where all important information regarding the application of minimum wage requirements and collective bargaining agreements can be accessed [here](#).



Belgium

Remuneration of posted workers

Minimum wage at national level

National minimum wage is the absolute minimum to be respected when workers are posted to Belgium. From 1 January 2023, monthly gross minimum salary is EUR 1.954,99 for workers who are at least 18 years old.

However, most industries set their own minimum wages in collective bargaining agreements (see further).

Minimum wage set through collective bargaining agreements

In Belgium, minimum wages are set at industry level, which is divided into various joint committees. Consequently, change of level of minimum wage and expected date for change varies, depending on applicable collective bargaining agreement (CBA). System of automatic wage indexation also exists in Belgium, which is imposed by law, but set by CBA.

See below sectorial minimum wages for starters in auxiliary joint committees for blue-collar and white-collar workers.

Blue collar workers

JC n° 100: Auxiliary joint committee for blue-collar employees

EUR 1.804,64 gross per month (worker 18 years of age)

White collar workers

JC n° 200: Auxiliary joint committee for white-collar employees

Category A: EUR 2.087,58 gross / month

Category B: EUR 2.174,56 gross / month

Category C: EUR 2.205,32 gross / month

Category D: EUR 2.378,84 gross / month

If competent industry's CBA does not mention wages or there isn't any agreement, guaranteed minimum monthly income (GMMI) still must be complied with. This basic wage differs depending on age and seniority of worker.

There is 1 minimum wage (gross amounts):

Workers who are 18 years old and older:
EUR **1.954,99** gross per month.

GMMI is not minimum monthly income since it includes certain amounts such as year-end bonus or work placement allowance.

For illustrative purposes, please see below remuneration in selected 5 industries:



Automotive industry

Blue collar workers

JC n° 111.01: joint committee for blue-collar employees in metal, mechanical and electrical construction sector

Minimum hourly salary:

National: 14,3188 gross/hour for 38 h/week

Province of Brabant:

14,3188 gross/hour for 38 h/week

13,9517 gross/hour for 39 h/week

13,6029 gross/hour for 40 h/week

Province of Antwerp:

14,3188 gross/hour for 38 h/week

Province of Limburg:

14,3188 gross/hour for 38 h/week

Province of East Flanders:

for 38 h/week

Category 1	14,4467 gross/hour
Category 2	14,7573 gross/hour
Category 3	14,9433 gross/hour
Category 4	15,1916 gross/hour
Category 5	15,4402 gross/hour
Category 6	15,8121 gross/hour
Category 7	16,1846 gross/hour
Category 8	16,6817 gross/hour
Category 9	17,0530 gross/hour
Category 10	17,4882 gross/hour
Category 11	17,9216 gross/hour

Province of West Flanders:

for 38 h/week

Category 1	14,3839 gross/hour
Category 2	14,6933 gross/hour
Category 3	14,8778 gross/hour
Category 4	15,1249 gross/hour
Category 5	15,3726 gross/hour
Category 6	15,7437 gross/hour
Category 7	16,1137 gross/hour
Category 8	16,6078 gross/hour
Category 9	16,9774 gross/hour
Category 10	17,4108 gross/hour
Category 11	17,8432 gross/hour

Provinces of Liège and Luxembourg:

For 36 hours/week	15,1143 gross/hour
For 37 hours/week	14,7058 gross/hour
For 38 hours/week	14,3188 gross/hour
For 39 hours/week	13,9517 gross/hour
For 40 hours/week	13,6029 gross/hour

Province of Namur:

14,3188 gross/hour for 38h/week

Province of Hainaut:

14,3188 gross/hour for 38h/week for starters



Automotive industry (continued)

White collar workers

JC n° 209: joint committee for white-collar employees in metal fabrications sector

Minimum wages (gross/month):

Administrative employees:

Step 1	2.135,50 gross / month
Step 2	2.160,75 gross / month
Step 3	2.381,57 gross / month
Step 4	2.547,69 gross / month

Technical employees:

Step 1	2.135,50 gross/ month
Step 2	2.135,50 gross/ month
Step 3	2.160,75 gross/ month
Step 4	2.216,17 gross/ month
Step 5	2.381,57 gross/ month
Step 6	2.400,50 gross/ month
Step 7	2.547,69 gross/ month

Draughtsmen:

Step 1	2.135,50 gross / month
Step 2	2.216,17 gross/ month
Step 3	2.547,69 gross/ month
Step 4	2.695,04 gross/ month
Step 5	3.026,69 gross/ month

Tracers for boiler work:

Step 1	2.547,69 gross/ month
Step 2	2.676,77 gross/ month

Guaranteed average minimum monthly income for employees with a minimum age of 18 year:

National:	2.135,50 gross/month
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Telecom industry

Auxiliary joint committees for blue-collar (JC 100) and white-collar employees (JC 200): see above.

IT-industry

Auxiliary joint committees for blue-collar (JC 100) and white-collar employees (JC 200): see above.



Construction-industry

Blue collar workers

JC n° 100: Joint committee for blue-collar employees in the construction sector

Hourly schedule (on weekly basis) 40 hours/week

Age	0	6	12	24	36
18	11,2790 gross/ hour				
20			11,3546 gross/ hour		
22				11,4609 gross/ hour	11,4952 gross/ hour

For workers 18 years of age and older, 5 different amounts (categories) are determined:

Category 1: first column with 0 months of seniority applies to workers who have less than 6 months of seniority and are at least 18 years old.

Category 2: second column with 6 months of seniority applies to workers with seniority from 6 to 11 months and are at least 20 years old.

Category 3: third column with 12 months of seniority applies to workers who have 12 months of seniority and are at least 20 years old.

Category 4: fourth column with 24 months of seniority applies to workers who already have 24 months of seniority and are at least 22 years old.

Category 5: fifth column with 36 months of seniority applies to workers who have 36 months of seniority and are at least 22 years old.

White collar workers

JC n° 200: Auxiliary joint committee for white-collar employees (will depend on function level and seniority)

Category A	Category B	Category C	Category D
EUR 2.087,58 gross / month	EUR 2.174,56 gross / month	EUR 2.205,32 gross / month	EUR 2.378,84 gross / month



Oil & Gas industry

Depending on actual activities, employers and workers could belong to Joint Committee 116 or 207 (blue collar employees and white-collar employees in chemical sector), Joint Committee 117 or 211 (blue collar employees and white collar employees in petrol sector), Joint Committee 127 (blue collar employees in sector for fuel trade), or Joint Committee 326 for gas and electricity companies.

By way of example, following minimum monthly salaries for white collar workers of Joint Committee 207 apply:

Years of experience	1	2	3	4a	4b
0	2.228,39	2.274,71			
1	2.242,83	2.291,80	2.324,82		
2	2.257,08	2.309,01	2.351,32		
3	2.271,44	2.326,02	2.377,65	2.517,37	
4	2.285,89	2.343,29	2.404,33	2.547,76	2.709,95
5	2.300,26	2.360,43	2.430,82	2.578,23	2.744,57
6	2.314,56	2.377,52	2.457,48	2.608,80	2.779,04
7	2.328,89	2.394,67	2.483,86	2.639,17	2.813,64
8	2.343,29	2.412,08	2.510,46	2.669,68	2.848,06
9	2.357,61	2.429,03	2.537,05	2.700,08	2.882,81
10	2.371,86	2.446,18	2.563,57	2.730,56	2.917,39
11	2.386,27	2.463,24	2.590,00	2.761,13	2.951,75
12	2.400,69	2.480,52	2.616,64	2.791,64	2.986,31
13	2.415,09	2.497,71	2.643,06	2.822,09	3.020,83
14	2.429,37	2.514,86	2.669,53	2.852,66	3.055,42
15	2.443,75	2.532,03	2.696,17	2.883,21	3.089,79
16	2.458,00	2.549,28	2.722,71	2.913,50	3.124,48
17	2.472,46	2.566,30	2.749,33	2.943,91	3.158,93
18	2.486,83	2.583,42	2.775,83	2.974,58	3.193,55
19	2.501,05	2.600,59	2.802,29	3.004,90	3.228,07
20	2.515,47	2.617,78	2.828,78	3.035,47	3.262,54
21		2.634,96	2.855,47	3.066,05	3.297,17
22			2.881,88	3.096,56	3.331,75



Years of experience	1	2	3	4a	4b
23			2.908,42	3.126,96	3.366,29
24			2.935,10	3.157,49	3.400,84
25			2.961,59	3.187,77	3.435,35
26			2.988,11	3.218,44	3.469,93
27				3.248,91	3.504,23
28				3.279,30	3.538,98
29					3.573,39

What can be included in the remuneration



Only basic salary and certain benefits in kind constitute minimum wage. All other additional benefits and allowances must not be taken into account to calculate whether minimum wage, as established by CBA in applicable joint committee, has been respected.

Included in the remuneration

Basic salary

Benefits in kind (housing, gas, electricity, water, heating, accommodation, food, tools and/or clothes, materials) at their actual value and to a certain extent (weighted against gross remuneration)

Not included in remuneration

Per-diems

Special payments pertaining to work performed outside Belgium (Foreign service premium, Cost of living allowance, Hardship premium, Country allowance, Posting/Assignment allowance)

Bonuses

Transportation costs

Meal costs

Contributions to the group insurance scheme or hospitalization insurance

Working hours



Generally, working hours may not exceed 8 hours per day / 38 hours per week.

Nonetheless, daily and weekly limit on working time may be exceeded in several well-defined circumstances and it is subject to certain specific conditions.

For example, working week of 40 hours with allocation of 12 compensatory days of rest over 1-year reference period. Moreover, certain industries have explicitly reduced maximum working hours, replacing legal limits. Exceptions to maximum working hours are possible if certain conditions are met.



Mandatory registration of posted workers



Except for certain excluded categories of posted workers, foreign employer must, prior to commencement of work in Belgium, submit notification about posting to Belgian National Social Security Office (NSSO) using electronic form on www.limosabe.be.

Furthermore, if foreign employer does not meet their obligation regarding prior notification about posting, entity receiving posted workers in Belgium is obliged to take care of this.

Posted workers	Registration (Yes/No/Depends)
Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers*	Depends
Posting from a non-EU country	Yes

Documents and legal representation

Foreign employer must appoint liaison officer who will liaise with Belgian (inspection) authorities on behalf of foreign employer.

Liaison officer can be any physical person authorized by foreign employer to provide relevant information to Belgian (inspection) authorities upon their request.

Liaison officer does not have to be domiciled or residing in Belgium. Liaison officer must be appointed through notification about posting (LIMOSA notification tool).

In addition to information about posting, liaison officer must keep following documents with respect to posted workers (on paper or electronically) and they must provide these to Belgian social inspection authorities upon their request:

- | Employment agreements or equivalent documents;
- | Information about terms and condition for posting (e.g. duration of posting, remuneration and benefits in kind as paid during posting, conditions of repatriations of posted worker, etc.);
- | Working time (daily/weekly working time, etc.);
- | Evidence for effective payment of remuneration.

Foreign employer and liaison officer must archive relevant documents for 1 year after posting has ended. Upon explicit request from Belgian inspection authorities, foreign employer must translate documents into Dutch, French, German, or English.

*Business travellers to Belgium are exempted from obligation to declare posting if they are attending small group meetings that do not exceed 20 successive calendar days. Exemption applies to meetings with a closed attendee list (e.g. strategic negotiations, contract negotiations with clients, performance reviews which are the typical activities of a business traveller) and provided that attendance of business traveler at these meetings does not exceed 60 calendar days per calendar year, with a maximum of 20 consecutive calendar days per meeting.



Penalties for non-compliance



Non-compliance with rules on minimum wage, maximum working hours, appointment of liaison officer, or retention of documents is so-called level 2 penalty that can be imposed on foreign employer. Level 2 penalty consists of either criminal fine from EUR 400 to EUR 4.000 or administrative fine from EUR 200 to EUR 2.000. Criminal or administrative fine must be multiplied with number of posted workers concerned. However, fine may not exceed 100 times maximum fine.

Non-compliance by entity receiving posted workers concerning prior notification about posting (LIMOSA-notification) is sanctioned level 3 penalty. Level 3 penalty consists of either criminal fine from EUR 800 to EUR 8.000 or administrative fine from EUR 400 to EUR 4.000. Criminal or administrative fine must be multiplied with number of posted workers concerned. However, fine may not exceed 100 times maximum fine.

Same penalties apply to posted self-employed worker when activities are pursued in high-risk industry (construction, meat processing and cleaning).

Non-compliance of foreign employer with rules for prior notification about posting (LIMOSA-notification) is sanctioned level 4 penalty. Level 4 penalty consists of either prison sentence from 6 months to 3 years and criminal fine from EUR 4.800 and EUR 48.000, or one of those penalties alone, or administrative fine from EUR 2.400 to EUR 24.000. Criminal or administrative fine must be multiplied with number of posted workers concerned. However, fine may not exceed 100 times maximum fine.

Remote working

Posted workers



Generally, rules for terms and conditions of employment for posted workers are not triggered when remote worker is in Belgium, under the condition that remote worker does not deliver services in Belgium.

For example, if remote worker works from home in Belgium for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, the application of rules for posted workers will likely be triggered.

However, when remote worker works in Belgium for a foreign employer, remote worker must be registered in LIMOSA system with notification about posting. This requirement existed before mandatory prior declaration about posting was enacted in Europe. Belgium is thus far only EU member state that requires registration of remote workers.

Tax



Liability for tax on personal income depends on tax residence status of remote worker:

- If remote worker is tax resident in Belgium, they will be taxable on worldwide income in Belgium (with possibility to exempt income if applicable);
- If remote worker is not tax resident in Belgium, they will in general only be taxable if (i) they exceeds 183 days of presence in Belgium or (ii) costs are recharged to employer in Belgium, or (iii) costs are borne by Belgian permanent establishment of foreign employer.



Remote working (continued)

Tax



Wage withholding tax requirement in Belgium occurs if:

- Foreign employer has permanent establishment in Belgium for corporate tax purposes based on the Double Tax Treaty; or
- foreign employer has establishment in Belgium for corporate tax purposes based on Belgian internal legislation. Due to broad definition of corporate establishment in Belgium, it is rather “easy” to have a Belgian establishment based on Belgian legislation. Foreign employer that delivers services in Belgium through presence of one or more workers in Belgium for term which exceeds 30 days during any twelve-month period is considered to have establishment in Belgium. This analysis must be conducted and confirmed by specialist in corporate tax specialist.

To process Belgian wage taxes, Belgian shadow payroll must be set up (with external payroll office) and foreign employer should pay wage taxes monthly to Belgian tax authorities, at the latest on 15th of each month following month in which income has been attributed. Income must be reported on wage statement 281 ('Fiche 281.10').

If foreign employer has establishment under Belgian local law, but does not have permanent establishment according to Double Tax Treaty, it is remote worker's obligation to pay Belgian taxes. Foreign employer does not have legal obligation to withhold taxes in this case.

However, discussion can arise if remote worker does not meet their obligations to pay taxes in Belgium.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Belgium in which case A1-certificate must be issued by the competent social security authority in order to avoid the application of Belgian social security.

In case that Belgian social security applies, foreign employer cannot exempt themselves from obligation to register, to report and to pay social security contributions to Belgian National Social Security Office. In addition, there may be additional obligations for foreign employer to draw mandatory labor accident insurance. Foreign employer cannot transfer these obligations to remote worker.

Public Source of Information

<https://www.employment.belgium.be/en>

https://www.international.socialsecurity.be/working_in_belgium/en/limosa.html



Bulgaria

Remuneration of posted workers

Minimum wage at national level

From 1 Jan 2023, minimum gross wage is BGN 780 per month (approximately EUR 399).

Minimum wage is revised annually. New mechanism for determining of minimum wage is adopted and it will enter into force from 1 January 2024. Amount of minimum wage will be 50 pct. of average gross wage for 12-month period which shall include last two quarters of previous year and first two quarters of current year.

Minimum wage set through collective bargaining agreements

Bulgaria does not have a collective bargaining agreement with general applicability.

However, there may be collective bargaining agreements in place at entity, branch, industry, or municipal level (with effect only for entities which apply them or have signed them). Rates for minimum wage set out in collective bargaining agreements cannot be lower than national minimum wage.

Minimum insurable income depends on occupation and is generally higher than minimum wage. Maximum insurable income for 2023 is BGN 3.400 (approx. EUR 1.738).

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Annual paid leave remuneration

Additional remuneration for length of service and professional experience

Additional remuneration for educational and scientific degree "Doctor" or for scientific degree "Doctor of Science", related to work performed by posted worker

Additional remuneration for on-call duty

Increased remuneration for night work, overtime

Bonuses (performance bonus, annual bonus, other premium payments)

Not included in the remuneration

Per-diem

Housing

Transportation costs

Meal costs

Posting/Assignment related allowances

Working hours



Maximum working time is 8 hours per day / 40 hours per week.



Mandatory registration of posted workers



Foreign employers posting workers to Bulgaria must notify General Labor Inspectorate about posting by submitting standard form prior to commencement of work in Bulgaria.

Notification about posting must be submitted electronically via national website under General Labor Inspectorate

<https://postedworkers.gli.government.bg/>

Foreign employer must notify Labor Inspectorate about changes to posting (e.g. change in duration of posting, change in place of work, change in nature of services rendered, etc.). For this purpose, new notification about posting must be filed.

Posted workers	Registration (Yes/No/Depends)
Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers*	No
Posting from a non-EU country	Yes

Documents and legal representation

Entity receiving posted workers shall keep following documents provided to them by foreign employer, in hardcopy or electronically:

- Employment contract or equivalent document evidencing employment relations
- Applicable legislation in home country;
- Documents evidencing working time;
- Pay slips or equivalent documents evidencing paid wages to posted workers.

Documents listed above should be accompanied by translation into Bulgarian language. Translation does not have to be certified.

Foreign employer must provide documents regarding posting for 1 year after posting has ended.

Penalties for non-compliance



Labor authorities may impose penalties for non-compliance as follows:

- From BGN 1.500 to BGN 15.000 (approx. from EUR 767 to EUR 7.669) per violation to foreign employer.
- From BGN 1,000 to BGN 10,000 (approx. from EUR 511 to EUR 5.113) per violation of responsible officer.

For recurring violations, penalties are following:

- From BGN 15.000 to BGN 20.000 (approx. EUR 7.669 to EUR 10.226) to foreign employer.
- From BGN 5.000 to BGN 10.000 (approx. EUR 2.557 to EUR 5.113) to responsible officer.

Entity receiving posted workers can be fined with BGN 5.000 (approx. EUR 2.500) per posted worker, and for repeated violation with BGN 5.000 - BGN 10,000 (approx. EUR 2.500 – EUR 5.000).

*There is no registration requirement if business traveler attends meetings, conferences, trainings, workshops.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker is in Bulgaria, under the condition that remote worker does not deliver services in Bulgaria.

For example, if remote worker works from home in Bulgaria for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Bulgaria in which case A1- certificate must be issued by the competent social security authority in order to avoid the application of Bulgarian social security.

In case that A1- certificate cannot be issued, Bulgarian social security applies and the foreign employer must comply with the rules in the same manner as employers in Bulgaria.

Tax



Generally, Bulgarian personal income tax legislation specifies that obligation for withholding, and remittance lies with foreign employer, if foreign employer has local presence (e.g. local permanent establishment in Bulgaria).

If foreign employer does not have local presence, obligation to comply with taxation of income switches to remote worker who has to file annual Bulgarian personal income tax return.

Bulgarian legislation does not have "de minimis period" for triggering of tax liability, so all days worked in Bulgaria are taxable, unless relevant Double Tax Treaty provides an exemption.

Public Source of Information

<https://www.mlsp.government.bg/>

<https://postedworkers.gli.government.bg/>



Croatia

News



Due to introduction of euro as the official currency in Croatia, Law on Posting of Workers to Republic of Croatia and Cross-Border Enforcement of Monetary Fines was amended as of 1 January 2023.¹ Amounts are now reflected in EUR.

Remuneration of posted workers

Minimum wage at national level

All workers in Croatia, irrespective of industry, occupation and age, are entitled to minimum wage.

Gross minimum wage in Croatia in 2023 is EUR 700 per month. Minimum wage is updated annually.

In certain cases, applicable wage level can be lower than minimum wage, if that wage is part of collective bargaining agreement. However, even in such cases, wage cannot be lower than 95 pct. of minimum wage (i.e. in 2023 it cannot be lower than EUR 665).

Minimum wage set through collective bargaining agreements

If there is universally applicable collective bargaining agreement in place, then minimum wage payable to posted worker cannot be lower than wage guaranteed by collective bargaining agreement.

Presently, only Collective Agreement for the Construction Industry and the Collective Agreement for the Hospitality Industry are universally applicable in Croatia. Minimum wage

in these sectors depends on complexity of work positions.

- Collective Agreement for the Construction Industry divides work positions into 11 different complexity groups. From 1 August 2022, minimum wage for simplest work positions in construction industry (e.g. transport worker or cleaner) cannot be lower than HRK 5.100 per month (approx. EUR 677)². Minimum wage for most complex work positions in the construction industry (e.g. member of management board, director) cannot be lower than HRK 15.000 per month (approx. EUR 1.990). All mentioned amounts are gross.
- Collective Agreement for Hospitality Industry divides work positions into 4 different complexity groups. Minimum wage for simplest work positions in hospitality industry (e.g. cleaner) cannot be lower than HRK 4.687,50 per month (approx. EUR 622)³. Considering that this salary is lower than 95 pct. of national minimum wage for 2023, wage in hospitality sector must not be lower than EUR 665 per month. Minimum wage for most complex work positions in hospitality industry (e.g. waiter specialist) cannot be lower than HRK 6.400 per month (approx. EUR 849). All mentioned amounts are gross.

¹ The Law on Amendments to the Law on Posting of Workers to the Republic of Croatia and Cross-Border Enforcement of Monetary Fines has been published in the Official Gazette No. 114/2022.

² Even though euro was introduced as the official currency in Croatia as of 1 January 2023, the Collective Agreement for the Construction Industry has not been updated.

³ Ibid.



What can be included in the remuneration



Following applies to posted workers who are not subject to universally applicable collective agreements:

Included in the remuneration

Minimum wage

Some differences compared to the above table exist when determining the minimum compensation for posted workers in construction sector.

Not included in the remuneration

Overtime payments

Night work, work on Sunday and work on holiday

Bonuses

Per-diems

Housing

Transportation costs

Meal costs

Special payments (Foreign service premium, Cost of living allowance, Hardship premium, Country allowance, Posting/Assignment allowance)

Working hours



Maximum working time is 40 hours per week. Any additional work is considered overtime.

Mandatory registration of posted workers



Prior to commencement of work in Croatia, foreign employer must submit notification about posting to Labour Inspectorate. Notification about posting must be submitted electronically and any changes to posting must be reported to Labour Inspectorate within 3 days.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Yes

Posting from a non-EU country

Yes

*Notification about posting must be submitted even if travel lasts 1 day.



Documents and legal representation

Foreign employer who posts workers to Croatia must designate contact person who will keep documents relevant to posting in Croatia. Designated contact person must provide following documents to Croatian authorities upon their request:

- Employment contract
- Details about remuneration, including all elements of remuneration and how remuneration is determined (only for time worked in Croatia)
- Evidence that remuneration is paid to posted worker during posting
- Records of working hours during posting
- A1 certificate for social security
- Documentation related to health and safety at work
- Work permit if relevant

Documents listed above must be retained for 2 years after posting has ended. Documents can be kept in their original language, but authorities may require translation.

Designated contact person must be physically present in Croatia. Croatian Labor Inspectorate reserves the right to request additional documents.

Penalties for non-compliance



Non-compliance can result in a fine to foreign employer in a range of EUR 4.110 - EUR 6.630. Fine is issued if foreign employer:

- fails to submit complete and accurate notification about posting prior to posting,
- Fails to report change to posting within 3 days from its occurrence,
- fails to designate contact person in Croatia to store documents and communicate with authorities,
- fails to issue confirmation for authorizations of person responsible for retaining relevant documents,
- fails to issue confirmation for authorizations of contact person responsible for communication with authorities.

Furthermore, monetary fines between EUR 1.320 and EUR 2.650 are issued to the person in charge with the foreign employer.

For non-compliance with minimum wage requirements, fines, which range approx. from EUR 8.000 to EUR 13.000 are issued to foreign employer and approx. EUR 1.000 to EUR 1.300 to the person in charge with foreign employer.⁴

⁴ The Croatian Minimum Wage Act has not been updated with euro and it still refers to amounts in *kuna*.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker is in Croatia, under the condition that remote worker does not deliver services in Croatia.

For example, if remote worker works from home in Croatia for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Croatian legislation does not define a "de minimis" period under which a remote worker's presence in Croatia would not trigger the tax liability in Croatia. It is therefore necessary to examine relevant Double Tax Treaty Agreement closely to determine liability for personal income tax.

If tax liability arises in Croatia, the responsibility to report, assess and pay taxes on income received from abroad is on the remote worker. The tax rates in 2023 are 20% and 30% (depending on the level of income) plus applicable surtax rate (e.g. Zagreb 18%). Tax liability should be paid/visible on the Croatian Tax Authority's account and related reporting form submitted within 30 days of income receipt, otherwise the Croatian Tax Authority would charge penalty interest for each day of late payment (currently approx. 5,5% per annum).

Income earned by an individual who has an approved digital nomad visa is exempted from taxation in Croatia. A digital nomad is defined by the Croatian Foreigners Act as a third country national (i.e. not an EEA national) who is employed and performs work via communication technologies for a company or own company established abroad, and who does not perform work for or provide services to a Croatian employer.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Croatia in which case A1- certificate must be issued by competent social security authority in order to avoid application of Croatian social security.

In case that A1- certificate cannot be issued, Croatian social security applies as follows:

- Pension insurance contributions of 20 pct. of gross wage (15 pct. for first pillar of pension contributions and 5 pct. for second pillar of pension contributions) and are at expense of remote worker.
- Health insurance contributions of 16,5 pct. of gross wage are paid by foreign employer i.e., on top of gross wage.

Responsibility to assess, report, and pay social security contributions lies on foreign employer if foreign employer is situated in EU or Switzerland. Foreign employer must register at Croatian pension and health authorities. Remote worker can assume social security payment obligations if both foreign employer and remote worker sign and submit a specific form and submit it to Croatian tax authority.

Public Source of Information

Web page for Croatian Ministry of Labour and Pension System which provides detailed overview over legislation about minimum wage and foreign employers' obligations towards their posted workers can be accessed [here](#). **Information is available in Croatian and English.**



Cyprus

Remuneration of posted workers

Minimum wage at national level

From 1 January 2023, starting monthly gross wage is EUR 855 for first 6 months of employment. Following continuous employment with same employer for period of 6 months, monthly gross salary is increased to EUR 940.

Exceptions

Following categories of workers are exempt from national level for minimum wage:

- Workers in agriculture;
- Domestic workers; and
- Workers in shipping.

Additionally, those receiving more favorable treatment through contract, custom, practice or other legislation are also exempt from minimum wage at national level. Workers receiving training or education to obtain either a degree or a professional qualification are also subject to this exemption.

When employer offers food and/or housing, following agreement with worker, employer will be able to deduct in cash up to 15 pct. and 10 pct. for food and housing, respectively.

Finally, for seasonal workers up to 18 years of age, with seasonal work set at maximum of 2 months, minimum wage can be applied with 25 pct. reduction.

What can be included in the remuneration



Posting/Assignment allowances such as per diems, cost of living allowances, foreign services premiums, and bonuses are not included in minimum wage.

Included in the remuneration

Basic salary/basic wage

Overtime payments

Not included in the remuneration

Per-diems

Housing

Transportation costs

Meal costs

Special payments (Foreign Service premium, Cost of Living allowance, Hardship premium, Country allowance, Assignment allowance)

Bonuses

Commissions

Working hours



Working time is 8 hours per day / 48 hours per week.

Mandatory registration of posted workers



Notification about posting should be submitted to Department of Labour before posting commences. Notification about posting can be submitted either in person, by regular mail or email.

Department of Labour in Cyprus is located at 9 Clementos street, 1061 Nicosia, Cyprus and postal address is 1480 Nicosia, Cyprus. Please refer to relevant [link](#).

Documents and legal representation

Foreign employer or their representative and posted worker must provide information, records, certificates or other documents relevant to posting when these are requested by Cyprus Labour Department.

Entity receiving posted workers in Cyprus must store and make available to Cyprus Labour Department, upon request, following:

- Employment contract (terms and conditions of posting),
- Details about hours worked,
- Details about entity receiving posted workers, including length of establishment in Cyprus and address of registered office or place of business;
- Details about foreign employer;
- Place where posted workers are recruited and from which they are posted;

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers*	Depends
Posting from a non-EU country	No

Nature of services provided, number of posted workers and duration of posting and service provision.

In addition, documents listed below must be submitted to Department of Labour prior to posting:

01 Written statement with following information:

- Name of foreign employer, its head office address and its legal status;
- Name of legal representative and representative in Cyprus if such representative exists;
- Place of work in Cyprus, including name, address and legal status of entity receiving posted workers;
- Duration of posting;
- Nature of economic activity.

02 List stating all posted workers (names, passport no, occupation);

03 Name of designated liaison person who will communicate with authorities in Cyprus on behalf of foreign employer.

Relevant documents must be kept during posting and must be available in Greek or English. Certified translation must be made only upon request from authorities.

* Depending on purpose of travel and nature of activities performed in Cyprus, business travelers may not qualify as posted workers within Cypriot legislation.

Penalties for non-compliance



Non-compliance with rules for posted workers may result in imprisonment for up to 2 years or fine not exceeding EUR 50.000 or both, depending on concrete circumstances.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker is in Cyprus, under the condition that remote worker does not deliver services in Cyprus.

For example, if remote worker works from home in Cyprus for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Cyprus has tax-free threshold of EUR 19.500. After that amount, there are progressive income tax brackets up to 35 pct.

When foreign employer has obligation to withhold relevant tax on employment income it must be remitted to Cyprus Tax Department through the Pay-As-You-Earn System.

Foreign employer needs to register with Cyprus Tax Department for withholding tax purposes using specific form. Based thereon, Cyprus Tax Department will issue tax certificate indicating Tax Identification Code (T.I.C.) under which taxes withheld must be declared and remitted to Cyprus Tax Department.

Cypriot (shadow) payroll must to be set up and operated monthly through Pay-As-You-Earn System. Taxes withheld from remote worker's remuneration must be declared and paid to Cyprus Tax Department by the end of month following month in which withholding was made.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Cyprus in which case A1- certificate must be issued by competent social security authority to avoid application of Cypriot social security.

In case that A1- certificate cannot be issued, Cypriot social security applies. Foreign employer must register with Cyprus Social Insurance Authorities and withhold from remote worker's remuneration relevant contributions and remit them to Cyprus Social Insurance Authorities, together with foreign employer's own contributions.

Foreign employer is also liable to make contributions to other funds such as: contributions to Redundancy Fund, Training and Development Fund and Social Cohesion Fund in Cyprus, Holiday Fund.

Foreign employer can assign practicalities with calculating and collecting social security contributions etc. to remote worker, but foreign employer will remain liable for compliance with the rules.

Public Source of Information

Official Labor Department link can be accessed [here](#).

The Czech republic

Remuneration of posted workers

Minimum and guaranteed wage at national level

From 1 January 2023, minimum wage per hour is CZK 103,80 (approx. EUR 4,36), while minimum wage per month is CZK 17.300 (approx. EUR 727,2).

Czech labor law includes minimum levels of wage in relation to difficulty and responsibility of relevant work, which is called “guaranteed wage”. There are 8 levels for guaranteed wage.

In 2023, guaranteed wage varies between CZK 17.300 per month (approx. EUR 700) or CZK 103,80 per hour (approx. EUR 4, 26) for jobs of lowest complexity, responsibility, and difficulty to CZK 34.600 per month (approx. EUR 1,400) or CZK 207,60 per hour (approx. EUR 8,5) for jobs of highest complexity, responsibility and difficulty.

In 2023, there is increase in guaranteed wage only for level 1 and level 8. Both minimum and guaranteed wage requirements apply only if worker is posted to Czech Republic for more than 30 days in calendar year (unless it is temporary employment agency).

Minimum and guaranteed wage set through collective bargaining agreements

Levels of minimum and guaranteed wage may also be set through collective bargaining agreements at higher-level, which may be concluded for individual branches of business. Levels of minimum and guaranteed wage set forth in collective bargaining agreements cannot be lower than minimum and guaranteed wage at national level.

What can be included in the remuneration



Generally, wage and bonuses provided in consideration for performance of work are considered wage for purposes of minimum and guaranteed wage.

However, wages and surcharges for overtime work, extra pay for work on public holidays, night work or weekends or payment for work in unfavorable working environment cannot be considered part of minimum wage. Minimum wage does not include benefits that are not provided in consideration for performance of work, especially wage compensation, severance pay, travel expenses, loyalty benefits or remuneration for carrying out on-call duty.

Included in the remuneration

Basic salary/basic wage

Bonuses provided in consideration for the performance of work



Not included in the remuneration

Per-diems

Housing fees

Transportation costs

Meal costs

Travel allowances in general

Special payments (Foreign Service premium, Cost of Living allowance, Hardship premium, Country allowance, Posting/Assignment allowance)

Severance payments

Overtime payments

Payments for work during nights, weekends and/or public holidays, for the performance of work in an unfavorable working environment

Remuneration for performing on-call duty

Bonuses and benefits provided not in consideration for the performance of work (e.g. loyalty benefits)

Working hours



Maximum working time is generally 40 per week (plus possible overtime to extent that is permitted by law).

Mandatory registration of posted workers



Foreign employer posting workers to Czech Republic and entity receiving posted workers must both fulfil certain statutory requirements for posted workers.

Some minimum standards apply only when posted worker is posted for more than 30 days in aggregate within a calendar year. Conditions may also differ if posted worker is working through temporary employment agency.

Foreign employer posting workers to Czech Republic is required to inform Czech Labor Office in writing about several circumstances relevant to posting, including, personal data about posted worker (names, address, details from travel document (passport)), type and place of work, duration of posting etc.. This notification must be submitted to authorities on day of commencement of work at the latest.

Once notified, information must be kept updated - any change to posting must be notified within 10 calendar days.

Posted workers	Registration (Yes/No/Depends)
Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers*	Depends
Posting from a non-EU country	Yes

* Depending on purpose of travel and nature of activities performed, business travelers may not qualify as posted workers (e.g. training purposes) and thus they may not be subject to registration requirements.



Documents and legal representation

Foreign employer is required to have copy of documents proving existence of employment law relationship at posted worker's place of work. Documents must be translated to Czech and must be kept 3 years after termination of posting. Translation must be certified only upon request by authorities.

In the case of a labor inspection audit, it is not mandatory to appoint legal representative under Czech legislation. Foreign employer may be represented by its usual representative, e.g. statutory representative or HR manager.

Penalties for non-compliance



- Non-compliance with minimum wage requirement, up to CZK 2 mil. (approx. EUR 84.000).
- Non-compliance with documentation for employment relationship and translation into Czech language, up to CZK 500.000 (approx. EUR 21.000).
- Non-compliance with notification about posted workers and requirements linked to this registration, up to CZK 500.000 (approx. EUR 21.000) for certain violations.

Penalties are imposed by Labor Inspectorate and to foreign employer.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker is in Czech Republic, under the condition that remote worker does not deliver services in Czech Republic.

For example, if remote worker works from home in Czech Republic for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, the application of rules for posted workers will likely be triggered.

Remote worker's duty to file Czech personal income tax return would depend on whether remote worker is Czech tax resident or not and whether remote worker has any other income from Czech sources/worldwide sources in addition to the income during work in Czech Republic.

Foreign employer would generally qualify as payroll agent who is obliged to make monthly wage tax withholdings if remote workers exceeds 183- days threshold of stay in Czech Republic.

Foreign employer who has permanent establishment in Czech Republic would qualify as Czech payroll agent who is obliged to make monthly wage tax withholdings for remote worker who is working in Czech Republic.

Tax



Tax non-resident who does not spend more than 183 days in calendar year/ 12 month period (depending on wording in relevant Double Tax Treaty) in Czech Republic and remuneration is not paid to the remote worker by/on behalf of Czech entity, no liability on personal income tax arises.

It should be mentioned that remuneration to remote worker is not attributable to employer's permanent establishment in Czech Republic.



Remote working (continued)

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Czech Republic in which case A1- certificate must be issued by competent social security authority to avoid application of Czech social security.

In case that A1- certificate cannot be issued, Czech social security applies and foreign employer is liable to same obligations as employers in Czech Republic.

Public Source of Information

<https://www.mpsv.cz/web/en> - Official website of the Czech Ministry of Labor and Social Affairs

<https://www.uradprace.cz/web/en> - website of the Czech Labour Office

<https://www.cnb.cz/en/financial-markets/foreign-exchange-market/central-bank-exchange-rate-fixing/central-bank-exchange-rate-fixing/>



Denmark

Remuneration of posted workers

Minimum wage at national level

There is no statutory minimum wage in Denmark and no provision on minimum wages is included in legislation.

Minimum wage set through collective bargaining agreements

Pay and working conditions are typically laid down by collective bargaining agreements concluded between trade unions and employers' organizations without government's involvement (Danish Model).

Collective bargaining agreements usually include provisions on minimum wages, but collective bargaining agreements are not of general application and will, therefore, not apply, if employer is not subject to collective bargaining agreement in Denmark.

However, if employer is subject to collective bargaining agreement in Denmark, any applicable minimum wage in collective bargaining agreement will apply to posted workers too.

What can be included in the remuneration



Remuneration includes base salary and any mandatory allowances and fees stated in applicable collective bargaining agreement. However, elements of remuneration depend on content of applicable collective bargaining agreement.

Working hours



Maximum working time must not exceed 48 hours per week on average (including overtime) within period of 4 months.

Moreover, workers are entitled to daily break if daily working hours exceed 6 hours. Further, working hours must be arranged in such way that workers are entitled to rest of at least 11 continuous hours between shifts.

Danish collective bargaining agreements also include different provisions relating to working hours, which must be complied with.

Mandatory registration of posted workers



Foreign employer posting workers to Denmark is obligated to register posted workers in Register of Foreign Service Providers (RUT- registry) prior to or at the day of commencement of work in Denmark at the latest.

Any changes to posting must be notified in RUT- registry no later than on first working day after change entered into force.

RUT- registry is online system, which offers information in Danish, English, German, and Polish. Foreign employer must set up account before they can register. Entity receiving posted workers is responsible that registration of posted worker is duly and correctly done.



Mandatory registration of posted workers (continued)



Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business Traveller*

Depends

Posting from a non-EU country

Yes

Danish Labour Market Fund for Posted Workers is notified when posted worker is registered in RUT-registry. This notification will trigger requirement to foreign employer to pay a smaller fee (in 2023 fee is DKK 0) to Danish Labour Market Fund for Posted Workers.

This fund is used to cover lost wages to posted workers when certain conditions are met.

Documents and legal representation

Foreign employer must register a contact person at the place of work in Denmark in RUT- registry. This person must be in Denmark during posting. It is not required to have permanent representative in Denmark.

In case of audit, foreign employer must be able to provide all documentation relating to terms and conditions for employment of posted workers. Furthermore, proof of registration in RUT-registry should be kept available at worksite in Denmark (in paper or electronically).

Penalties for non-compliance



Non-compliance is fined up to DKK 10.000 (approx. EUR 1.500). In particularly serious cases or repetitive non-compliance fine can be up to DKK 20.000 (approx. EUR 3.000).

Examples of sanctioned non-compliance with rules for posted workers:

- Failure to register posting on time or registration of posting is incorrect;
- Failure to comply with various legislative requirements for terms and condition of employment;
- Failure to provide documentation when required by authorities;
- Failure to provide documentation for registration of posting in RUT- registry to entity that receives posted workers.

In case of non-compliance with requirements for remuneration, penalties will depend on relevant collective bargaining agreement.

* Foreign employer is not obligated to register in RUT- registry, if services are not provided, such as participation in seminars and conferences, participation of professional artists in standalone artistic events, participation in business trips for foreign companies or companies that do not have permanent establishment in Denmark, etc.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker is in Denmark, under the condition that remote worker does not deliver services in Denmark.

For example, if remote worker works from home in Denmark for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker is in Denmark.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Denmark in which case A1- certificate must be issued by competent social security authority to avoid application of Danish social security.

In case that A1- certificate cannot be issued, Danish social security applies and foreign employer is liable to same obligations as employers in Denmark.

Information about Danish social security contributions is available [here](#).

Tax



Implications of remote working in Denmark on personal income tax depend on tax residence status of remote worker. If remote worker is not considered tax resident in Denmark, they would not trigger Danish tax liability provided that stay in Denmark is less than 183 days within a 12-month period.

If remote worker becomes tax resident in Denmark based on the local legislation (presence in Denmark up to 3 months or more than 180 days within a period of 12 months), remote worker is exempted during 183- days threshold if they are still considered tax resident in home country based on Double Tax Treaty. Otherwise, remote worker will be liable to Danish taxation from first day of activity.

Foreign employer will have no tax reporting or withholding obligation in Denmark if they do not have permanent establishment in Denmark. In this instance, remote worker has liability to report remuneration to Danish tax authorities.

Public Source of Information

Public source of information can be accessed at this [link](#).



Estonia

Remuneration of posted workers

Minimum wage at national level

Estonia has a national minimum gross wage requirement, which is EUR 725 per month.

Minimum gross salary for a non-EU nationals working as experts, advisers, consultants or skilled workers is EUR 1.685 per month, i.e. equivalent of annual average gross monthly salary, as last published by Statistics Estonia.

Current minimum gross salary for non-EU nationals working as a top specialist, highly skilled workers who are holders of European Union Blue Card, is currently EUR 2.528 per month.

In following cases, minimum gross salary for EU Blue Card holder is currently EUR 2.089, i.e. employer is required to pay remuneration of at least equivalent of 1.24 times annual average gross monthly salary:

- Top specialist or supervisor
- Top specialist in natural or technical science
- Top specialist in health care service
- Specialist in pedagogics
- Specialist in business or administration
- Specialist in information or communication
- Specialist in the legal, cultural, or social sphere

Minimum wage set through collective bargaining agreements

National minimum gross wage is agreed between Estonian Trade Union Confederation and Estonian Employers' Confederation and affirmed by government. Collective bargaining agreements are not common in Estonia, but some of these agreements can be highlighted for information about wages:

Estonian Healthcare Professionals' Association (from 01.04.2023):

Profession	Hourly rate (EUR)
Doctors	17,88
Specialist doctors	19,45
Nurses, midwives and health care professionals	10,90
Ambulance technicians	9,10
Emergency medical technicians	9,40
Clinical psychologist	13,90
Care workers	6,90

Estonian Educational Personnel Union:

Minimum wage in 2022 is EUR 1.749 per month.



Remuneration of posted workers (continued)

Transport and Road Workers' Union:

From 1 October 2023, gross wage for full-time bus, trolleybus and tram drivers licensed under Community license, route authorization and public service contract is at least EUR 1.300 per month.

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Overtime payments

Vacation payments

Study leave

Wage for work performed on a public holiday

Wage for night-time work

Not included in the remuneration

Per-diems

Housing

Transportation costs

Meal costs

Special payments (Foreign service premium, Cost of living allowance, Hardship premium, Country allowance, Posting/Assignment allowance)

Bonuses

Working hours



Maximum working time is 8 hours per day / 40 hours per week.

Mandatory registration of posted workers



Foreign employer must provide Labor Inspectorate with information about posting no later than on day of commencement of work in Estonia. Registration is available on Labor Inspectorate's web page (must be [downloaded](#) from website and subsequently be sent to posting@ti.ee).



Mandatory registration of posted workers (continued)



Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Depends

Posting from a non-EU country

Yes

Documents and legal representation

Foreign employer must provide following information and documentation about a posting:

- name, personal identification code or registry code, area of activity, and details about residence or location of foreign employer and means of communication with this employer;
- name and details about contact person who represents foreign employer, including details about means of communication with this person;
- number of posted workers, their names and personal identification codes or dates of birth;
- expected duration of posting;

name, personal identification code or registry code, area of activity, details about residence or location and means of communication with entity receiving posted workers in Estonia;

- name and details of means of communication with contact person who represents entity receiving posted workers;
- information about area of activity in Estonia, address of place of work.

Further documentation may be requested by authorities, such as contract of employment, working time schedule, statement on payment of wages etc. Authorities may request documents for 3 years after posting has ended.

Documents in Estonian language are not mandatory; however, translations may be required. Certified translation must be provided only upon request from authorities.

Penalties for non-compliance



Failure to comply with requirement to register posted workers can result in penalty of up to 300 fine units (i.e. up to EUR 1.200) to a natural person and up to EUR 32.000 to legal person.

If foreign employer does not pay wages to posted workers, wages shall be paid by person who ordered service from foreign employer. However, if in everyday economic activities person who ordered service from foreign employer has exercised due diligence in their relationship with foreign employer, person does not have obligation to pay minimum wage.

* Depending on purpose of travel and nature of activities performed, business travelers may not qualify as posted workers (e.g. training purposes) and thus they may not be subject to registration requirements.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker is in Estonia, under the condition that remote worker does not deliver services in Estonia.

For example, if remote worker works from home in Estonia for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Foreign employers must withhold wage taxes for remote workers resident in Estonia from first day and for non-resident remote workers when they spend more than 183 days within 12 consecutive months in Estonia.

Foreign employer should be registered as non-resident employer in Estonia. Secondly, remote workers should be registered at employment register held by tax authorities. Payslips should be prepared and provided to remote workers. Finally, by 10th day of the month following month when net salary was paid to remote workers, foreign employer should file monthly tax return, declare amount of gross wages, fringe benefits and respective taxes and transfer total amount of payroll taxes to tax authorities' bank account.

Foreign employers can grant access to tax portal to third parties, so remote workers can file monthly tax returns.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Estonia in which case A1- certificate must be issued by competent social security authority to avoid application of Estonian social security.

In case that A1- certificate cannot be issued, Estonian social security applies, and foreign employer is liable to same obligations as employers in Estonia.

If foreign employer pays wages to non-resident remote worker in Estonia, foreign employer must pay social tax (33 pct.), employer's unemployment insurance contribution (0.8 pct.), and foreign employer must withhold and pay remote worker's unemployment insurance contribution (1.6 pct.) on wages under Estonian law.

Public Source of Information

- Labor inspectorate - <https://www.ti.ee/en>
- Police and border guard board - <https://www2.politsei.ee/en/>
- Estonian tax and customs board - <https://www.emta.ee/eng>
- Social insurance board - <https://www.sotsiaalkindlustusamet.ee/en>
- Working conditions of employees posted to estonia act - <https://www.riigiteataja.ee/en/eli/ee/502072018002/consolide/current>



Finland

Remuneration of posted workers

Generally, remuneration of posted worker follows applicable collective bargaining agreement. In case there would be no collective bargaining agreement that applies, employer or – in temporary agency work – to the client, remuneration to be paid must be commonplace and reasonable.

Minimum wage at national level

There is no statutory minimum wage in Finland.

Collective bargaining agreements

Wages are set in generally applicable collective agreements concluded between Finnish employers' unions and trade unions.

When there is no generally applicable collective agreement, posted worker shall be paid reasonable normal remuneration if remuneration agreed between foreign employer and posted worker is significantly lower than this. Average salary of occupational sector in question or non-generally applicable collective agreement can be used to determine reasonable normal remuneration.

For illustrative purposes, please see below remuneration applicable for the following 5 industries:

01 Automotive industry ([Collective Agreement between Technology Industries of Finland and Industrial Union](#)): hourly rates EUR 9,30 - EUR 13,74 / monthly rates EUR 1.654 – EUR 2.444.

02 Telecom industry (Collective agreement of the ICT sector, salaried employees): monthly rates EUR 1.497 – EUR 4.667.

03 IT industry (Collective agreement of the IT service sector): monthly rates EUR 1.691 - EUR 4.158.

04 Construction industry (Collective agreement of the building construction): hourly rates EUR 11,71 - EUR 18,52.

05 Oil & Gas industry (Collective agreement of oil, gas, and petrochemical products industry): monthly rates EUR 1.896 – EUR 2.360.



What can be included in the remuneration



Included in the remuneration

Base salary based on categorization of employees into pay groups as provided for by relevant Finnish collective agreements.

Overtime payments

Pay which posted workers must receive for paid annual holidays corresponding to wage to which those workers are entitled during reference period

Travel, accommodation and board costs when posted worker is temporarily posted from regular place of work in Finland to another workplace or worksite in Finland or abroad (intra-posting travel expenses)

Unless specified on pay slip, all special compensations and allowances are deemed to be reimbursement of costs, instead of salary. Foreign employer shall reimburse costs concerning travel and accommodation arising from posting to Finland. If posted worker is not entitled to protection under rules in their home country, or such protection in home country is substantially below what is considered common and reasonable in Finland, provisions of applicable Finnish collective agreement apply, i.e. cost must be covered in accordance with Finnish rules.

Working hours



Working hours shall not exceed 8 hours per day / 40 hours per week.

Averaging working hours over a longer period is allowed. There may be stricter limits on maximum regular working hours set in universally applicable collective agreements.

Mandatory registration of posted workers



Foreign employer posting workers to Finland must submit online notification before commencement of work. Notification is not required if workers are posted within group of entities for no more than 5 working days, unless entity operates in construction sector. In construction sector, notification about posting must be filed for every posting.

If information provided in notification about posting changes significantly, foreign employer must submit supplementary notification as soon as such change occurs, including information about employer's representative, details about posted worker, contact details, duration of posting etc.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months	Yes
Extension of a posting*	Depends
Shortening of a posting*	Depends
Posting over 12 months	Yes
Business travelers**	No
Posting from a non-EU country	Yes

*It has not been specified in Act on Posting Workers which changes should be considered significant and supplementary notification is required.

**Business travelers who do not provide services during business trip and who are not subcontracted do not have to register.

Documents and legal representation

Foreign employer must have representative in Finland that can be contacted by posted workers and authorities during posting. This representative may be legal person or individual. Representative does not need not be appointed when posting lasts no more than 10 days.

Foreign employer shall keep following information available in written form in Finland for duration of posting:

- Details about foreign employer who posts workers;
- Details about posted workers;
- Description of posted workers' right to work; and
- Information about posted workers' terms and conditions of employment.

If posting lasts more than 10 days, foreign employer shall also have following documentation available:

- Record of working hours;
- Payslips; and
- Document issued by financial institution concerning paid wages.

Foreign employer must notify entity receiving posted workers about who is in possession of aforementioned information and documentation during posting. Information and documentation must be kept available for 2 years after posting has ended. It can be stored abroad, but it must be forwarded to authorities without delay, if requested.

Penalties for non-compliance



Negligence fee may be imposed on foreign employing posting workers to Finland if they fail to notify about posted workers to authorities, if such notification is inadequate, or if notification about posting is not duly submitted.

Negligence fee may also be imposed if foreign employer fails to provide a supplementary notification on significant changes, fails to appoint representative in Finland, or if representative does not have required right to act on behalf of foreign employer or cannot be reached by authorities.

Negligence fee may be imposed if foreign employer fails to keep required information and documentation available to authorities.

Negligence fee may also be imposed on entity receiving posted workers. In construction sector, such negligence fee may be imposed on builder and main contractor.

Negligence fee ranges from EUR 1.000 to EUR 10.000.

Penalties for employment offences, violation of working hour regulations and violation of annual holiday regulations are laid down in Criminal Code and in other relevant acts.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works remotely in Finland, under the condition that remote worker does not deliver services in Finland.

For example, if remote worker works from home in Finland for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.



Remote working (continued)

Tax



Foreign citizen coming to Finland to stay temporarily to work remotely will remain tax non-resident in Finland if stay in Finland does not exceed 6 months and their permanent home is not located in Finland.

Under these conditions, remote worker is liable to pay tax in Finland on Finnish-sourced income only.

Salary paid by foreign employer who does not have permanent establishment in Finland is not Finnish-sourced, thus no individual income tax liability is triggered.

Remote worker's foreign employer has no reporting or withholding obligations in Finland, if remote worker remains tax non-resident, is not covered by the Finnish social security system, salary is paid from abroad and foreign employer does not have permanent establishment in Finland.

If remote worker's stay in Finland exceeds 6 months, remote worker would be considered tax resident and generally liable to pay tax in Finland in accordance with domestic legislation. If stay in Finland exceeds 183 days in a period determined in applicable Double Tax Treaty, Finland would have right to tax salary that remote worker derives from work conducted in Finland.

Tax residents employed by foreign employer who does not have permanent establishment in Finland should apply for prepayment of taxes in Finland. They also have obligation to file annual tax return in Finland.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works remotely for foreign employer.

Depending on concrete situation, remote worker can be subject to foreign social security during remote work in Finland in which case A1- certificate must be issued by competent social security authority to avoid application of Finland's social security.

If A1- certificate for coverage under foreign social security is available, then remote worker shall be subject to Finnish legislation on social security.

Foreign employer with remote workers covered by Finnish social security system must open compulsory insurances in Finland, report salaries paid to remote worker and pay (employer's contributions) / withhold and remit (employee's contributions). This is sole responsibility of foreign employer and it cannot be delegated to remote worker.

Foreign employer must arrange occupational health care for remote worker, regardless of whether they carry A1- certificates for social security for coverage in another country.

Public Source of Information

- Ministry of Economic Affairs and Employment of Finland <https://tem.fi/en/posted-workers>
- Ministry of Social Affairs and Health <https://stm.fi/en/posted-workers>
- Occupational Health and Safety Administration <https://www.tyosuojelu.fi/web/en/employment-relationship/posted-worker>
- Act on Posting Workers 447/2016 <https://www.finlex.fi/en/laki/kaannokset/2016/en20160447.pdf> (Translated into English, legally binding only in Finnish and Swedish)
- Act on Posting Workers (447/2016, amendments up to 62/2022 included) <https://www.finlex.fi/en/laki/kaannokset/2016/en20160447.pdf>



France

Remuneration of posted workers

Foreign employer posting workers to France must comply with minimum legal and collective agreement's provisions. Foreign employer must respect French employment and labor legislation such as right to strike and fight against undeclared work.

Moreover, "minimum wages" includes legal minimum wage and any other minimum wage provided in Collective Bargaining Agreement (CBA) (e.g. bonus, indemnities, allowances or compensations, salary increase).

Minimum wage at national level

From January 2023, legal gross minimum wage is EUR 1.709,28 per month for full-time worker (35 hours per week). Work above 35 hours per week is regarded as overtime and should lead to additional compensation.

Minimum wage set through collective bargaining agreements

There are various CBAs, usually one per industry.

For illustrative purposes, please see below remuneration applicable in selected industries:

- **Automotive industry:** 18.816 EUR / 19.008 EUR / 19.212 EUR / 19.464 EUR annually, depending on level applied.
- **Telecom industry:** 20.620 EUR / 21.298 EUR / 21.184 EUR annually, depending on level applied.
- **IT industry:** 20.492 EUR / 21.503 EUR / 22.606 EUR annually, depending on level applied.
- **Construction industry:** 27.274 EUR / 35.352,38 EUR / 36.804,35 EUR / 37.690,84 EUR annually, depending on level applied.

What can be included in the remuneration



Allowances related to posting can be part of minimum wage (i.e. COLA, foreign service premiums, and bonuses). However, amounts paid to posted worker to compensate for professional expenses actually borne by posted worker, as well as expenses directly borne by foreign employer like travel expenses, accommodation or meals to posted worker, are not taken into account in determining minimum wage.

Working hours



Working time in France is generally 35 hours per week.

Maximum daily legal working time is 10 hours and maximum weekly working time is 48 hours. However, average weekly working time cannot exceed 44 hours over any period of 12 consecutive weeks.

Mandatory registration of posted workers



Prior to the commencement of work in France, foreign employer must file declaration (déclaration préalable de détachement) about posted workers to French labor inspectorate. Declaration can only be completed on so-called SIPSI online portal (<https://www.sipsi.travail.gouv.fr>).



Mandatory registration of posted workers (continued)



Declaration on SIPS online portal is equipped with QR Code which can be scanned by smartphone to extract relevant data.

Since March 2023, content of declaration for posted worker is somewhat simplified. For instance, employers are no longer required to include nature of dangerous material/work processes used, date for when posted worker signed their employment contract is no longer required, start- and end times for work and rest periods is no longer required, and information about method for reimbursement of travel, food, and accommodation expenses is no longer asked about.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Depends

Posting from a non-EU country

Yes

Documents and legal representation

In addition to mandatory declaration of posting, foreign employer must appoint representative who is in France. Representative will be point of contact for authorities and they must keep copies of certain documents available. Most documents must be translated to French and should be kept 5 years after posting has ended.

Documents such as work permits, contract of employment and payslips must be translated to French language. In case of audit, Labor inspector must be able to identify minimum wages, remuneration for working overtime, working days, workings hours, annual leave. Labour inspector can also request documentation for payment of salary.

Documents no longer required to be kept available are following:

- documents confirming applicable law to contract linking foreign employer and entity receiving posted workers; and
- documents confirming number of contracts executed by foreign employer and information about foreign employer's turnover in home country and in France.

Professional identification card is required for all posted workers in building and public sector.

*Business travel involving certain specific activities or activity for own account of employer (e.g. participating in business meeting, mentoring seminars, meetings with clients outside context of service agreement, training courses in another of group's establishment) do not require declaration.



Penalties for non-compliance



Sanctions for non-compliance with rules for posted workers in France range from administrative fines to criminal prosecution.

If foreign employer fails to declare posted worker, if information transmitted in declaration is incorrect and/or incomplete, or if entity receiving posted worker fails to make necessary checks of foreign employer, they are all subject to administrative fine of up to EUR 4.000 per posted worker (EUR 8.000 in case of repeat offenses), and total fine of maximum EUR 500.000.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in France, under the condition that remote worker does not deliver services in France.

For example, if remote worker works from home in France for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Tax position of remote workers in France should be reviewed on case-by-case basis to determine if there is tax residence in France.

Tax resident in France is subject to taxation of income on worldwide income. Foreign employer must compute French "pay as you earn (PAYE)" each month from remote worker's compensation. Foreign employer must register with French social security authorities and implement shadow payroll in France to pay both French social security contributions and tax on remote worker's salary.

Withholding tax obligation is only applicable to French sourced income (i.e., for compensation which is related to working days in France).

If remote worker becomes tax resident in France, foreign employer must register for withholding system (called Prélèvement A la Source or PAS) and withhold taxes from remote worker's compensation every month.

Foreign employer is required to have B2B SEPA account (European account) to enable tax authorities to withhold French tax on income on bank account once calculated. Non-EU employers are required to appoint tax representative in France. It is not possible to delegate these responsibilities to remote worker.

When remote worker is non-resident taxpayer in France and does not meet exemption criteria in Double Tax Treaty, registration with French authorities is not required.



Remote working (continued)

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works remotely for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in France in which case A1- certificate must be issued by competent social security authority to avoid application of French social security.

When A1- certificate for coverage under foreign social security cannot be issued, French social security applies and remote workers must be affiliated to French social security system for duration of work in France.

Foreign employer must register and comply with French social security. However, foreign employer can appoint representative residing in France to complete company's declarations and payments of amounts, but foreign employer still must be registered in France, and contributions are made in foreign employer's name.

Public Source of Information

www.travail.gouv.fr

www.legifrance.gouv.fr

www.service-public.fr



Germany

Remuneration of posted workers

Foreign employer must grant posted workers certain working terms and conditions accordingly to German rules (e.g. adequate remuneration, vacation, working and resting times, etc.).

In respect to remuneration of posted workers, foreign employer must comply with following:

- Regulations contained in legal or administrative provisions for remuneration, including compensation rates for overtime;
- Compensation regulations contained in federal generally binding collective bargaining agreements, if applicable.

Some activities are exempt from obligation to provide certain level of remuneration (e.g. during initial assembly / installation work, or in case of certain short-term temporary postings).

Statutory minimum wage at national level

Statutory minimum wage is gross **EUR 12** per working hour.

In addition, following statutory minimum wage applies to temporary employment agency workers:

- Gross EUR 13 per working hour (from April 2023 to December 2023)
- Gross EUR 13,50 per working hour (from January 2024 onwards)

Minimum wage set through collective bargaining agreements

There are minimum wage requirements pursuant to federal generally binding collective bargaining agreements (hereinafter, "**CBAs**") that are often higher than nationwide statutory minimum wage.

However, provisions of CBAs are only applicable if posted worker is employed under CBAs.

Following sectors are covered by CBAs:

- Training services pursuant to Social Security Act
- Roofing trade
- Electrical trade
- Facility cleaning services
- Scaffolding trade
- Nursing care sector
- Meat sector
- Chimney sweep trade
- Stonemasons and stone sculptor's trade
- Security staff at commercial airports

Long-term postings that last longer than 12 (or 18) months are subject to stricter regulations, including regional CBAs.



What can constitute remuneration



Any payment which is perceived as equivalent for performance of services can be considered as part of minimum wage. If bonus payments or other types of one-off payments fulfil this criterion, they can only be considered as part of remuneration in the month in which they are paid out.

Payments received for board, lodging, travel, and/or accommodation are not part of remuneration.

Included in the remuneration

Basic salary/basic wage

Standby times if they are paid for performance of work owed

Posting allowances if not paid to reimburse costs actually incurred because of posting

Bonuses, if payment is made full or pro rata during posting

Not included in the remuneration

Per-diems

Housing

Transportation costs

Meal costs

Special payments (Foreign Service premium, Cost of living allowance, Hardship premium, Country allowance, posting allowance if purposed not specified)

Working hours



Standard working day is comprised of 8 hours, equivalent of 48 hours/six days per week.

Daily working hours can be extended up to 10 hours, if within 6 calendar months or within 24 weeks an average of 8 hours per day is not exceeded.

Posted workers must, in principle, have uninterrupted rest period of at least 11 hours between shifts.

Mandatory registration of posted workers



Foreign employers who post workers to Germany must duly file notification about posting. However, foreign employer can provide third party with Power of Attorney to submit posting notifications on behalf of foreign employer.

Posting notification is only required if:

- Federal generally binding collective bargaining agreement applies;
- Foreign employer works within certain sector ((re-)construction, catering and accommodation, building and cleaning sector, construction and dismantling of trade fairs and exhibitions, meat sector, security sector). If foreign employer is for instance construction company, posted worker should always be registered even if posted worker is IT- specialist; and
- Foreign employer hires out worker to Germany from temporary employment agency within scope of service provision.



Mandatory registration of posted workers (continued)



Posting notification is registered with Customs Authority ("Zoll"). Posting notification must be submitted prior to commencement of work in Germany.

Posting notification is done via online platform that allows registration of several posted workers in one notification.

Substantial changes during posting (e.g., change of duration of posting, work address, place of storage of documents or contact person) must be communicated to Customs Authority without delay.

Posted workers

Posting up to 12 months

Extension of a posting

Shortening of a posting

Posting over 12 months *

Business travelers**

Posting from a non-EU country

Registration (Yes/No/Depends)

Yes, if posting takes place within relevant industry sector. Exemptions from registration may apply for specific sectors if posted worker has monthly income over EUR 4.176.

Same as above

No

Depends

Depends

Yes

Documents and legal representation

Foreign employer posting workers to Germany must assign address in Germany for formal deliveries. German authorities reserve right to request further documents.

Further, foreign employer must appoint contact person in Germany. Contact person must be able to communicate with authorities, if required.

Foreign employer must retain various documents, including employment contract, payslips, evidence for payment of salary, timesheets, etc. If hourly supplements are granted to posted worker, duration of working time must be documented by indicating the supplement.

Documents must be retained during posting or for duration of services, but not longer than 2 years in total at indicated storage place. In general, documents must be available in German, but documents in English are usually accepted.

Posted workers must have following documents available during posting:

- Identification document (e.g., passport); and
- A1 certificate for social security coverage (recommended).

* Extension up to 6 months is possible if granted by authorities.

**If posted worker enters Germany for business reasons such as business meeting, they are not required to be registered as posted workers.



Penalties for non-compliance



Following fines can be imposed for non-compliance:

- Payment of minimum wage is delayed or avoided – up to EUR 500.000.
- Notification for posting is not submitted – up to EUR 30.000.

Further sanctions such as withdrawal of business license or exclusion from public procurement are possible depending on character of non-compliance.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Germany, under the condition that remote worker does not deliver services in Germany.

For example, if remote worker works from home in Germany for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Monthly wage tax return needs to be submitted to competent tax office electronically. Wage tax must be calculated based on remote worker's wage tax characteristics ("*Elektronische Lohnsteuer Abzugs Merkmale (ELStAM)*").

For non-resident remote worker (not registered with German registry office), tax-ID should be applied for as otherwise tax withholdings have to be operated with tax bracket VI- this is most unfavorable tax rate with no consideration of lump-sum tax-free allowance.

When remote worker does not trigger permanent establishment of foreign employer in Germany, remote worker settles their taxes on income by filing German tax return.

To determine if foreign employer has permanent establishment in Germany through its activities in the country, several circumstances must be assessed accordingly to relevant German legislation. Factors such as duration of work in Germany and remote worker's job description are taken into account in assessment of permanent establishment.

Tax



Remote worker is liable to German taxes on personal income through exceeding presence of 183 days in Germany (provisions in Double Tax Treaty should be considered).

When foreign employer has permanent establishment in Germany, tax withholding obligation arises for this employer. Wage taxes must be announced and paid to German tax authorities by 10th of the following month.



Remote working (continued)

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Germany in which case A1- certificate must be issued by competent social security authority to avoid application of German social security.

When A1- certificate for coverage under foreign social security cannot be issued, German social security applies and remote worker must be affiliated to German social security system during work in Germany.

Public Source of Information

https://www.zoll.de/DE/Fachthemen/Arbeit/Meldungen-bei-Entsendung/Anmeldung/anmeldung_node.html



Greece

Remuneration of posted workers

Minimum wage at national level

National minimum monthly salary for full time employee is gross EUR 780. National minimum daily wage is gross EUR 34,84.

Further, married workers employed by employers who are members of trade unions participating in conclusion of National General Collective Labor Agreement are entitled to marriage allowance, which is equal to 10 pct. of minimum basic salary.

Minimum wage set through collective bargaining agreements

There are Sectorial Collective Labor Agreements in certain industry sectors that provide minimum wages to covered workers. There is limited number of collective agreements in Greece.

Working hours



Maximum working time in Greece is 8 hours per day / 40 hours per week.

What can constitute remuneration



Included in the remuneration

Basic salary/basic wage

Not included in the remuneration

Per-diems

Housing

Bonuses

Meal costs

Special payments (Foreign Service premium, Cost of Living allowance, Hardship premium, Country allowance, Assignment allowance, Cost of living allowances)

Transportation costs

Mandatory registration of posted workers



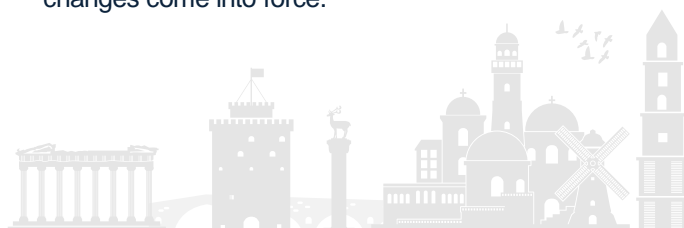
Foreign employer who posts workers to Greece must submit following to competent authority:

- Written declaration about posting, including information about employer of posted workers, employer's legal representative and representative in Greece during posting, address/addresses where posted workers provide services, details about entity receiving posted workers etc..
- List of posted workers, including personal data, working time, remuneration etc..

It is possible to store documents listed above electronically, but electronic filing system is not yet in place in Greece. Thus, submission of notification

about posting is done either in person, by regular mail, or by e-mail.

In case of changes to postings, list of posted workers with amendments must be sent to authorities within 15 days from when changes become effective. Further, when working hours or organization of working schedule is changed, new list with amendments must be sent to authorities before changes come into force.



Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

No

Posting over 12 months

Yes

Business travelers*

Depends

Posting from a non-EU country **

Depends

Documents and legal representation

Foreign employer who posts workers to Greece must appoint representative in Greece during posting who will act as liaison between foreign employer and Greek authorities. Representative should reside permanently in Greece.

Foreign employer must keep following information and documentation available at place of work in Greece, either in hardcopy or electronically:

- employment agreement or any other equivalent document;
- payslips or other documents that prove payment of salary; and
- documents evidencing posted worker's presence in Greece, including start and end time for daily working hours.

Documentation listed above must be stored for 2 years after posting has ended. Documents must be available in either English or Greek and they must be provided upon request to authorities within 15 days.

List containing information about posted workers (filed with competent employment office and authenticated by employment authorities) must be stored at premises of entity receiving posted workers. These documents are only filed in Greek. Supporting documents can be maintained in other languages, but certified translation in Greek is most likely to be requested in case of audit.

Entity receiving posted workers is obliged to provide any information and reply to any request from authorities aiming to assist them to assess compliance with rules for posted workers.

Penalties for non-compliance



If non-compliance concerns notification of posting and minimum wage, authorities may stop posted workers from working, they can impose fines on foreign employer, and in cases of severe non-compliance there could be imposed imprisonment on some individuals.

Administrative fines for non-compliance can be imposed on foreign employer and on entity receiving posted workers up to EUR 2.000 per posted worker.

* Obligation to notify about business travels arises when travels are combined with posting to Greece.

** This issue is determined by Greek authorities on a case-by-case basis.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Greece, under the condition that remote worker does not deliver services in Greece.

For example, if remote worker works from home in Greece for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Income earned for services provided in Greece (i.e. Greek source income) is in principle taxable from first day of work in Greece. However, if Double Tax Treaty applies, it must be taken into consideration for tax liability.

Even if income for services provided in Greece can be exempted from taxation in Greece accordingly to Double Tax Treaty, there is reporting obligation. Remote worker must file annual Greek income tax return for informational purposes. Foreign employer should provide salary letter to remote worker that mentions only income attributed to work done in Greece for purpose of tax return filing in Greece.

If income is not exempted from taxation in Greece, foreign employer is obliged to withhold taxes due and foreign employer should register with Greek tax authorities (even if no permanent establishment is acquired) for payroll and tax withholding / remittance purposes. Foreign employer must electronically report amounts of employment income and income tax withholdings which are pre-completed in annual personal income tax return of remote worker. Remote worker should also file their annual Greek income tax return based on amounts pre-completed by foreign employer.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Greece in which case A1- certificate must be issued by competent social security authority to avoid application of Greek social security.

When A1- certificate for coverage under foreign social security cannot be issued, Greek social security applies, and remote worker must be affiliated to Greek social security system during work in Greece.

Public Source of Information

Information on the above issues can be found in Greek on the official website of the Ministry of Labor. Further, the applicable laws and other sources of legislation, such as Ministerial Decisions can be found on the Official Government Gazette's website and other legal databases, all in Greek language.



Hungary

News



Hungarian parliament has introduced leave for fathers. This must be included in when calculating minimum amount of leave/holiday for posted workers too.

Remuneration of posted workers

Minimum wage at national level

From January 2023, minimum wage is **HUF 232,000** (approx. EUR 618).

Increased minimum wage of **HUF 296,400** (approx. EUR 790) applies to workers with at least secondary school education level and workers in positions requiring intermediate professional qualifications.

Minimum wage set through collective bargaining agreements

There are only very few collective bargaining agreements. Most of such agreements are kept private within respective industry or companies. Only nation-wide collective bargaining agreements are publicly available and can be found [here](#).

From 1 January 2023, workers assigned to assemble or install products and systems (etc.) are no longer required to comply with minimum remuneration and rules for holiday, provided that their activity does not exceed 8 days of work. This exception does not apply to posted workers on buildings (building, demolishing, renovation, assembly or disassembly of pre-built blocks etc.), installing systems on buildings, or carrying out related activities, including earthmoving, painting, maintenance, cleaning etc.

What can constitute remuneration



Included in the remuneration

Basic salary/basic wage

Overtime payments

Bonuses

Housing

Meal costs

Not included in the remuneration

Per-diems

Special payments (Foreign Service premium, Cost of Living allowance, Hardship premium, Country allowance, Posting/Assignment allowance, Special Pension Allowances)

Working hours



Generally, maximum working time is 12 hours per day / 48 hours per week.



Mandatory registration of posted workers



Entity receiving posted workers must complete and file so-called '**23T104**' form which must be submitted to Hungarian tax authority within 30 calendar days from commencement of posting. This document serves as notification about posting.

This form must be submitted to Hungarian Government Portal, but there is no website available for this purpose. This form should be completed electronically in Hungarian or in English via labor inspectorate website under Hungarian Ministry of National Economy.

Registration of information listed above should be submitted by foreign employer or by entity receiving posted workers **no later than on the day of commencement of work in Hungary**.

Entity receiving posted worker should inform foreign employer about relevant requirements under Hungarian labor law.

Following information is required here:

- Information about foreign employer, including legal name, headquarters, etc.;
- contact details for foreign employer's representative;
- information about posted workers, including names, duration of posting, etc.;
- information about nature of activities posted workers are expected to perform.

Posted workers

Posting up to 12 months

Extension of a posting

Shortening of a posting

Posting over 12 months

Business travelers*

Posting from a non-EU country

Maximum 8-day assembly/maintenance work

Registration (Yes/No/Depends)

Yes

Yes

Yes

Yes

Depends

Yes

Depends (see new exception rule)

Documents and legal representation

If Hungarian authorities request documentation relevant to posting, such must be provided to them without delay. Following documents can be requested and must therefore be immediately available:

- Employment contract;
- Timesheets; and
- Evidence documenting actual payment of salary to posted workers.

All documents including registration form should be retained for 3 years after posting has ended. Documents should be available in Hungarian or English language. Certified translation is not required.

*Business travelers are not required to register in case they only attend meetings, visit facilities, etc. However, in case they perform activities that constitute services, registration is necessary.



Penalties for non-compliance



Following penalties can be imposed for non-compliance with rules for posted workers:

- Failure to file form T104, up to HUF 500.000 (approx. EUR 1.300).
- Non-compliance with terms and conditions of employment for posted workers, at least HUF 30.000 (approx. EUR 70) up to HUF 10.000,000 (approx. EUR 25.000).

Other forms of non-compliance can be fined, including failure to provide documentation to authorities upon their request.

Foreign employer and entity receiving posted workers share liabilities for compliance with rules for posted workers.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Hungary, under the condition that remote worker does not deliver services in Hungary.

For example, if remote worker works from home in Hungary for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Remote worker who becomes liable to personal income tax in Hungary is obliged to calculate Hungarian tax liability and pay tax advances quarterly. Foreign employer does not have any withholding obligations in Hungary.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works remotely for a foreign employer.

Depending on the concrete situation, remote workers can be subject to foreign social security during remote work in Hungary in which case A1- certificate must be issued by competent social security authority to avoid application of Hungarian social security.

When A1- certificate for coverage under foreign social security cannot be issued, Hungarian social security applies, and remote worker must be affiliated to Hungarian social security system during work in Hungary.

Public Source of Information

Information about collective bargaining agreements:

http://www.ommf.gov.hu/index.php?akt_menu=551

Information about the current Hungarian law in connection with posting:

http://www.ommf.gov.hu/index.php?akt_menu=551

Home page of posting registration:

http://www.ommf.gov.hu/?akt_menu=547&set_lang=123



Ireland

Remuneration of posted workers

Minimum wage at national level

Ireland's minimum wage requirement applicable from 1 January 2023 is EUR 11,30 per hour. Minimum wage is determined as hourly rate, and it depends on employee's age as follows:

Age	Minimum wage applicable (EUR per hour)
Under 18 years old	7,91 (70 pct. of minimum wage)
18 years old	9,04 (80 pct. of minimum wage)
19 years old	10,17 (90 pct. of minimum wage)
20+ years old	11,30

Minimum wage set through collective bargaining agreements

Certain workers are covered by collective bargaining agreements, as follows:

- **Sectoral Employment Order ("SEO")**

SEO is made by Minister for Enterprise, Trade and Employment following a recommendation from Labour Court on matters such as remuneration, pensions, and sick pay for workers in particular economic sector and SEO is binding on that sector. There are currently 3 SEOs in place covering construction sector, electrical contracting sector, and mechanical engineering sector.

- **Employment Regulation Order ("ERO")**

ERO sets minimum rates of pay and conditions of employment for workers in specified business sector. It is agreement drawn up by Joint Labour Committee (JLC), adopted by Labour Court and signed into legislation by Minister for Enterprise, Trade and Employment. There are currently 3 EROs in force, one in contract cleaning industry, one in security industry, and one in early learning and childcare sector.

- **Registered Employment Agreement ("REA")**

REA is collective agreement between trade union or unions and employer or employers dealing with pay and/or conditions of employment of specified workers, which is registered with Labour Court and is only binding on parties that subscribe to it.



What can be included in the remuneration



Following is not exhaustive list:

Included in the remuneration

Basic pay

Piece and incentive rates, commission and bonuses which are related to productivity

Zero hour protection payments

Shift allowances

A certain monetary value of board and/or lodgings

Not included in the remuneration

Payment of expenses

Payment by way of pension, allowance or gratuity in connection with death, retirement or resignation of worker or as compensation for loss of office

Payment relating to redundancy

Payment in kind or benefit in kind

Holiday pay, sick pay, maternity pay

Overtime premium

Working hours



Maximum working time in Ireland is 48 hours per week, averaged over a four-month period.

Mandatory registration of posted workers



Foreign employer must complete Form of Declaration for each posted worker. This form must be submitted to Workplace Relations Commission (WRC) no later than on the day of commencement of work with following details:

- Name, address and contact information for foreign employer providing services in Ireland
- Name and address of foreign employer's contact person
- Personal details for each posted worker (names, address, date and place of birth, nationality, social security number (PPSN))
- Duration of posting
- Location of work in Ireland
- Nature of the services - job descriptions/job title
- Gross weekly and hourly rate of pay for posted workers
- Total of weekly hours worked in Ireland
- Work permit, if relevant



Mandatory registration of posted workers (continued)



Once Form of Declaration is successfully submitted, WRC will provide an acknowledgement to foreign employer.

Posted workers	Registration (Yes/No/Depends)
Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travellers*	No
Posting from a non-EU country	No

Documents and legal representation

Foreign employer posting workers to Ireland to provide transnational services is required to hold copies of following documentation in hardcopy or electronically:

Employment contract', or written statement about terms and conditions for employment, or other equivalent document certifying employment terms for posted worker.

Above-mentioned statement must include information about following:

- remuneration posted worker is entitled to in Ireland;
- allowances specific to posting and all arrangements for reimbursement of travel, board, and lodging expenses; and
- link to official national website concerning posting of workers and provision of services. Link to national website for workers posted to Ireland is: **Posted Workers - Workplace Relations Commission - <https://www.workplacelrelations.ie/>**

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

*Business traveler is an individual who travels to Ireland for a period not exceeding 90 days in 12-month period to attend meetings, negotiate or sign agreements/contracts and who does not carry out any "hands-on" work.



Documents and legal representation (continued)

Payslips or equivalent documents specifying remuneration to posted worker along with number of deductions made in accordance with applicable law and proof for transfer of remuneration to posted worker, i.e. proof of wages.

Foreign employer is required to make documentation listed above available upon request from WRC during entire posting. Documentation should be accompanied with appropriate translation to English language (if necessary), no later than 1 month from the date of receiving of request.

Foreign employer must designate person to liaise with WRC and to send out and receive documents and notices as necessary. This person does not have to be resident in Ireland. However, having a liaison resident in Ireland would appear most practical, i.e. person within entity receiving posted worker or within KPMG as their agent.

Penalties for non-compliance



Failure to pay national minimum hourly rate of pay is criminal offence, punishable upon summary conviction by a fine not exceeding EUR

Breaches of posted worker administrative requirements (registration) and control measures are offence and hence foreign employer may be sanctioned:

- On summary conviction, to class A fine (currently EUR 5.000), or
- On conviction or indictment, to fine not exceeding EUR 50.000.

If such offence is committed by a body corporate and offence is proved to have been committed with consent or connivance of, or to be attributable to any neglect on part of, a person who is director, manager, secretary or other similar officer of the body, or is person who was purporting to act in any such capacity, that person as well as the body corporate commits offence and is liable to be prosecuted and punished as if that person had committed the first-mentioned offence.

If affairs of a body corporate are managed by its members, paragraph above applies in relation to acts and omissions of a member of the body corporate in connection with the member's functions of management as if the member were director or manager of it.

Penalties for breach of general employment legislation (which posted workers may get the benefit of) can include orders of compensation of up to 2 years' pay, re-engagement or re-instatement of claimant worker.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Ireland, under the condition that remote worker does not deliver services in Ireland.

For example, if remote worker works from home in Ireland for a foreign employer using a laptop connected to employer's IT-environment, remote

worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.



Remote working (continued)

Tax



Liability to taxation of personal income in Ireland depends on remote worker's tax residence. Generally, tax residents and domiciled individuals are subject to income tax on their worldwide income in Ireland.

Tax residents and non-domiciled individuals are subject to income tax in Ireland on their Irish sourced income, and any foreign (non-Irish) income that is remitted into Ireland.

Table below summarizes current Irish Revenue guidance for workers performing duties of non-Irish employments in Ireland:

Category

Irish payroll withholding obligation

A	Not more than 30 workdays in Ireland during tax year	Non-resident of Ireland, automatic exemption from Irish payroll withholdings, irrespective of whether worker is resident governed by Double Taxation Agreement.
B	More than 30, but not more than 60 workdays in Ireland during tax year	Automatic exemption from Irish payroll withholdings (provided conditions in Double Tax Treaty are met).
C	More than 60 workdays in Ireland during tax year	Irish payroll withholding obligation arises (unless conditions in Double Tax Treaty say otherwise and PAYE Clearance is applied for and obtained issued by Irish Revenue). PAYE Clearance must be applied for within 30 days of the arrival of posted worker to Ireland. This is a strict deadline!

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Ireland in which case A1- certificate must be issued by competent social security authority to avoid application of Irish social security.

When A1- certificate for coverage under foreign social security cannot be issued, Irish social security applies, and remote worker must be affiliated to Irish social security system during work in Ireland.

Public Source of Information

Sectorial specific agreements (Sectorial Employment Orders and Employment Regulation Orders) can be accessed [here](#) .

Obligations as per the Directive can also be found at this [link](#).



Italy

Remuneration of posted workers

Remuneration set at national level

Italy does not have minimum wage set at national level.

Remuneration set through collective bargaining agreements

Minimum wage is determined by negotiation between employers and different employee unions. For this reason, minimum wage must be defined on case-by-case basis.

What can be included in the remuneration



Generally, remuneration includes items such as basic salary, pay for overtime, seniority payments, paid holiday, fringe benefits, etc.. Each collective bargaining agreement (CBA) stipulates elements of remuneration and conditions linked to awarding them.

Travel expenses and housing allowances/reimbursement are not included in remuneration.

Working hours



Working hours are defined in the individual CBA.

Mandatory registration of posted workers



Mandatory registration of posted workers

Foreign employer posting workers to Italy must register posted workers within 24 hours before commencement of posting. Any changes to posting must be notified within 5 days of them occurring.

Registration is done through online registration form that is available in Italian and English. Registration form must be completed and filed by foreign employer.

Before posting can commence, foreign employer must appoint a person who will keep necessary documentation for posting to Italy and who will be able to send and receive documents and communication with authorities and relevant unions in Italy. This person must be domiciliated in Italy.

Access to online form is possible via specific credential to be provided by Italian authority. After registration of foreign employer, foreign employer can submit information about posting.

Following information about posting is required:

- Foreign employer (legal name, VAT number and registered office, phone and email);
- Legal representative of foreign employer, who does not have to reside in Italy;
- Entity receiving posted workers (legal name, VAT number and registered office);
- Legal representative of entity receiving posted workers.
- Name and details of person keeping documentation about posting to Italy;
- Name and details of foreign employer's liaison;
- Personal details about posted worker (names, date and place of birth, citizenship);
- Duration of posting;
- Location of work in Italy;



Mandatory registration of posted workers (continued)



Once online registration is successfully submitted, a single consecutive protocol number is issued, and it is possible to download PDF- copy of protocol and registration details.

Posted workers	Registration (Yes/No/Depends)
Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers*	No
Posting from a non-EU country **	Depends

Documents and legal representation

During posting and 2 years after posting has ended, following documentation must be kept and made available if requested:

- Employment contract of posted worker or equivalent document certifying terms and conditions for employment;
- Working time, including commencement and termination of work and number of daily working hours;
- Remuneration (payslips);
- Document for posting (assignment letter or alike);
- A1 Certificate for social security.

Documents listed above must be translated to Italian.

Responsibility for compliance with obligation to register posted workers rests with foreign employer.

*Business travelers are not included in the definition of posted workers. Activities related to business travels may be identified as meetings, conferences, reunions etc.

** If worker posted from non-EEA entity holds EEA nationality, registration of such posting to Italy is mandatory. If worker posted from non-EEA entity does not hold EEA nationality, immigration procedures must be followed, and it is only recommended to register posting.



Penalties for non-compliance



Following fines apply:

- Administrative fine EUR 180 - EUR 600 for failure to register posting (includes late registration and incorrect registration);
- Violations related to record keeping EUR 600 - EUR 3.600 per posted worker;
- Failure to appoint a liaison or recordkeeper EUR 2.400 - EUR 7.200.

Total of all penalties cannot exceed EUR 180.000.

If authorities conclude that posting is not genuine, fines could range from EUR 50 for per posted worker per day (minimum EUR 5.000 - maximum EUR 50.000).

If non-compliance is related to remuneration, foreign employer must pay difference gap. Foreign employer and entity receiving posted worker are both liable for payment of adequate remuneration to posted worker.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Italy, under the condition that remote worker does not deliver services in Italy.

For example, if remote worker works from home in Italy for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Generally, there are no tax implications for remote worker if their time spent in Italy does not exceed 183 days during a year. If tax obligations arise, remote worker is liable to comply with this obligation. Foreign employer is not obliged to withhold wage taxes for their tax liable remote workers in Italy as long as foreign employer does not have effective place of management, registered seat, or permanent establishment in Italy.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works remotely for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Italy in which case A1-certificate must be issued by competent social security authority to avoid application of Italian social security.

When A1- certificate for coverage under foreign social security cannot be issued, Italian social security applies, and remote worker must be affiliated to the Italian social security system during work in Italy.

Public Source of Information

A full list of all current National Collective Agreements is available at this [link](#). These are in the Italian language

An ad hoc portal and online registration form has been set up, allowing speedy and efficient online registration. This can be accessed [here](#).

More information on the regulations and mandatory fulfilments in English are available at this [link](#).



Latvia

Remuneration of posted workers

Remuneration set at national level

Minimum wage in 2023 is fixed amount of gross EUR 620 per month.

Remuneration set through collective bargaining agreements

Collective bargaining agreement is concluded within construction industry. It stipulates that minimum wage is gross EUR 780 per month.

If collective bargaining agreement has higher minimum wage than national minimum wage, employer can pay lower amount for overtime, but this amount cannot be less than 50 pct. of standard hourly rate.

What can be included in the remuneration



Included in the remuneration

Basic salary

Holiday pay

Bonuses

Overtime payments

Not included in the remuneration

Compensation of business trip advances

Per-diems

At discretion of the employer

Working hours Maximum working time is 8 hours per day or 40 hours per week.



Mandatory registration of posted workers

Foreign employer posting workers to Latvia must submit notification about posting prior to commencement of posting. Notification must be done in writing and in Latvian indicating following information:

- Foreign employer (legal name, registration number, address and names of person(s) on executive body with signing rights and their contact details).
- Personal data about posted workers (names, ID document number).
- Duration of posting, including commencement and completion of entire work/service.
- Place of work in Latvia.
- Foreign employer's representative in Latvia (names and contact information).
- Entity receiving posted workers and nature of services justifying posting.
- Work permit, if relevant .
- A1 Certificate for social security.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting*

No

Posting over 12 months

Yes

Business travelers

Depends. Case by case assessment.

Posting from a non-EU country

No

Documents and legal representation

Foreign employer should ensure that concluded employment contracts, document about posting, pay-slips, timesheets, documents which prove payment of wages are stored and easily accessible by foreign employer's representative in Latvia.

Documents should be translated to Latvian. Documents must be stored for 2 years after posting has ended.

If relevant, foreign employer is required to appoint representative to whom parties of collective agreement may refer to launch negotiations on entering into collective agreement.

* Not mandatory, but advisable.



Penalties for non-compliance



Penalties depend on nature of violation, frequency of violation, severity etc.

Generally, fine for non-compliance may range between EUR 70 – EUR 7.100 per case.

Failure to comply with minimum wage triggers fine of EUR 430 - EUR 570 imposed on foreign employer who is natural person. If foreign employer is legal person fine can range EUR 850 - EUR 7.100.

Generally, violations with terms and conditions of employment can reach fines of EUR 14.000.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works remotely in Latvia, under the condition that remote worker does not deliver services in Latvia.

For example, if remote worker works from home in Latvia for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Remote worker does not trigger tax liability on personal income in Latvia if their presence there does not exceed 183 days in any 12-month period.

If 183-day period is exceeded, generally, it is foreign employer's responsibility to register, run shadow payroll, report, and pay tax and social security contributions to Latvian tax authority.

If tax on personal income is due in Latvia, there are two options how to pay tax:

- Foreign employer registers as taxpayer in Latvia (effectively registers shadow payroll and thus withholding obligation to foreign employer arises);
- Remote worker registers themselves as taxpayer (in such case remote worker is responsible for reporting and paying tax of their income in Latvia, foreign employer has no tax withholding obligation).

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when a worker works remotely for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Latvia in which case A1-certificate must be issued by competent social security authority to avoid application of Latvian social security.

When A1- certificate for coverage under foreign social security cannot be issued, Latvian social security applies, and remote worker must be affiliated to Latvian social security system during work in Latvia.

Procedure for payment of social security contributions to Latvia can be done using methodology described above under Tax.

Public Source of Information

For public information about obligations of foreign entities which post employees to perform work in Latvia, you may access the Ministry of Welfare of the Republic of Latvia [webpage](#)



Lithuania

Remuneration of posted workers

Remuneration set at national level

In 2023, gross minimum wage is EUR 840 per month (equivalent of EUR 5.14 per hour). Minimum wage is regulated annually.

Minimum monthly wage can only be paid for unqualified work. Work is unqualified if no specific qualifications or skills are required from worker.

Level of the employee	Monthly amount (EUR)	Hourly amount (EUR)
Blue collar	840	5.14
Highly skilled (blue card)	>840	>5.14

Remuneration set through collective bargaining agreements

It is permissible to set higher minimum wage in collective agreements at company level.

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Bonuses (depending on type of bonus)

Special payments (E.g. Foreign service premium, Hardship premium, Country allowance, Posting/Assignment allowance, Cost of living allowance – depending on type of payments)

Per-diems

Not included in the remuneration

Housing

Transportation costs

Meal costs

Bonuses (depending on type of bonus)

Overtime payments



Working hours



Generally, working time is 8 hours per day / equivalent to 40 hours per week. Maximum working hours, including overtime but excluding work under agreement on additional work, must not exceed 48 hours in 7 calendar days. Maximum working hours, including overtime and work under agreement on additional work, must not exceed 12 hours per day and 60 hours in 7 calendar days.

Mandatory registration of posted workers



Foreign employer who posts workers to Lithuania is required to notify Lithuanian labor authorities about posting prior to commencement of work.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers	No
Posting from a non-EU country	Yes

Documents and legal representation

Following documents must be kept and made available to Lithuanian authorities upon their request:

- employment contract;
- documents confirming information about remuneration, its calculation and payment;
- timesheets.

Lithuanian authorities can request other documents than those listed above.

Documents must be kept 10 years after posting has ended. Documents must be available in Lithuanian. Certified translation is not required.

Foreign employer must appoint contact person (any third person authorized by foreign employer) in Lithuania. This person is responsible for communication with Lithuanian authorities, provide requested documents to Lithuanian authorities etc.

Penalties for non-compliance



Non-compliance with registration of posted workers can be fined up to EUR 1.320.

Non-compliance with requirement for remuneration can be fined up to EUR 1.680.

Fines are imposed on foreign employer.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Lithuania, under the condition that remote worker does not deliver services in Lithuania.

For example, if remote worker from home in Lithuania for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



There is no "de minimis period" that triggers taxation on personal income of remote workers. Generally, income for work done in Lithuania is taxable in Lithuania (specific country Double Tax Treaty must be considered).

If tax liability is triggered, provided foreign employer does not have permanent establishment in Lithuania, it would be remote worker's obligation to report this income to Lithuania and pay taxes (for tax resident – on annual basis; tax non-resident – when income is received).

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Lithuania in which case A1- certificate must be issued by competent social security authority to avoid application of Lithuanian social security.

When A1- certificate for coverage under foreign social security cannot be issued, Lithuanian social security applies, and remote worker must be affiliated to Lithuanian social security system during work in Lithuania.

Public Source of Information

Collective bargaining agreements are found [here](#). Information about foreign employer' obligations when they post workers to Lithuania can be accessed on this [link](#).



Luxembourg

Remuneration of posted workers

Remuneration set at national level

From April 2023, minimum wage is set at EUR 2.508,24 per month.

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

Age	Skill	Minimum wage (EUR)
15-16	Blue collars	1.881,18 (75 pct. of standard minimum wage)
17-18	Blue collars	2.006,59 (80 pct. of standard minimum wage)
Over 18	Blue collars	2.508,24 (100 pct. of standard minimum wage)
Over 18	Highly skilled	3.009,88 (120 pct. of standard minimum wage)

Remuneration set at collective bargaining agreement level

Collective bargaining agreement can be applicable either at unit level for the companies who have signed the agreement or with they can applicable generally (i.e. applicable for all employees and employers of the industry concerned).

Minimum wage rates can be established by applicable collective bargaining agreements, but these amounts cannot be lower than national minimum gross wage.

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage



Not included in the remuneration

Reimbursement of professional expenses	Bonus
Housing	Special payments (foreign service premium, hardship premium, country allowance, posting/assignment allowance, cost of living allowance)
Transportation costs	
Meal costs	
Overtime payments	Per-diems

Mandatory registration of posted workers



It is mandatory to register posted workers prior to commencement of work in Luxembourg on [electronic platform](#) (*e-Détachement*) that is available in French, German, and English.

Following information and documentation is requested for registration on platform *e-Détachement*:

- Details about foreign employer and its effective representative.
- Details about legal entity or individual in Luxembourg who will be point of contact for foreign employer.
- Duration of posting.
- Place(s) of work in Luxembourg and foreseeable duration of work.
- Personal data about posted worker (names, dates of birth, nationalities, profession).
- Profession/occupation of posted worker and activity to be performed in Luxembourg.
- Contract for provision of services
- Accommodation register
- Document showing how foreign employer will cover travel, accommodation, and food expenses during posting.

Further documents required:

- Labour supply contract, where applicable.
- A1 certificate for social security.
- Employment contract or certificate of compliance with Directive 91/553 of 14 October 1991 for employer's obligations to inform workers about conditions applicable to contract or employment relationship.
- For part-time work or a fixed-term employment contract: certificate of conformity issued by competent control authority in foreign employer' home country.
- Payslips and proof of payment of remuneration during posting.
- Register detailed information about working times during posting.

Stay/ residence permit, if relevant.



Mandatory registration of posted workers (continued)



From 23 December 2022, following information and documents, although required to have available, are no longer requested to be downloaded on *e-Detachement* platform:

- Documents attesting professional qualifications of posted workers.
- Information about foreign employer' effective representative.
- Activities performed in home country and in Luxembourg.
- VAT certificate issued by *Administration de l'enregistrement et des domaines*. Certificate of prior declaration (*certificat de déclaration préalable*) or certificate replacing it issued by *Ministerie des classes Moyennes*.
- Medical certificate pre-employment if it applies.

Any subsequent changes, including location or purpose of work, should be reported to authorities.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Yes

Posting from a non-EU country

Yes

Documents and legal representation

Foreign employer must indicate its legal representative in Luxembourg who can establish contact with authorities in Luxembourg.

If foreign employer does not have representative in Luxembourg, posted worker should be designated as contact person.

Documents must be retained for 10 years after posting has ended. All documents must be translated to French or German.

* Luxembourg does not distinguish business travelers in its domestic law.



Penalties for non-compliance



Fines for non-compliance with rules for posted workers can range EUR 1.000 and EUR 5.000. Fines may be doubled if repeated offences are committed within 2 years following from when first fine was notified.

Fines apply per posted worker, with cap of EUR 50.000.

Legal representative cannot be fined. Fines are issued to either foreign employer or entity receiving posted workers.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Luxembourg, under the condition that remote worker does not deliver services in Luxembourg.

For example, if remote worker works from home in Luxembourg for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



To determine tax liability for remote worker in Luxembourg, Double Tax Treaty should be considered if it is applicable.

When remote worker is liable to pay taxes on income to Luxembourg, foreign employer has obligation to process Luxembourg payroll only if foreign employer has permanent establishment in Luxembourg. If no permanent establishment exists, there are two possibilities:

- Income tax is paid through filing of annual income tax return by remote worker (form 100); or
- foreign employer opts on a voluntary basis to withhold and pay taxes through filing of individual annual income tax return (form 100) or monthly payroll and to pay wage withholding tax to Luxembourg tax authorities.

If voluntary wage tax is withheld, foreign employer has to register in Luxembourg, prepare payslips with withholding tax, and process monthly withholding payment.



Remote working (continued)

Tax



Tax treaty between Luxembourg, France, Germany, and Belgium:

Double Tax Treaties between Luxembourg, Belgium, France, and Germany provide that right to tax wages vests to worker's country of residence, unless employment is exercised in other Contracting State (in which case, taxation right is attributed to country where activity is carried out).

In the context of an activity carried out partially through homeworking, this means that the taxation right on wages is with the remote worker's country of residence. These tax treaties have set out different threshold for when liability for tax on income is triggered.

- 19 days for German residents;
- 34 days for Belgium residents⁵;
- 34 days for French residents⁶.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Luxembourg in which case A1- certificate must be issued by competent social security authority to avoid application of Luxembourg social security.

When A1- certificate for coverage under foreign social security cannot be issued, Luxembourg social security applies, and remote worker must be affiliated to Luxembourg social security system during work in Luxembourg.

Public Source of Information

For public information on obligations of foreign entities assigning personnel to Luxembourg, you can visit this [website](#).

To allow employers to comply with the new law, the existing [electronic platform](#) has been improved and extended. This website is available in French, German, and English.

⁵ Please note that, although signed, amendment to raise tolerance threshold from 24 days to 34 days has not yet completed the Belgian ratification process and is still listed as "signed but not applicable" on Belgian tax administration website. Once this process has been completed, it will have retroactive effect to 1 January 2022.

⁶ This increase has been formalized through Addendum to France – Luxembourg Double Tax Treaty and signed on 7 November 2022 which is awaiting ratification before being applicable. Once this process has been completed it will have retroactive effect to 1 January 2023.



Malta

Remuneration of posted workers

Remuneration set at national level

Minimum wage is set annually on national level, but it is determined by employer's economic activity and by worker's age.

Where no Wage Regulation Order applies, level of minimum wage from January 2023 is following:

Under 17 years	EUR 183.11 per week
Aged 17 years	EUR 185,95 per week
Aged 18 and over	EUR 192,73 per week

Remuneration set through collective bargaining agreements

Collective bargaining agreements can be negotiated between employers and one or more organizations of employees.

Collective bargaining agreements include salary scales and annual increments higher than those provided for by national minimum wage.

Sectoral Wage Regulation Orders

Wage Regulation Orders regulate certain conditions of employment in specific industry sectors.

For illustrative purposes please see below information about remuneration in selected 5 industries:

01 Automotive, Telecom, IT, Oil&Gas industries - No specific Wage Regulation Order applies and therefore minimum wage is applicable (see table above).

02 Construction industry -

Under 17 years	EUR 184 per week
Aged 17 years	EUR 186,58 per week
Aged 18 and over	EUR 197,39 per week

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Not included in the remuneration

Housing

Transportation costs

Meal costs

Statutory bonuses

Weekly allowances

Cost of Living Adjustment



Working hours



Generally, average working time, including overtime, must not exceed 48 hours for each 7-day period, spread over reference period of 17 weeks.

It is, however, possible to exceed average working time provided that posted worker consents to it in writing.

Exceptions to average working time also apply to certain types of employment under Wage Regulation Order.

Mandatory registration of posted workers



Foreign employer must notify Department of Industrial and Employment Relations in Malta about the intention to post workers to Malta. Such notification must be filed prior to posting.

Form "Notification of a Posted Worker to Malta" must be prepared for registration of posted workers and this notification should be accompanied by supporting documentation, including copy of posted worker's passport (biometrics page), employment contract, contract for posting, and work permit where relevant.

Entity receiving posted workers must keep copy of Notification Form and requisite supporting documentation at place of work.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers*	Yes
Posting from a non-EU country	No

Documents and legal representation

Documents must be retained during posting.

There is no statutory requirement for retention of documents for terms and conditions of employment. However, insofar as documents concerned would constitute supporting documents for purpose of ascertaining deductible expenses claimed for Maltese tax purposes, these would be required to be retained for 10 years, i.e. contracts of posting.



*No definition available under the local legislation.

Penalties for non-compliance



Non-compliance with rules for posted workers can be fined in a range of EUR 117 - EUR 1.165.

Non-compliance with requirements for remuneration can be fined in a range of EUR 232,94 - EUR 2.329,37. Foreign employer may be liable to pay posted worker amount due when adequate remuneration is not paid.

Some infringements with rules on posted workers are criminally prosecuted, including following:

- Failing to pay posted worker adequate remuneration, including overtime rates.
- Unduly withholding back-payments, or refund of taxes or social security contributions from posted worker's salary.
- Withholding or deducting excessive costs for accommodation from posted worker's salary.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Malta, under the condition that remote worker does not deliver services in Malta.

For example, if remote worker works from home in Malta for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Generally, remote workers' income derived from work in Malta is taxable from first day, unless Malta's taxing rights are restricted under Double Tax Treaty.

If liability on personal income tax is triggered, foreign employer must operate payroll withholdings for tax and/or social security contributions and remit the same by statutory deadlines to Commissioner for Revenue (CfR).

Remote worker may have liability for filing annual tax return in Malta. Remote worker may be tagged as "filer" or "non-filer" by CfR.

- "Filer": must file annual tax return and pay any outstanding tax liability resulting therefrom by 30th June following tax year end.
- "Non-filer": not required to file tax return by statutory deadline, as CfR will issue tax statement evidencing total income declared to CfR through tax withholding mechanisms. Remote worker would only be required to file tax return should information contained in such tax statement be incorrect or incomplete.



Remote working (continued)

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Malta in which case A1- certificate must be issued by competent social security authority to avoid application of Maltese social security.

When A1- certificate for coverage under foreign social security cannot be issued, Maltese social security applies, and remote worker must be affiliated to Maltese social security system during work in Malta.

Public Source of Information

Please refer to [wage regulations](#) orders which are applicable to particular industries.

For information about foreign employer's obligations towards posted workers, please visit [this](#) website.



The Netherlands

Remuneration of posted workers

Minimum wage at national level

The Netherlands has gross minimum wage set at national level. It is indexed every 6 months, on 1 January and 1 July. Minimum wage is determined by worker's age.

Minimum wage for 2023 listed below does not include statutory holiday allowance (8 pct. of gross wage):

Period	Employees aged 21 or over
Daily	EUR 89,28
Weekly	EUR 446,40
Monthly	EUR 1934,40
Hourly:	Depending on regular hours worked in applicable branch, different hourly wage applies:
-36 hours	EUR 12,40
-38 hours	EUR 11,75
-40 hours	EUR 11,16

Minimum wage set through collective bargaining agreements

Working hours can be determined in collective bargaining agreement (if applicable). Collective bargaining agreements may apply to certain industries and are sometimes collectively binding, meaning that if company was not formal party to such agreement, its conditions nevertheless apply.

Finding out if and precisely which collective bargaining agreement applies is often difficult. Levels of wages in collective bargaining agreements may never be less than statutory minimum wage.

* Employees under age of 21 are entitled to lower minimum wage.



What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Compensation for overtime

Additional payments for e.g. irregular working hours, night shifts

Structural (weekly or monthly) payments based on worker's turnover (amount can vary but payments should not be incidental)

Not included in the remuneration

Per-diem

Housing

Transportation costs

Bonuses

Holiday allowances

Payments for special events, entitlements to receive payments in future, reimbursements which are supposed to cover necessary expenses as result of employment, special reimbursements for wage-earners and heads of families, year-end payments, employer's contributions to health insurance

Profit sharing payments

Meal costs

Working hours



Generally, working week contains 36, 38 or 40 hours, depending on profession. Maximum legal working schedule is 12 hours per day or 60 hours per week.

Mandatory registration of posted workers



Foreign employer must notify Dutch authorities about posting prior to commencement of work. Notification is filed electronically through [a central website](#) that is available in English, German, and Dutch.

Entity receiving posted workers must verify notifications about posting filed by foreign employer within 5 days from commencement of work in the Netherlands.



Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

No

Posting over 12 months

Yes

Business travellers*

Depends

Posting from a non-EU country

No

Documents and legal representation

Penalties for non-compliance



Foreign employer must have following documents available, in hardcopy or electronically:

- contract of employment;
- documents showing hours worked;
- payslips;
- A1 Certificate for social security;
- proof of foreign employer's identity and identity of entity receiving posted workers;
- evidence for for payment of wage.

If requested, foreign employer must provide information and documentation within reasonable timeframe. Documents should be in Dutch, English, French or German. Authorities may ask for certified translation of documents.

Documents must be retained for 5 years after posting has ended.

Foreign employer must appoint contact person in the Netherlands to act as liaison on behalf of foreign employer and with authorities. Posted worker can act as contact person on behalf of foreign employer.

* Business travellers are exempted from obligation to notify authorities about their presence in the country. Business travellers are usually described as individuals attending business meetings or taking out contracts and duration of their stay does not exceed 13 weeks within 52 weeks' timeframe.

Fines for non-compliance with rules for posted workers can vary from EUR 1.500 in case concerning less than 10 posted workers to EUR 4.500 in case concerning 20 posted workers or more.

Fines can be issued to foreign employer and entity receiving posted workers.

If entity receiving posted workers fails to verify notification about posting, it can lead to fine of EUR 1.500.

Authorities do not impose penalties when foreign employer violates rules for terms and conditions of employment. This is left to unions to resolve (provisions apply for collectively binding bargaining agreements, so there are always unions involved).



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in the Netherlands, under the condition that remote worker does not deliver services in the Netherlands.

For example, if remote worker works from home in the Netherlands for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in the Netherlands in which case A1- certificate must be issued by competent social security authority to avoid application of Dutch social security.

When A1- certificate for coverage under foreign social security cannot be issued, Dutch social security applies, and remote worker must be affiliated to Dutch social security system during work in the Netherlands.

Tax



Generally, there is no "de minimis period" under which remote worker would not trigger liability to pay taxes on personal income. However, if Double Tax Treaty is applicable, non-resident taxpayers may avoid taxation of employment income in the Netherlands if their stay does not exceed 183 days (provided all other conditions are cumulatively met).

In practice, many foreign employers choose to operate Dutch payroll to withhold wage tax (and Dutch social security), even if there is no formal obligation in this regard.

Public Source of Information

Information about collective labor agreement can be accessed [here \(search function is useful\)](#).

Information about posting workers and online notification can be accessed [here](#).



Norway

Remuneration of posted workers

Remuneration set at national level

Norway does not have statutory fixed minimum wage.

Minimum wage set through collective bargaining agreements

Remuneration is negotiated between labour market parties, either individually or collectively.

There are generally applicable collective bargaining agreements in place for certain industries, which provide mandatory minimum wages for certain groups of workers. Wage levels change annually and are set by qualifications, working experience, etc.

Following sectors have generally applicable collective bargaining agreements:

- Construction
- Maritime construction industry
- Agriculture and horticulture
- Cleaning workers
- Fish processing enterprises
- Electricians
- Freight transport by road
- Passenger transport by tour bus
- Hotel, Restaurant and Catering

Below are examples of current minimum wages in certain industries:

Industry	Qualifications	Mandatory minimum wage per hour
Building sites *	Skilled employees	NOK 230 (approx. EUR 20)
	Unskilled employees	NOK 207,40 (approx. EUR 18)
	Unskilled, min. 1 year work experience	NOK 216 (approx. EUR 19)
Maritime construction/shipbuilding industry *	Skilled workers	NOK 197,01 (approx. EUR 17,50)
	Semi-skilled worker	NOK 188,04 (approx. EUR 16,50)

*Employer must pay additional 14.1 pct. pension contribution. Employer must offer mandatory private pension scheme to worker who are members of Norwegian social security scheme.

Industry	Qualifications	Mandatory minimum wage per hour
	Unskilled worker	NOK 179,17 (approx. EUR 15,80)
	In addition applies various increment to wages	
Agriculture and horticulture*	Unskilled employees	NOK 154,30 (approx. EUR 13,50)
	Skilled worker	NOK 154,30 (approx. EUR 13,50) + NOK 14,00 (approx. EUR 1,20)
	In addition applies various increment to wages	
Cleaner*		NOK 204,54 (approx. EUR 18)

Foreign employer must cover expenses related to travel, board and lodging for travels within Norway.

Generally applicable collective bargaining agreements with minimum wage requirements can be found in following industries: electric, fish processing enterprises, hotel, restaurant and catering, and transport industry (both transport of freight and of persons).

Companies participating in public procurement will have contractual obligation to apply minimum pay according to either nationally applicable collective bargaining agreement or generally applicable collective bargaining agreement. This should be assessed prior to submitting tender.

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage per hour

Allowances provided in connection with posting shall, as rule, be considered part of remuneration, unless they are paid as reimbursement for expenses incurred on account of posting, inter alia, expenses relating to travel, board and lodging.

If it is not clear by employment and/or posting/assignment contract whether allowance in question is meant as wage compensation or coverage of expenses, it will as rule be regarded as coverage of expenses.

Bonuses

Not included in the remuneration

Per-diem

Housing

Transportation costs

Meal costs

Insurance and pensions schemes

Overtime supplement and (if applicable) shift premiums which follows from Norwegian law or generally applicable collective agreements are not included in minimum wage and shall be paid out in addition to basic hourly wage.

*Employer must pay additional 14.1 pct. pension contribution. Employer must offer mandatory private pension scheme to worker who are members of Norwegian social security scheme.

Working hours



Maximum 9 working hours per day and maximum 40 working hours per week. Less working hours may apply according to generally applicable collective bargaining agreement or nationally applicable collective bargaining agreement. Working hours shall be stated in employment contract.

Mandatory registration of posted workers



There is no registration requirement for posting, but when workers are posted to Norway, they must be registered with Norwegian tax authorities on form RF-1198.

Posted workers	Registration (Yes/No/Depends)
Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers	Depends on activity performed.
Posting from a non-EU country	Yes

Upon arrival in Norway, posted workers must attend ID-check at local office and be assigned Norwegian ID-number.

Documents and legal representation

Documentation for working hours and payslips must be available at place of work in Norway and be kept during posting. Documentation must be available in either Norwegian, Swedish, Danish, or English. There is no legal requirement for certified translation, but authorities may request it.

Penalties for non-compliance



Norwegian Labor Inspection Authority may impose sanctions for non-compliance in form of administrative orders, enforcement fines, or non-compliance penalties for severe breaches.

Maximum non-compliance fines are 15 times basic national insurance amount, approx. NOK 1.500.000 (approx. EUR 132.000).

Non-compliance with reporting posted workers to tax authorities can be fined with 2 times Norwegian court fee (court fee is NOK 1.243NOK 1.243 (approx. EUR 110)) for each posted worker.



Remote working

Tax



There is no minimum period under which remote worker would not trigger liability to pay taxes on employment income in Norway. Usually, working activity in Norway would be considered liable for taxes from first day of work.

Foreign employer must register in Norway, report wage monthly to Norwegian tax authorities, perform withholdings based on worker's tax card, establish withholding account used to carry withholdings, pay withholdings to tax authorities bi-monthly, produce monthly pay slips and yearly overview of payments.

There is special tax regime applicable to remote workers - foreign workers will be liable for taxation in Norway. More information is available on:

<https://www.skatteetaten.no/en/person/taxes/tax-deduction-card-and-advance-tax/i-am-a-foreign-employee/payee/>

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Norway in which case A1- certificate must be issued by competent social security authority to avoid application of Norwegian social security.

When A1- certificate for coverage under foreign social security cannot be issued, Norwegian social security applies, and remote worker must be affiliated to Norwegian social security system during work in Norway.

Public Source of Information

Several government agencies have cooperated to launch website

<https://www.workinnorway.no/en/Home>. This website contains relevant information about working and doing business in Norway.

Ministry of Labour and Social Affairs can be accessed on this [webpage](#).

Norwegian Labour Inspection Authority has [website](#) which contains relevant information about requirements for minimum wage in various industries, regulation for working hours and safety and health issues at workplace.



Poland

Remuneration of posted workers

Remuneration set at national level

Poland has minimum wage set at national level.

Due to high inflation rates, minimum wage changed twice in 2023.

From January 2023, minimum wage is PLN 3.490 (approx. EUR 750) fixed for both blue collar workers and highly skilled workers, corresponding to full time employment, based on employment contract only.

From July 2023, minimum wage is PLN 3.600 (approx. EUR 765).

For civil law-based contracts, minimum wage from January 2023 equals PLN 22,80 per working hour (approx. EUR 4,85). From July 2023, minimum wage per working hour is PLN 23,50 (approx. EUR 5,00).

Minimum wage set through collective bargaining agreements

Poland does not have collective bargaining agreements with general applicability.

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Seniority allowance

Bonuses

Holiday payments

Special payments (Foreign service premium, Hardship premium, Country allowance, Posting/Assignment allowance, Cost of Living allowance)

Not included in the remuneration

Overtime payments

Housing

Transportation costs

Meal costs

Per-diems, severance payment, night shift payment, social funds payments

Working hours



Maximum working time in Poland is 8 hours per day / 40 hours per week.



Mandatory registration of posted workers (continued)



Foreign employer must appoint person who should stay in Poland during posting and who is authorized to represent foreign employer in communication with Polish authorities. Foreign employer must submit statement containing information about posting to Polish Labor Inspectorate.

Foreign employer must file statement about posting and nominate contact person on day of commencement of work at the latest.

Polish Labor Inspectorate should be notified of any change to information contained in statement no later than within 7 working days from date when change occurred.

Statements and more information is available on:

<https://www.pip.gov.pl/en/legality-of-employment/65535.information-on-posting-of-workers.html>

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Depends.

Posting from a non-EU country

Yes

Documents and legal representation

Foreign employers must keep copies (hardcopy or electronically) following documentation during posting:

- Employment contract/ equivalent document certifying terms and conditions for employment;
- Documentation for working time, including number of hours worked on given day;
- Documents specifying remuneration, including deductions made in accordance with applicable law and proof of transfer of remuneration to posted worker.

Documents listed above must be made available upon request from Polish Labor Inspectorate, together with translation to Polish, no later than within 5 working days from receipt of request.

*Generally, business travelers do not require registration / statement. However, intra-company postings, even for short periods of time, or in cases when individual provides services based on service agreement, registration / statement is necessary.



Documents and legal representation (continued)

Foreign employer must have legal representative in Poland who is authorized to represent foreign employer before Polish authorities and they must be able to send and receive documents and notifications on behalf of foreign employer.

Documents must be kept for 2 years after posting has ended. Documents should be available in original language accompanied by Polish translation. Authorities may request certified translation.

Penalties for non-compliance



Penalties between PLN 1.000 and PLN 30.000 (approx. EUR 200 – EUR 6.500) can be imposed for multiple offenses, including:

- Not appointing legal representative,
- Not registering or late registration of posted workers,
- Not informing Polish Labor Inspectorate about changes during posting,
- Not keeping documents for required time in case of audit,
- Not sharing documents with Polish Labor Inspectorate when requested,
- Not providing Polish Labor Inspectorate with required documents within two years after posting has ended.

Penalties are imposed on foreign employer.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Poland, under the condition that remote worker does not deliver services in Poland.

For example, if remote worker works from home in Poland for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.



Tax



Taxation of remote workers depends on their tax residence status. Generally, if tax non-resident stays in Poland for less than 183 days, remuneration is paid from abroad and foreign employer does not have permanent establishment in Poland, taxation of employment income will not be triggered in Poland.

When there is liability for employment income to be taxed in Poland, remote worker must calculate and pay monthly and annual taxes, and file tax returns. There are no obligations on foreign employer.

Every remote worker must receive reimbursement of costs associated with working remotely (i.e. electricity, equipment etc.). Such reimbursement may be either direct reimbursement of actual costs or equivalent or lump sum. Reimbursement of these costs is mandatory for foreign employers whose workers work remotely in Poland.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Poland in which case A1- certificate must be issued by competent social security authority to avoid the application of Polish social security.

When A1- certificate for coverage under foreign social security cannot be issued, Polish social security applies, and remote worker must be affiliated to Polish social security system during work in Poland.

It is possible for remote worker and foreign employer to agree in written contract that liabilities for Polish social security will be processed by remote worker.

Public Source of Information

Ustawa z dnia 10 października 2002 r. o minimalnym wynagrodzeniu za pracę (Dz. U. z 2018 r. poz. 2177 oraz z 2019 r. poz. 1564) – official act of law regulating minimum wage requirements plus implementing acts that are being issued each year.



Portugal

Remuneration of posted workers

Minimum wage at national level

From 2023, minimum wage is set at EUR 760 per month.

Minimum wage does not depend on occupation, industry, or age. It is applicable to all workers.

Minimum wage set through collective bargaining agreements

There are no collective bargaining agreements with general applicability.

What can be included in the remuneration



Minimum wage cannot include cost of living allowances, Foreign Service premiums, bonuses or per – diems. Posting/assignment allowance may be considered as part of remuneration if it is not granted to reimburse costs related to posting.

Included in the remuneration

Basic salary/basic wage

Not included in the remuneration

Per-diems

Overtime payments

Housing

Transportation costs

Bonuses

Special payments (Foreign Service premium, Hardship premium, Country allowance, Posting/Assignment allowance, Cost of Living allowance)

Any other items that are deemed as employment income, and not included above

Working hours



Working time is 8 hours per day / 40 hours per week.



Mandatory registration of posted workers



Foreign employer must notify Authority for Working Conditions (ACT) about posting, including information about identity of foreign employer, posted workers, liaison person in Portugal, place of work, as well as nature of services justifying posting.

Notification must be filed using this [link](#). Communication can be sent to destacamento@act.gov.pt.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Depends

Posting from a non-EU country

No

Documents and legal representation

Foreign employer must keep following documents available, in hardcopy or electronically:

- employment contract/ written document with information about terms and conditions for employment;
- documentation for remuneration, including evidence of payment; records of working times indicating start, end and duration of daily working time.

Foreign employer must keep documents listed above for 1 year after posting has ended.

Foreign employer must appoint liaison person in Portugal who will store documents relevant to posting and communicate on foreign employer's behalf with Portuguese authorities and, where appropriate, communicate with social partners on collective bargaining.

Penalties for non-compliance



If foreign employer fails to notify authorities about posting, if information in notification about posting is incorrect or incomplete, or if entity receiving posted workers fails to carry out appropriate checks on foreign employer, administrative fine of maximum EUR 9.690 per posted worker may be imposed.

If notification about posting is not sent to authorities via email stated above, foreign employer is subject to administrative fine of maximum EUR 1.530 per posted worker.

Foreign employer and entity receiving posted workers are jointly responsible for adequate and appropriate remuneration to posted workers.

* Business Traveler is described as an individual that performs short-term activities such as business meetings, conferences, etc.



Remote workers

Posted workers



Rules for posted workers are not triggered when remote worker works in Portugal, under the condition that remote worker does not deliver services in Portugal.

For example, if remote worker works from home in Portugal for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



There is no minimum time period under which remote worker would not trigger liability to pay taxes on employment income in Portugal.

Remote worker who is not tax resident in Portugal and where Portugal has right to tax income received for activity performed under Double Tax Treaty will need to pay taxes in Portugal on Portuguese sourced income. Remote worker will need to file a tax return in Portugal, too.

Foreign employer who does not have presence or permanent establishment in Portugal does not have obligation to withhold taxes from wages.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Portugal in which case A1- certificate must be issued by competent social security authority to avoid application of Portuguese social security.

When A1- certificate for coverage under foreign social security cannot be issued, Portuguese social security applies, and remote worker must be affiliated to the Portuguese social security system during work in Portugal.

Public Source of Information

Portuguese Tax authorities:

http://info.portaldasfinancas.gov.pt/pt/docs/Conteudos_1pagina/Pages/portuguese-tax-system.aspx

Social Security authorities:

<http://www.seg-social.pt/inicio>



Romania

Remuneration of posted workers

Minimum wage at national level

From 1 January 2023, there are two levels of minimum wage:

- standard minimum wage is RON 3.000 per month (approx. EUR 600)
- minimum wage in construction sector is RON 4.000 per month (approx. EUR 800)

Minimum wage set through collective bargaining agreements

Romania does not have collective bargaining agreements with general applicability.

There may be collective bargaining agreements at unit level in place (having effect only for entity which applies it).

Minimum wage rates that are set in collective bargaining agreements may not be lower than national minimum gross wage.

What can be included in the remuneration



Minimum wage cannot include cost of living allowances, Foreign Service premiums, bonuses or per – diems. Posting/assignment allowance may be considered as part of remuneration if it is not granted to reimburse costs related to posting.

Included in the remuneration

Basic salary/basic wage

Overtime payments

Bonuses

Not included in the remuneration

Per-diems

Housing

Transportation costs

Meal costs

Special payments (Foreign service premium, Hardship premium, Country allowance, Posting/Assignment allowance i fit concerns reimbursement of costs)

Working hours



Working time is 8 hours per day / 40 hours per week.



Mandatory registration of posted workers (continued)



Foreign employer who posts workers to Romania is required to send notification about posting to relevant local labor inspectorate before commencement of posting.

Any change to notification about posting should be submitted to Romanian labor authorities through filing updated notification on day of change occurring, at the latest.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months	Yes
Extension of a posting	Yes
Shortening of a posting	Yes
Posting over 12 months	Yes
Business travelers*	Depends
Posting from a non-EU country	No

Documents and legal representation

Foreign employer must make following documents available to authorities in case of audit:

- documents evidencing total remuneration granted to posted worker, evidencing separately posting allowance;
- expenses related to posting and how these are reimbursed;
- employment contract;
- proof of payment of remuneration to posted worker;
- A1 Certificate for social security;
- Intercompany agreement.

Translation of documents to Romanian must be available. Foreign employer must keep documents relevant to posting for 3 years after posting has ended.

If foreign employer does not have legal representative in Romania, posted worker can be designated as contact person on behalf of foreign employer.

* Depending on purpose of travel and nature of activities performed in Romania, such individuals may not qualify as posted workers (e.g. workers present in Romania for training purposes).

Penalties for non-compliance



Non-compliance may be fined with RON 5.000 – RON 9.000 (approx. EUR 1.090 – EUR 1.960).

Following infringements are penalized:

- Failure to submit notification about posting
- Failure to keep and make available required documents about posting.
- Failure to translate documents to Romanian language.
- Failure to designate contact person.
- Failure to provide documents requested by authorities after posting has ended within maximum of 20 working days from receipt of request.



Penalties for non-compliance (continued)



If notification about posting is incomplete or inaccurate, fine may be imposed in a range of RON 3.000 - RON 5.000 (approx. EUR 600 - EUR 1.000).

Entity receiving posted workers may be fined in a range of RON 10.000 - RON 20.000 (approx. EUR 2.000 - EUR 4.000) for failing to inform posted worker in writing about relevant terms and conditions for employment.

In certain instances, authorities can suspend foreign employer's activities in Romania.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Romania, under the condition that remote worker does not deliver services in Romania.

For example, if remote worker works from home in Romania for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Liability to pay taxes of employment income in Romania depends on remote worker's tax residence status.

Remote workers may be exempted from personal income tax in Romania when they are not tax residents and if conditions under relevant Double Tax Treaty are met.

If remote worker is liable to pay taxes of employment income received from foreign employer, remote worker will have to declare and pay income tax monthly (by 25th of the month for previous month). Foreign employer does not have any obligations to withhold and pay tax from remote worker's income.

From 2 April 2023, "digital nomads"⁷ are exempt from declaring and paying tax on employment income if their presence in Romania does not exceed 183 days during 12 consecutive months.

⁷ "Digital nomad" is a foreign individual (i.e. individual who does not hold citizenship in EEA country or Switzerland), who is employed by a company with registered office outside Romania, and who provides services using IT- and communication technology, or who owns company registered outside Romania, within which they provide services using IT- and communication technology, and can carry out worker's activity, or activity within company, remotely, by using IT- and communication technology.



Remote working (continued)

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Romania in which case A1- certificate must be issued by competent social security authority to avoid application of Romanian social security.

When A1- certificate for coverage under foreign social security cannot be issued, Romanian social security applies, and remote workers must be affiliated to Romanian social security system during work in Romania.

Social security contributions must be paid monthly (by 25th of the month for previous month).

From 2 April 2023, “digital nomads”⁸ are exempt from declaring and paying social security contributions if their presence in Romania does not exceed 183 days during 12 consecutive months.

Public Source of Information

<http://www.mmuncii.ro/j33/index.php/ro/legislatie/munca2/2019-mobilitateafortei-de-munca>
<http://www.mmuncii.ro/j33/index.php/ro/>; <https://www.inspectiamuncii.ro/>;
<http://www.itmbucuresti.ro/>

⁸ Ibid.



Slovakia

Remuneration of posted workers

Remuneration set at national level

From 2023, minimum monthly wage in Slovakia is set at EUR 700. Workers for whom hourly rate is applicable, minimum hourly wage is set at EUR 4,023.

Minimum wage is updated annually and it depends on complexity of work and work position.

Remuneration set through collective bargaining agreements

There are sector wide, so-called *higher level collective bargaining agreements* in Slovakia. These agreements can be accessed via webpage of Ministry of Labour of the Slovak Republic (in Slovak only):

<https://www.employment.gov.sk/sk/praca-zamestnanost/vztah-zamestnanca-zamestnavateľa/kolektívne-pracovnoprávne-vzťahy/kolektívne-zmluvy/zoznam-kolektívnych-zmluv-vyššieho-stupňa/>

Higher level collective bargaining agreements are concluded between country-wide representative(s) of workers and representative(s) of employers for specific sector or sectors. Collective bargaining agreements should guarantee more favourable or comparable rights of employees than statutory minimum set out in Labour Code.

There are collective bargaining agreements concluded between employers and trade unions, which apply only to specific companies.

Minimum wages, however, do not apply to certain categories, e.g. public servants, civil servants, members of armed forces, customs officers, fire fighters, judges, and prosecutors.

Level of minimum wage does not depend on occupation, but on type of work (i.e. complexity, responsibility and level of work difficulty). Each position must be classified in one of 6 levels of work difficulty:

01 EUR 700 per month / EUR 4,023 per hour:

- Preparatory or handling works according to exact procedures and instructions, assistance, etc.

02 EUR 816 per month / EUR 4,69 per hour:

- Purposeful service, repetitive work, or professional repetitive controllable work according to set procedures, or operating regimes or work connected with material responsibility;
- Simple craft work, performance of sanitation work in health care;
- Repeated, controllable work of an administrative, economic, administrative nature.



Remuneration of posted workers (continued)

03 EUR 932 per month / EUR 5,356 per hour:

- Professional work or independent execution of less complicated agendas;
- Independent performance of individual creative craft work;
- Management or operative execution of the work of equipment or operating processes connected with higher intellectual exertion with possible responsibility for health and safety of other persons or for damage recoverable only with difficulty, etc.

04 EUR 1.048 per month / EUR 6,023 per hour:

- Independent execution of professional agendas or the performance of partial conceptual, systematic and methodical work connected with higher intellectual exertion;
- Provision of health care, expert activities in health care with responsibility for health of people;
- Management, organization or the coordination of processes or an extensive range of very complicated equipment with possible responsibility for lives and health of other persons, etc.

05 EUR 1.164 per month / EUR 6,690 per hour:

- Performance of specialized systematic, conceptual, creative or methodical work with high intellectual exertion;
- Complete organization of the most complicated sections and agendas with determination of new procedures within the system; performance of expert and specialized activity in the relevant area of health care with responsibility for the health of people;
- Management, organization and coordination of very complicated processes and systems including selection and optimization of procedures, etc.

06 EUR 1.280 per month / EUR 7,356 per hour:

- Solution of creative tasks in an unusual way with unspecified outputs with a high rate of responsibility for damage with the broadest social consequences;
- Provision of specialized and certified activities in health care with responsibility for people's health and lives;
- Management, organization, and coordination of the most complicated systems with responsibility for unrecoverable material and moral damage with considerable demands on the capacity to solve complicated and conflictive situations usually connected with a general threat to the broadest group of persons.

Highly skilled workers are generally classified in level 5 or 6.



What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Paid Holiday

Monetary remuneration for work on the summer holiday period

Monetary remuneration for work on Christmas holiday period

Not included in the remuneration

Food allowance

Per-diems

Housing

Transportation costs

Discharge benefit

Contributions from a social fund

Contributions to an employee's life insurance

Compensation for work standby and other

Working hours



Generally, working time is 8 hours per day / 40 hours per week.

Special rules apply for working time for workers under 18 years of age, for workers in high cancer risk environment, for healthcare workers, and for workers working in shifts.

Mandatory registration of posted workers



Foreign employer must notify Slovak authorities about posting on first day of posting at latest. Notification is submitted electronically or in hardcopies.

In addition to notification about posting, entity receiving posted workers must inform about commencement and termination of posting by delivering Information Card to relevant Labour Office.



Mandatory registration of posted workers (continued)



Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

No

Posting over 12 months

Yes

Business travellers*

No

Posting from a non-EU country

No

Documents and legal representation

Accompanying notification about posting, foreign employer must provide information about number of posted workers, scope of services to be provided, duration of posting, and place of work in Slovakia.

Foreign employer must arrange for deposition of certain documents such as employment contract, evidence of work performed, working time and wages. Documents must be kept at place of work and be made available to authorities upon their request.

Employment contract and contract about posting (e.g. assignment letter) must be accompanied by translation to Slovak language.

Documents must be retained for 2 years after posting has ended.

Foreign employer must appoint its representative in Slovakia. Representative must be present in Slovakia during posting.

It is not mandatory to appoint legal representative for labor audit, but it is strongly recommended to have legal representation in Slovakia.

Penalties for non-compliance



Fines for non-compliance with rules on posted workers can be up to EUR 200.000.

Fines to foreigners for breaching requirements related to the Foreigners' Police can be as follows:

- Financial penalty up to EUR 1.600; and/or
- Penalty of administrative expulsion.



*Generally, business traveler exercises work on behalf of employer and for its benefit, and work performed is not provision of service.

Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Slovakia, under the condition that remote worker does not deliver services in Slovakia.

For example, if remote worker works from home in Slovakia for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in the context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



Foreign employer whose remote worker works in Slovakia more than 183 days during any 12 months period triggers liability for taxes on employment income in Slovakia. In such case, foreign employer must run shadow payroll in Slovakia (i.e. registration for payroll tax purposes, monthly and annual reporting, and monthly settlement of tax prepayments). Tax prepayments are due within 5 days from paying remuneration to remote worker.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Slovakia in which case A1- certificate must be issued by competent social security authority to avoid application of Slovak social security.

When A1- certificate for coverage under foreign social security cannot be issued, Slovak social security applies, and remote worker must be affiliated to Slovak social security system during work in Slovakia.

Public Source of Information

Ministry of Labour, Social Affairs and Family
Central Office of Labour, Social Affairs and Family
National Labour Inspectorate
Ministry of Interior of the Slovak Republic

<https://www.employment.gov.sk/en/>
<https://www.upsvr.gov.sk/>
<https://www.ip.gov.sk/home/>
<http://www.minv.sk/?residence-of-an-foreigner>



Slovenia

News



At the end of 2022, Ministry of Labour, Family, Social Affairs and Equal Opportunities (hereinafter referred to as “Ministry”) submitted to Government draft amendment of legislation concerning posted workers. On 27 December 2022, Government adopted decision forwarding draft amendment of the legislation to National Assembly for first reading. Ministry indicates that amendment to law should be adopted by end of 2023, at the latest.

Amendment of legislation will include following:

- transposition of EU directive 2020/1057/EU for posting of drivers in international transport:
- re-regulate procedure for issuing of A1 certificate for persons working in two or more Member States.
- Correct issues with legislation on posting of workers that were raised by European Commission.

This means that Employment Relationships Act (“*Zakon o delovnih razmerjih; Official Gazette of the Republic of Slovenia, No 21/13, as amended – hereinafter referred to as “ZDR-1”*”) is amended too. Foreign employer must guarantee rights to posted worker during posting. This includes following rules for working time, breaks and rest periods, night work, minimum annual leave, remuneration for work, employment contract, safety and health at work, special protection of workers and ensuring equality, if this is more favorable to posted worker.

Remuneration of posted workers

Remuneration set at national level

From 1 January 2023, minimum wage is set at gross EUR 1.203,36 per month for full time worker.

According *ZDR-1*, worker who is posted for period shorter than 1 month does not need to be provided with wage according to regulations in Slovenia, even if it would be more favorable to posted worker.

Remuneration set through collective bargaining agreements

Since January 2020, minimum wage does not include any allowances determined by laws or other regulations or collective agreements. Minimum wage applies to all workers in Slovenia.



What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Not included in the remuneration

All wage supplements (e.g. for years of service, for night work, for work in shifts, for work on Sundays, for work on public holidays and work-free days determined by law, for overtime work)

Performance bonuses (whether based on individual or company performance success), Holiday allowance, severance payments, jubilee awards

Transportation costs i.e. commuting expenses for travel to and from work

Meal allowances

Housing

Business trip expenses

Per-diems

Special payments (Foreign Service premium, Hardship premium, Country allowance, Posting/Assignment allowance, Cost of living allowance)

Working hours



Maximum working time is 40 hours per week.

Mandatory registration of posted workers



Foreign employer may provide transnational services in Slovenia under following conditions:

- Foreign employer normally carries out such activities in home country.
- Posted worker does not normally carry out work in Slovenia.
- Foreign employer does not violate provisions of labour law that concern rights to posted worker.
- Service is provided in context of activities for which foreign employer is registered in home country, except in case of posting to affiliated commercial company (“povezana gospodarska družba”).
- Service is provided in one of permitted ways.

Conditions stated under first and second bullet above are deemed to be met if foreign employer carries valid A1 certificate for social security for posted worker.

Foreign employer must submit notification about posting through web portal under Employment Service, which can be accessed on this [web](#) address.



Mandatory registration of posted workers (continued)



Following information is required:

- name and registered office of foreign employer,
- personal information about posted worker (names, date of birth, nationality and address of temporary residence in Slovenia),
- names and date of birth of person authorized by foreign employer to communicate on their behalf with the supervisory authorities in Slovenia,
- type of service,
- posted worker's job title,
- duration of service - duration of posting,
- place of work in Slovenia.

Employment Service shall issue certificate for registration once notification is submitted.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

No

Posting from a non-EU country

Yes

Documents and legal representation

Documents must be kept for 2 years after posting has ended. Documents must be translated to Slovenian language.

Foreign employer shall make following documentation available to authorities upon their request:

- Contract for provision of service between foreign employer and entity receiving posted workers accompanied by translation to Slovenian,
- Certificate of submitted registration of provision of services,

- Certificate of completed application, in accordance with law governing craft activities,
- Extract from relevant register for performing activities with translation to Slovenian,
- Certificate of establishment in home country with translation to Slovenian,
- Employment contracts with translation to Slovenian,

* Slovene legislation does not provide definition of a business traveler.



- Pay slips with translation to Slovenian,
- Registration of presence with translation to Slovenian,
- Documents for safety and health at work with translation to Slovenian,
- Proof of paid wages to posted workers with translation to Slovenian, and
- A1 Certificate for social security.

Penalties for non-compliance



Foreign employer can be fined for non-compliance with rules for posted workers in a range of EUR 6.000 - EUR 60.000.

Fine in a range of EUR 600 - EUR 6.000 can be imposed on person in charge of foreign company.

Foreign employer's failure to comply with requirement to register posted workers and retain documentation can be fined in a range of EUR 2.000 – 20.000 and fine in a range of EUR 200 – 2.000 can be imposed on person in charge in foreign company.

Failure to comply with minimum standards for employment (working hours, breaks and rest, night work, minimum salary, holiday allowance, etc.) can result in fine in a range of EUR 3.000 – EUR 20.000 to foreign employer, in a range of EUR 1.500 - EUR 8.000 to smaller foreign employer, in a range of EUR 450 - EUR 1.200 to foreign employer who is private person and in a range of EUR 1.500 - EUR 8.000 to person in charge in foreign company or responsible person employed by state authority.

Fine in a range of EUR 10.000 - EUR 30.000 shall be imposed on foreign employer who carries out activity of providing work for workers to the user under certain conditions. Fine of EUR 5.000 – EUR 10.000 for the same infringement shall be imposed on foreign employer who employs less than 10 workers and fine of EUR 4.000 shall be imposed on the person in charge in foreign company.

Fine between EUR 10.000 - EUR 30.000 shall be imposed on entity receiving posted workers if this entity:

- does not act in accordance with regulations governing employment relationships,
- does not enable the posted worker to become acquainted with vacancies or types of work it has available,
- does not provide posted worker with same opportunities for employment for indefinite period as is already possible for employed workers, or
- accepts posted worker from employer who performs activity and does not have a permit to perform said activity and is not entered in the register or records.

If entity receiving posted workers employs less than 10 workers, fine for non-compliance as listed above is in a range of EUR 5.000 - EUR 10.000 and person in charge of entity receiving posted workers is fined with EUR 4.000.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Slovenia, under the condition that remote worker does not deliver services in Slovenia.

For example, if remote worker works from home in Slovenia for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Tax



There is not "de minimis period" under which remote worker would not trigger tax liability in Slovenia.

Foreign employer is not taxpayer in Slovenia (i.e., Slovene non-resident without permanent establishment or branch office in Slovenia). Reporting of employment income must be done by remote worker monthly and within specified deadlines.

If remote worker is Slovene tax resident for personal income tax purposes⁹, tax paid monthly is considered as advance payment which is offset against annual tax liability. If remote worker is Slovene non-resident, tax paid monthly is considered as final tax paid.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Slovenia in which case A1-certificate must be issued by the competent social security authority to avoid application of Slovene social security.

When A1- certificate for coverage under foreign social security cannot be issued, Slovene social security applies, and remote worker must be affiliated to Slovene social security system during work in Slovenia.

Calculation of social security contributions shall be submitted to competent authority no later than by 15th day of the month for previous month and shall be paid no later than by 20th of the month for previous month.

Public Source of Information

Information about collective bargaining agreements and/or other industry specific agreements is on web page for Ministry of Labour, Family, Social Affairs and Equal Opportunities and web page for Association of Employers of Slovenia.

Information about obligations of foreign employers posting workers to Slovenia is on web page for Financial Administration in Slovenia and web page for Health Insurance Institute in Slovenia.

⁹ Tax resident: officially registered permanent address in Slovenia, presence in Slovenia for more than 183 days in aggregate in a calendar year, habitual abode in Slovenia, or center of personal and economic interests is in Slovenia.



Spain

Remuneration of posted workers

Remuneration set at national level

For 2023, minimum wage is EUR 1.080 per month for 14 payments (EUR 36 per day). Thus, 12-month pro rata would result in minimum wage of EUR 1.260 per month.

Minimum wage is fixed amount that is updated every year.

Minimum wage applies to all workers, and it does not depend on worker's occupation, age, or industry. Minimum wage is set by Government and it is set depending on agreement between Government, most representative unions, and their management.

Remuneration set through collective bargaining agreements

Collective bargaining agreements (CBAs) usually set another minimum wage requirement, depending on activity or professional category, which is always higher than minimum wage set by Government.

What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Overtime payments

Not included in the remuneration

Per-diem

Housing

Transportation costs

Meal costs

Special payments (Foreign service premium, Hardship premium, Country allowance, Posting allowance, cost of living allowance)

Working hours



Maximum working time is set to 9 hours per day / 40 hours per week.

Further, if working day exceeds 6 hours, worker must be allowed at least 15 minutes of rest. Worker must be allowed uninterrupted rest for at least 1,5 days per week and worker must have at least 12 hours of rest between shifts.

Working time can be different in CBAs.



Mandatory registration of posted workers



Foreign employer must notify Spanish labour authorities about posting prior to its beginning and irrespective of its duration.

Notification about posting shall be filed electronically and shall include following information:

- Foreign employer (legal name, tax address, company tax registration number for VAT).
- Personal and professional details about posted workers.
- Details about entity receiving posted workers and services.
- Duration of posting.
- Information about services to be carried out by posted workers in Spain.
- Identification and contact details about foreign employer's representative in Spain who can communicate with Spanish authorities on behalf of foreign employer.
- Identification and contact details about foreign employer's legal representative who can act on behalf of foreign employer in consultation procedures and negotiations that affect posted workers.

Note that foreign employer's representatives may act with power of attorney issued by notary.

When foreign temporary employment company posts workers to Spain following must be filed in addition to information above:

- Proof that foreign temporary employment company complies with laws in their home country to act as temporary employment company.
- Description of temporary employment needs of entity receiving posted workers and grounds for manpower supply contract that is concluded.

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers

Yes

Posting from a non-EU country

No



Documents and legal representation

Foreign employer shall provide following documents to Spanish authorities, upon their request:

- Employment contracts
- Wage receipts and proof of payment of wages to posted worker
- Records for working time, including details about daily working hours
- If necessary, work permit

Foreign employer must notify Spanish Labour Authority in writing of any damage to health of posted workers which may have occurred during posting to Spain.

Documents listed above must be translated to Spanish or to co-official languages of territories where services are provided. Documents must be retained for 4 years after posting has ended.

Penalties for non-compliance



Non-compliance is penalized as follows:

Serious infringement: (fines between EUR 751 and EUR 7.500):

- Delivery of communication about posting after effective date or without designating relevant representatives in Spain.
- Failure to keep documentation relevant to posting available.
- Failure to duly inform authorities about serious accidents that result in death or injury.
- Failure to present (translated) documentation required by authorities.

Very serious infringement: (fines between EUR 7.501 and EUR 225.018):

- Failure to notify posting or falsification / concealment of information about posting.
- Ingenuine posting - posting by foreign employer who does not carry out substantial activities in home country.
- Ingenuine posting - posted worker does not normally carry out working activities in home country.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Spain, under the condition that remote worker does not deliver services in Spain.

For example, if remote worker works from home in Spain for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Spain in which case A1- certificate must be issued by competent social security authority to avoid application of Spanish social security.

When A1- certificate for coverage under foreign social security cannot be issued, Spanish social security applies, and remote worker must be affiliated to the Spanish social security during work in Spain.

Tax



Remote workers who become Spanish tax residents are subject to Spanish personal income tax for their worldwide income.

Remote workers who are not tax residents in Spain are subject Non-Residents Income Tax on income arising and capital gains obtained from Spanish sources.

From January 2023, remote workers may apply for special tax regime for inbound expatriates. It is necessary to conduct assessment of conditions for remote working in Spain to determine if special tax regime can apply.

When remote worker is subject to taxation on personal income in Spain, foreign employer must register for Spanish tax withholdings purposes when foreign employer operates in Spain (foreign employer does not have to have permanent establishment in Spain).

If foreign employer does not operate in Spain, then Spanish taxation of income should be settled by remote worker in personal tax returns.

Public Source of Information

<http://www.seg-social.es/wps/portal/wss/internet/InformacionUtil/32078/32253/1437/1440>

[APL transposición Directiva 2018-957 30.11.2020.docx \(mites.gob.es\)](#)

[MAIN APL transposición Directiva 2018-957 30.11.2020.docx \(mites.gob.es\)](#)

¹⁰ Tax residency in Spain: remote worker remains in Spain for more than 183 days in a given calendar year; remote worker's business or economic interests are directly or indirectly located within Spanish territory. It is presumed, unless the contrary is proved, that person is tax resident in Spain if their immediate family members are Spanish tax residents.



Sweden

News



EU Directive 2020/1057 for posting of drivers in international transport is transposed into Swedish legislation from 21 August 2023.

New legislation applies in a situation when employer posts driver, who normally performs their work in country outside of Sweden, to Sweden to work for limited period of time to carry out transport for transport company established in another country than Sweden (e.g. cabotage).

There must be employment relationship between foreign employer and posted driver during posting and foreign employer must notify Swedish authorities about posting by email on day of commencement of posting at latest.

Foreign employer is responsible for ensuring that posted driver, if required, can present copy of posting notification, evidence that transport is relevant to posting (e.g. shipping documents) and tachograph data to Swedish authorities. Non-compliance with this requirement can be fined with SEK 60.000 (approx. EUR 5.000) and posted driver may not continue transport until fine is paid by foreign employer.

Entity receiving posted drivers is responsible for verifying that posting declaration is duly filed with Swedish authorities. If entity receiving posted driver did not receive notification about posting from foreign employer, they must report it to Swedish Work Environment Authority by email no later than 1 day after transport is completed. Otherwise, entity receiving posted driver may be fined or sentenced to imprisonment for up to 1 year.

Foreign employer must comply with certain terms and conditions of employment (working hours, holiday, parental) according to Swedish rules.

Documents such as pay slips, proof of payment, time sheets and employment contracts can be requested by Swedish authorities and must be made available without delay.

Remuneration set at national level

There is no minimum remuneration set by law.

Remuneration set through collective bargaining agreements

Remuneration may be determined in collective bargaining agreements that are concluded between employer organizations and trade unions. Collective bargaining agreements vary from industry to industry and they are not generally applicable.



Industry

Employer organisations

Trade unions

Automotive/Engineering sector companies

Association of Swedish Engineering Industries (Teknikföretagen)
<https://www.teknikforetagen.se/>

Unionen
<https://www.unionen.se/>
 The Swedish Association of Graduate Engineers (Sveriges ingenjörer)
<https://www.sverigesingenjorer.se/>

Telecom/IT

TechSverige
<https://techsverige.se>

Unionen
<https://www.unionen.se/>
 The Swedish Association of Graduate Engineers (Sveriges ingenjörer)
<https://www.sverigesingenjorer.se/>
 Akavia
<https://www.akavia.se/>

Construction

The Swedish Construction Federation (Byggnadsföretagen)
<https://byggforetagen.se/>

Swedish Construction Workers' Union (Byggnads)
<https://www.byggnads.se/>

Oil & gas

Energigas Sverige
<https://www.energigas.se/>

IF Metall
<https://www.ifmetall.se/>
 Unionen
<https://www.unionen.se/>
 The Swedish Association of Graduate Engineers (Sveriges ingenjörer)
<https://www.sverigesingenjorer.se/>

What can be included in the remuneration



Compensation for travel, accommodation, and food in connection to posting is not part of remuneration.

Working hours



Working time is 8 hours per day / 40 hours per week.

Overtime and standby time may be allowed under certain conditions. Deviations from provision on working time are possible in collective bargaining agreements.

Mandatory registration of posted workers



Foreign employers must notify Swedish authorities about posting and appoint contact person in Sweden no later than the date posting begins.

Foreign employer must provide completed notification about posting to entity receiving posted workers no later than the day posted worker commences work in Sweden.



Mandatory registration of posted workers (continued)



Entity receiving posted worker must inform Swedish Work Environment Authority if they did not receive notification about posting from foreign employer no later than 3 days after work is commenced in Sweden. Notification about posting is done on this [website](#).

Posted workers

Registration (Yes/No/Depends)

Posting up to 12 months

Yes

Extension of a posting

Yes

Shortening of a posting

Yes

Posting over 12 months

Yes

Business travelers*

Depends

Posting from a non-EU country

Yes

Documents and legal representation

When collective bargaining agreement regulates terms and conditions of employment for posted workers, foreign employer shall provide following to employee organization, if requested:

- Employment contract, details about remuneration, record of working time and evidence that remuneration is paid to posted worker.
- Documents must be translated to Swedish, or to English if foreign employer prefers.

Documents listed above shall be provided when required and within 3 weeks of receipt of request.

Documents must be kept and made available during posting, and 4 months after posting has ended.

Penalties for non-compliance



Non-compliance with mandatory notification about posting can be fined with SEK 20.000 (approx. EUR 1.700) per posted worker.

Other forms of non-compliance with rules for posted worker are penalized upon assessment of circumstances by Swedish authorities.

Breach of collective bargaining agreement can result in obligation to pay compensation for losses incurred.

* Depending on purpose for travel and nature of activities performed in Sweden, business travelers may not qualify as posted workers. Generally, it is common that rules for posted workers apply to business travelers.



Remote working

Posted workers



Rules for posted workers are not triggered when remote worker works in Sweden, under the condition that remote worker does not deliver services in Sweden.

For example, if remote worker works from home in Sweden for a foreign employer using a laptop connected to employer's IT-environment, remote worker is not posted in context of rules for posted workers. If the same remote worker goes on sales meetings or provides products to local buyers, application of rules for posted workers will likely be triggered.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Spain in which case A1-certificate must be issued by competent social security authority to avoid application of Swedish social security.

When A1- certificate for coverage under foreign social security cannot be issued, Swedish social security applies, and remote worker must be affiliated to Swedish social security system during work in Sweden.

Tax



If foreign employer has permanent establishment in Sweden and/or remote worker is tax resident in Sweden, then foreign employer has withholding obligation for taxes on remote worker's income.

Remote workers who are not tax residents in Sweden can trigger liability to pay taxes on employment income in Sweden (i.e. considering economic employer and/or more than 183-days stay in Sweden).

Foreign employer who does not have permanent establishment in Sweden and whose remote workers in Sweden are subject to tax on employment income is obliged to withhold and report tax to Sweden. This means that foreign employer must register in Sweden to process this obligation.

Swedish Tax Agency would, strictly seen, be required to exempt foreign employer from obligation to withhold taxes in a ruling.

Public Source of Information

Information about notification about posting in English is [here](#).



Switzerland

Remuneration of posted workers

Remuneration set at national level

Switzerland does not have minimum wage set at national level. However, few cantons have introduced minimum wages (e.g. Basel-City, Ticino and Geneva), which must be complied with.

Remuneration set through generally binding collective bargaining agreements

Minimum wage requirements are set out for specific industries in numerous collective labor schemes. Some of collective labor schemes are generally binding and are therefore mandatory to apply to all workers.

There are more than 70 generally binding collective bargaining agreements in place (e.g. staff leasing, construction, hotel/restaurants, etc.). Application of such collective bargaining agreements is subject to case-by-case assessment.

Swiss reference salary

Regardless of type of industry, following applies without exception:

- Workers who are employed outside Switzerland and who are posted to Switzerland must be remunerated in line with customs in relevant Swiss canton, industry, and profession (so-called Swiss reference salary). Swiss immigration authorities always check salary when processing application for work permit.

In case of audit/inspection, foreign employer can be required to provide evidence for salary and expenses and documents showing payment of salary.

26 Swiss cantons apply their own standard salary levels. All cantons, however, base their assessment on statistical reference salaries for comparable Swiss employees in their geographical area.

Minimum wage is determined either (i) based on provisions in potentially applicable collective labor scheme(s), (ii) statutory minimum wages of certain cantons, or (iii) when no collective labor scheme applies to posted worker.

Following main criteria must be taken into consideration when determining salary for posted worker for whom no collective labor scheme and/or statutory minimum wages apply:

- Specific role/activities/ responsibilities when working in Switzerland.
- Age.
- Job grade.
- Overall level of occupation (e.g. 50%, 80%, 100%).
- Weekly working hours as per employment / posting contract.
- Qualifications (highest educational and professional certificate).
- Overall professional experience.
- Service for employer.
- Number of workers in Swiss group entity.
- Place of work.

Given information above, it is not possible to establish salary applicable for certain industry.



What can be included in the remuneration



Included in the remuneration

Basic salary/basic wage

Per-diems (to the extent not compensating to the assignment related expenses)

Overtime payments

Bonuses may only be included in the minimum wage, if it is a fixed amount that is guaranteed / a non-variable part of the salary.

Special payments (Foreign Service premium, Hardship premium, Country allowance, Posting/Assignment allowance, Cost of Living allowance)

Not included in the remuneration

Per-diems (to the extent compensating to the assignment related expenses)

Housing

Transportation costs

Meal costs

Working hours



Maximum working hours per day/week depend on activity and industry.

If no generally binding collective bargaining agreement applies, maximum weekly working hours for office staff is 45 hours and for all other staff 50 hours per week.

Mandatory registration of posted workers (continued)



Posted workers to Switzerland are entitled to perform work in Switzerland when:

- Foreign employer is established in EU/EFTA country,
- Posted worker is national in EU/EFTA country or is legally admitted to the EU/EFTA labour market for at least the past 12 months in case posted worker is not national in EU/EFTA country, and
- there are sufficient online notification days left (90 working days per posting home company, worker, and calendar year).

In such case, simple, fast and government fee free online notification process replaces formal application process for work permit.

In all other cases of postings to Switzerland, however, formal application procedure for work permit applies.

Foreign employer who are established in EU/EFTA country that can make use of online notification procedure (available in English, German, French and Italian) must submit notification about posting at least 8 days prior to commencement of work in Switzerland [here](#).



Posted workers

Posting up to 12 months

Extension of a posting

Shortening of a posting

Posting over 12 months

Business travelers*

Posting from a non-EU country

Registration (Yes/No/Depends)

Yes, but only up to 90 days per calendar year per employer and worker. After 90 days, formal work permit is required.

Yes

Yes, as registration days from 90 days quota will otherwise be lost.

No. Formal work permit is required.

Yes

No. Formal work permit is likely required.

Documents and legal representation

Foreign employer must generally be able to prove that Swiss minimum work- and salary conditions are met during posting. Foreign employer can be requested by Swiss authorities to submit statements for salary and expenses linked to posting and time sheets for posted worker. Further documents can be requested by Swiss authorities.

It is not necessary to appoint legal representative in Switzerland, but contact person at place of work in Switzerland must be indicated in online notification about posting.

Penalties for non-compliance



Failing to comply with rules for workers posted to Switzerland may lead to fines, criminal sanctions, black listing of employer on publicly accessible websites, etc.

Foreign employer may be subject to following:

Subsequent payment of salary gap.

Obligation to pay cost of enforcement proceedings.

Administrative penalties:

- less serious infringements, a fine up to CHF 5.000 (approx. EUR 5.100);
- serious infringements (e.g. failure to pay issued fine), foreign employer may be banned from offering and providing services in Switzerland for 1 - 5 years.

Criminal penalties:

- Maximum fine, CHF 40.000 (approx. EUR 41.000);
- maximum fine, CHF 1 million (approx. EUR 1.30 million), if foreign employer in serious and systematic cases and with the intention of self-enrichment has not guaranteed minimum terms and conditions for employment set by law to posted worker.

Penalties set out in a generally binding collective bargaining agreement.

Criminal sanctions may be ordered against individual who enters, stays, or works in Switzerland without valid visa/work and residence permit. Sanctions range from financial fines to imprisonment.

* Yes, but only up to 90 days per calendar year per employer and worker. After 90 days, formal work permit is required. In principle, every activity performed in Switzerland that is usually performed against salary qualifies as gainful employment and must be notified.



Remote working

Tax



There is in general no “de minimis period” under which there is no tax liability in Switzerland.

If there is employer in Switzerland (entity/permanent establishment, economic employer), this employer has obligation to run shadow payroll for tax purposes.

If there is no employer in Switzerland, liabilities to comply with rules for tax on employment income lie with remote worker in Switzerland.

Social security



EU- rules for social security stipulated in Regulation 883/2004 apply when remote worker works for a foreign employer.

Depending on the concrete situation, remote worker can be subject to foreign social security during remote work in Switzerland in which case A1- certificate must be issued by competent social security authority to avoid application of Swiss social security.

When A1- certificate for coverage under foreign social security cannot be issued, Swiss social security applies, and remote worker must be affiliated to Swiss social security system during work in Switzerland.

Public Source of Information

Generally binding collective bargaining agreements in Switzerland can be accessed at:

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



United Kingdom

Remuneration of posted workers

Remuneration set at national level

The United Kingdom has National Minimum Wage ('NMW'). NMW applies to workers aged 16-22 and apprentices.

In April 2016, the Government introduced the National Living Wage ('NLW') which applies to workers aged 23 and over.

Since April 2017, NLW and NMW rates are reviewed and increased at the same time and are both determined as hourly rate of pay.

For NMW purposes, pay allocated to pay reference period in the U.K. is any pay which is:

- Received during that period,
- Earned in that period but not received until next pay reference period.

Pay will consist of total eligible earnings for NMW purposes and it is not limited to hourly rate received by a worker.

Legislation in relation to NMW is extremely complex. Level of NMW is determined based on age of worker and whether worker is employed as apprentice.

Year	Apprentice	Under 18	18-20	21 to 22	NLW 23 and over
April 2022	£4.81 (€5.54)	£4.81 (€5.54)	£6.83 (€7.87)	£9.18 (€10.58)	£9.50 (€ 10.95)
Rate from April 2023 (current rate)	£5.28 (€6.08)	£5.28 (€6.08)	£7.49 (€8.63)	£10.18 (€11.73)	£10.42 (€12)

Apprentices are entitled to apprentice rate if they are either:

- Apprentices under 19 years of age
- 19 and above and in first year of their apprenticeship

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



Work experience refers to specified period of time that person spends in business, during which they have opportunity to learn directly about working life and working environment. Nature and arrangements for work experience vary and entitlement to NMW will depend on whether work experience offered makes individual a worker for NMW purposes.

Circumstances in which minimum wage is not applicable:

- Government training schemes or European Union Programmes.
- Work experience as part of education course.
- Volunteers.

Remunerations set through collective bargaining agreements

Collective bargaining agreements are relatively rare in the U.K. except in certain sectors. Consequently, most workers will be unaffected by collective bargaining agreements. Generally, collective bargaining agreements are agreed on employer-by-employer basis (rather than a sector basis).

What can be included in the remuneration



Included in the remuneration*

Basic salary/basic wage

Overtime payments (in some circumstances only the basic rate is included)

Bonuses

Not included in the remuneration*

Per-diems

Benefits in kind (other than provision of accommodation in some cases)

Travelling expenses

Allowances which are not consolidated into the worker's standard pay (Foreign service premium, Hardship premium, Country allowance, Posting/Assignment allowance, cost of living allowance, meal allowances)

Advances of wages

Tips and gratuities

*this is not an exhaustive list



Working hours



Generally, workers cannot be made to work more than 48 hours per week on average or more than 6 hours without a rest break. In most cases, workers are entitled to 11-hour gap between shifts.

Workers can consent to opt out of 48-hour maximum working week. Workers can withdraw their consent to opt out at any time by giving notice to their employer. Notice period cannot be longer than 3 months.

Mandatory registration of posted workers



There are no registration requirements for posting in the U.K., unless posted worker is directly employed by temporary employment agency.

Workers are required to be registered with tax authorities and (if applicable) immigration authorities.

Every employer in the U.K. has obligation to ensure that their workers/employees have right to work in the U.K.. Documentation for employment/posting must be retained during posting and copies must be stored on posted worker's file, in particular:

- Passport (front cover and photo page);
- Visa (vignette page in passport stating entry clearance & expiry dates) and supporting documents;
- Contract of employment;
- Most recent P.60 and/or detail of salary/stipend provided;
- Accurate contact details including migrant name, address and telephone numbers;
- National insurance details (photocopy of NI card).

Posted workers

Labour Law Registration (Yes/No/Depends)

Posting up to 12 months No

Extension of a posting No

Shortening of a posting No

Posting over 12 months No

Business travelers No

Posting from a non-EU country No

Documents and legal representation

Not applicable.



Penalties for non-compliance



In case of non-compliance with minimum wage requirements and enforcement by regulator (HMRC) foreign employer might be required to:

- Repay arrears of minimum wage (going back up to 6 years) to each posted worker, to be paid at current minimum wage rate.
- Pay penalty. This penalty currently stands at 200 pct. of total underpayment. Overall maximum penalty per underpaid worker is £20.000 (€23.042). If foreign employer complies with notice of underpayment within 14 days of its service, financial penalty is reduced by 50 pct.
- Be publicly named (NMW Naming Scheme) as non-compliant employer.

Remote working

Tax



Extent of the U.K. tax liability on earnings depends upon individual's tax residence position in the U.K..

Generally, if remote worker spends more than 183 days in the U.K. in a relevant tax year, remote worker will be considered as tax resident. Remote worker can be considered as tax even if they spend less than 183 days in the U.K. depending on other factors (home in the U.K., working sufficient hours in the U.K.) and ties remote worker has in the U.K..

U.K. domiciled resident is taxable on worldwide income whereas U.K. non-domiciled resident is only taxable on income sourced in the U.K. and incomes that is remitted into the U.K. whilst remote worker is U.K. resident. U.K. non-resident is only taxable on U.K. sourced income and gains.

If there is a double taxation agreement in place, then the individual may be exempt from income tax if certain conditions are satisfied.

If foreign employer does not have place of business in the U.K., then strictly speaking there is no requirement for foreign employer to operate U.K. payroll for income tax withholding purposes. However, if foreign employer has permanent establishment / branch in the U.K., then permanent establishment / branch is responsible for operating tax withholding in the U.K.. Foreign employer can voluntarily operate U.K. tax withholding for remote worker should they wish.

Where U.K. tax withholding is not operated by foreign employer, then remote worker is responsible to operate own tax liability in the U.K.

Social security



Currently there is no specific legislation which provides for exemption from social security liability for remote workers. Therefore, strictly speaking there is social security liability for remote works as of first day, unless foreign employer or remote worker can provide certificate for social security coverage in another country that is valid in the U.K..

Public Source of Information

Please see this [link](#) for further information about NMW and NLW rates.



Appendix

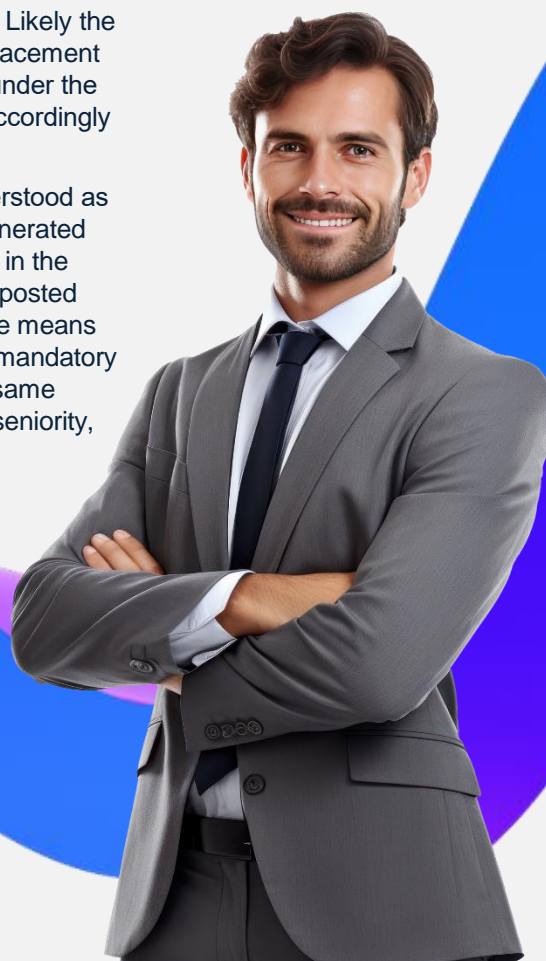
The European Union (EU) that we know today has its roots in several treaties that were signed in the aftermath of the World War II. The aim to foster economic cooperation between the countries evolved into a creation of the single market 30 years ago where people, services, goods, and capital move freely. The single market is the EU's main economic engine.

In principle, freedom to provide services means that undertakings have unrestricted access to markets in all member states. However, such unrestricted access can provide undertakings established in members states with lower labour costs with a competitive advantage over undertakings in member states with higher labour costs.

In 1996, Directive 96/71/EC was adopted concerning posting of workers in the framework of the provision of services (PWD), which was amended in Directive 2018/957/EU. One of the overall objectives of the PWD is to provide better protection to posted workers without infringing free movement of services. In a pursuit of this objective, the PWD regulates employment of workers temporarily sent by their employers to work in another member state by defining a “core” of pay- and working conditions that apply to posted workers accordingly to the rules in the host member state.

The amendments to the PWD in 2018 significantly changed the balance between the protection of workers and the conditions for competition between local and foreign service providers. Likely the most debated amendment in the PWD concerns the replacement of the term “minimum rates of pay” with “remuneration” under the “core” working conditions that apply to posted workers accordingly to the rules in the host member state.

In practice, “minimum rates of pay” were frequently understood as minimum wage, which meant that employers often remunerated workers accordingly to a general level of minimum wage in the host member state. It is now clarified that to remunerate posted workers accordingly to the rules in the host member state means that the employer must provide adequate salary with all mandatory elements of remuneration equal to a local worker in the same position considering all relevant circumstances such as seniority, professional qualifications etc.



Appendix (continued)

Further, it is clarified that costs for travel, board, and accommodation must be paid by the employer and cannot be deducted from salaries.

Another significant amendment to the PWD concerns time limitation to the duration of a posting. The PWD from 1996 did not include a time limit to a posting, which produced uncertainty about the temporary character of a posting.

That is now changed, and the posting is limited to 12 months with a possibility for an extension up to six months under certain circumstances. An interesting twist to the calculation of 12/18 months is that when a posted worker is replaced by another posted worker this counts as a single 12/18 months posting period. When the duration of a posting exceeds 12/18 months, the working conditions that apply accordingly to the rules in the host member state stretch beyond the “core” of working condition and apply more extensively.

The enforcement of the PWD is dealt with in Directive 2014/67/EU (ED) that came into force in 2016. Among the main objectives of the ED is to codify the EU case law about administrative and control measures member states can impose on foreign service providers when they post workers, including a requirement for a prior declaration of a posting (mandatory registration of a posting in the host country). The undertaking posting workers and the undertaking receiving posted workers are both liable that the mandatory prior declaration of a posting is duly and correctly submitted.

In conclusion, undertakings must meet the requirements in PWD and ED when they are posting workers. In case of non-compliance countries are encouraged to impose efficient and considerable fines on home and host undertakings. Certain infringements of PWD are subject to criminal prosecution subject to fines and imprisonment.





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