GMS Flash Alert

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European Union - Steps Closer to Making Paid Paternity Leave Legal

On 21 June 2018, the European Council[1] agreed on a general approach to the Directive on Work-Life Balance for Parents and Carers.[2] The Council wants to introduce mandatory paternity leave of two (2) months in all European Union (EU) countries of which one-and-one-half (1½) months would be fully compensated.

WHY THIS MATTERS

The introduction of a mandatory minimal threshold for paternity leave across Europe is expected to raise the number of women (working full time) in the work force, to improve the work-life balance in the family, and to help employers keep skilled workers. Ultimately, the change is expected to help boost economic growth in the member states.

Needless to say, if this change is adopted, it would impact all employers across the EU, as well as those employers outside the EU who have EU staff working in their company. Company HR and assignment policies would need to be altered to incorporate this statutory change.

Background

Gender equality is a strategic priority for the EU Council and the Eurostat's Gender Statistics of February 2018 support the need for such focus:

- the employment rate for women is 11.6 percentage points lower than for men;

- the economic loss due to the gender-related difference in the employment rate is estimated at EUR 370 billion in the EU;

- just over 50 percent of women work full-time, while for men that number is 71.2 percent;
- the proportion of women working part-time is 31.5 percent, while it is only 8.2 percent for men.

Further, it has been noted that the EU member states have limited, if any, legislation for paternity leave.[3] Paternity leave with compensation in Sweden is 90 days, while in countries like Germany and Austria there is no legislation for paid paternity leave. In the Netherlands, paid paternity leave is only two days, but as of next year it will be five days of paid paternity leave and more changes in this direction are expected in 2020.[4]

KPMG NOTE

The Council will initiate negotiations with the EU Parliament on adopting the changes to the Directive in the near future.[5] As elections for the EU Parliament take place next year, it is expected that the Parliament will take a position on this initiative before then. Employers should stay abreast of this initiative, since, if it becomes EU law, it will pose a drastic change to the current situation.

FOOTNOTES:

1 The EU Council defines EU's overall political directions and priorities. The members of the Council are the heads of state or government of the 28 EU member states. The president of the Council is Donald Tusk.

2 See the European Council 21 June 2018 press release.

3 For statistics from 2016 from Members' Research Services of the EU Parliament, click here.

4 Ibid. Also, for Sweden, see the government's Försäkringskassan webpage (in Swedish). For additional information on the Netherlands (in Dutch), see the Ministerie van Sociale Zaken en Werkgelegenheid webpage.

5 The EU Parliament consist of 751 members elected in each EU member state. The EU Parliament and the EU Council constitute the highest legislative body in the EU.

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