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

KPMG in Romania
2017

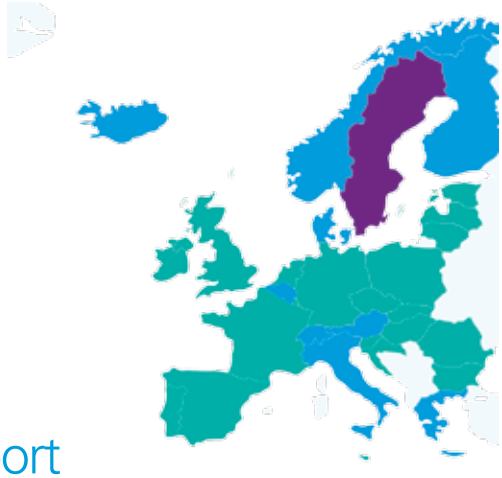
Content

03 Introduction

General overview 05

09 Main findings

19 Country-by-country report



Introduction

Employee mobility has become a key component of today's business model. Businesses now need employees in the right place, at the right time, with the right skillset. And fast. Therefore, businesses now seek to benefit from the advantages of a more flexible and mobile workforce, and they encourage movement of personnel, especially within the European Community.

Mădălina Racoviţan
Partner,
Global Mobility Services
KPMG in Romania

On the other side, the employee's profile is changing. What was considered desirable ten or even five years ago is no longer sufficient for today's employee. Flexibility, in terms of time, location and nature of activity is the key word for describing tomorrow's jobs. In the context of globalization and digitalization, this trend seems only logical.

Employee mobility is a key aspect of the European Union (hereafter "the EU"), given that freedom of movement for workers is one of the Union's cornerstones, and it is most often seen in the form of international assignments.

However, an international assignment, as rewarding as it may be, also raises challenges for the authorities, employers and employees. These challenges need to be identified and planned for in advance in order to avoid non-compliance issues from any side. In this respect, country specific rules must be kept in mind in order to minimize any legal and/or reputational risk. Moreover, the EU has implemented complex guidelines and directives, for the purpose of coordinating and regulating international movement of people.

These regulations often focus on minimum rights provided to posted workers, especially the level of the minimum wage to which the posted employee is entitled during the posting period. Posting situations are dealt with under Directive 96/71/EC (the so-called "posting Directive"), which has been recently complemented by a new enforcement directive, Directive 67/2014/EU.

In the context of increased focus of the Commission on how minimum wage requirements are implemented and observed in the member states especially in the context of European free movement of people, we note that there are debates towards a more coherent coordination of minimum wage requirements at EU level, including the introduction of EU-level threshold. It is still difficult to estimate at this stage whether such minimum wage levels will be introduces across EU member states, however we will continue to see an increased focus on ensuring compliance with current requirements.

This report is focused on the minimum wage requirements in EU/EEA member states and Switzerland, and is intended to present a general overview of each member state in terms of levels of minimum wage, how the minimum wage is determined, as well as the potential penalties which may be imposed on the parties involved if the minimum wage requirements are not observed. The report also comments on the status of the transposition of Directive 67/2014/EU into member states legislation

Section 1

General overview

The term "minimum wage" is defined in a lot of ways in specialized literature, legislation and other materials. Although its definitions are not identical, they all refer in principle to the minimum amount that an employee must receive for the work carried out.

The minimum wage aims to protect employees from exploitation, by establishing a minimum rate under which any employment relationship is considered unacceptable. Consequently, although it is not explicitly aimed at reducing wage inequality and poverty, it is clearly related to both of them. Adopting a minimum wage helps counter "social dumping" - a term that describes the employment of cheaper labour, sometimes involving migrants or moving production to lower-wage countries

Minimum wage systems across the European Union

The intention of the European Commission is for all EU member states to introduce minimum wages for their workers, in an effort to combat growing social inequality and poverty. The Commission agrees that each state should be free to set its own minimum wage, but those seeking work should also have a guaranteed minimum level of income.

Minimum wage systems vary considerably across the European Union. Within the next sections we will see that some are defined for the entire labour force, and in this case we are referring to a national statutory minimum wage which applies with no exception. Others apply only to a part of the labour force, for instance sectorial minimum wages that bind only trade union members or are collectively agreed by social partners. Some are relatively generous while others are comparatively low.

Where unions are strong, minimum wages are often established through collective bargaining, usually sector-specific. In these cases the minimum wages agreed are more competitive.

Where unions are weaker, governments have often prescribed statutory minima or extended by law collectively agreed wage floors, in most cases with a single national threshold and no exclusions. In these cases, minimum wages are not very generous.

Are we heading towards a unified minimum wage within the European Union?

There is also a debate as to whether introducing minimum wage coordination at European Union level would be an option. According to statistical analysis, an EU minimum wage threshold would affect a larger portion of the workforce in those countries with statutory minimum wages, since they tend to have a larger low-paid segment of employees. Nordic member states, and more generally countries where minimum wages are set up by collective bargaining, have traditionally opposed the idea, considering that it may undermine their existing national mechanisms.

Before going into the requirements within each specific country with regard to the minimum wage, when discussing posted workers within the EU, the provisions of the EU Posted Workers Directive (96/71/EC) should be observed. On 15 May 2014, Directive 67/2014/EU was implemented, enforcing the Posting of Workers Directive. Let us briefly outline the main provisions of the Directives.

To whom does the Posting of Workers Directive apply

Directive 96/71/EC (hereafter "the Directive") is concerned with the free movement of workers and stipulates that workers are protected by the law of the member state in which they work. As such, it applies to undertakings based in a member state which, within the framework of the transnational provision of services, post workers to the territory of another member state in one of the following three situations:

1. When an employer posts a worker to another member states on its own account and under its direction, under a contract which the employer has concluded with the party in the state for whom the services are intended.
2. When an employer posts a worker to an establishment or to an undertaking owned by the group in the territory of another member State.
3. When the employer is a temporary employment undertaking or placement agency, and hires out a worker to a user undertaking, based in or operating in another member State.

What does the Posting of Workers Directive 96/71/EC cover?

It aims to protect the social rights of posted workers by providing for core employment conditions that must be applied to posted workers in their host country. These core employment conditions are:

- Maximum work periods and minimum rest periods
- Minimum paid annual holidays
- Minimum rates of pay, including overtime rates
- The conditions of hiring-out of workers, in particular the supply of workers by temporary employment undertakings
- Health, safety and hygiene at work
- Protective measures with regard to the terms and conditions of employment of pregnant women or women who have recently given birth, and of children and of young people
- Equality of treatment between men and women and other provisions on non-discrimination

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What is its main purpose?

In order to guarantee that the rights and working conditions of a posted worker are protected within the European Union, the Directive provides for a core of mandatory rules relating to the terms and conditions of employment to be applied to an employee posted to another member state. In addition, where a member state has certain minimum terms and conditions of employment, these must also apply to the workers posted to that member state.

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

For the purposes of this Directive, the concept of minimum rates of pay referred to is defined by the national law and/or practice of the member state to whose territory the worker is posted. Consequently, when a posting is to be made, the minimum wage requirements in the member state to which the individual is posted should be considered by the employer who is making the posting. It is consequently important for an employer who is planning to post workers to another member state to understand what the minimum requirements are in that other state, as this could generate considerable additional costs.

The need for a new Directive

The Posting of Workers Directive had not been updated since 1996 and it was felt that its contents were no longer sufficient in our globalized economy. It is for this reason, and through political pressure from several members of the European Union, that the Directive was reviewed, to provide additional protection to posted employees.

On 15 May 2014, Directive 67/2014/EU (hereafter "the new Directive") was implemented, modifying the 1996 Posting of Workers Directive. The deadline for transposing the new Directive by member states was 18 June 2016. At the date of issuance of this report (February 2017), 18 member states have already implemented the new Directive into local legislation, whereas 13 states are in the process of implementing it.

The purpose of a new Directive

The purpose of the new Directive is to help fight abuse and circumvention of the applicable rules and ensure that specific situations qualify as genuine postings. Thus, a wider framework should be taken into consideration, paying attention, for example, to the place where the undertaking has its registered office and administration, where it pays taxes and social security contributions, the place where posted workers are recruited and from which they are posted, the place where the undertaking carries out the substantive part of its business activity and where it employs administrative staff, as well as whether the posted worker returns to or is expected to resume working in the home country.

The new Directive also provides for additional rights to posted employees in the subcontracting chain. As a consequence, posted workers in the subcontracting sector can hold their direct subcontractor, in addition to or in place of the employer, liable for all wages owed. Thus, in cases of non-compliance, customers may be held responsible, leading to a loss of reputation and damaging the business relationship.

Another important part of the new Directive is focused on increasing cooperation between national authorities and administrations in charge of compliance. These measures include time limits for the supply of information between national authorities as well as the introduction of fines for companies that fail to comply with the applicable regulations.

Posted workers also have increased protection as they can bring legal action both in the home or host jurisdiction. So this is an issue that requires careful attention.

Section 2

Main findings

The purpose of this material is to give an overview of the member states imposing minimum wage requirements, what the requirements consist of, as well as what salary components could be considered as part of the minimum wage. This survey also covers the status of implementing the new Directive in the local legislation of each member state.

In this section, we detail our main findings with respect to the minimum wage requirements within the EU, EEA member states and Switzerland.

The information presented in this report is based upon a brief survey covering issues relating to minimum wage requirements and compliance requirements with respect to postings to 31 countries within the European Union, European Economic Area and Switzerland, valid for January 2017.

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

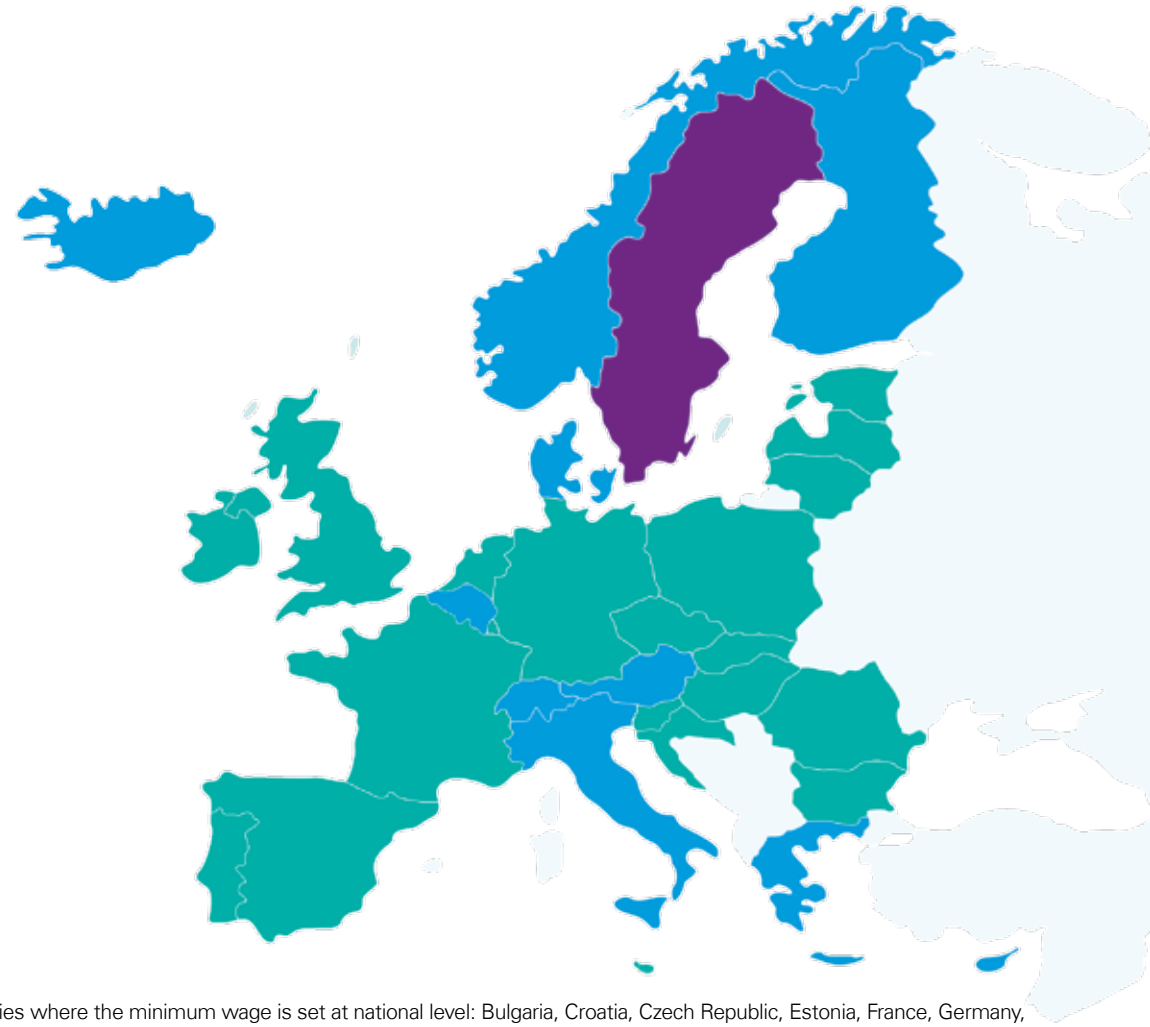
Do all member states have a minimum wage?

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

The second, smaller group consists of countries that do not have a national minimum wage requirement. What does this mean? This does not mean that these countries do not have minimum wages at all. It just means that the minimum wage is not set at national level and is instead set based on Collective Bargaining Agreements. Consequently, in these countries, the minimum wage can differ based on industry, position, occupation, age, etc.

Sweden is the only member state which has no legal minimum wage requirement for EU nationals.

20 out of 31 countries under analysis have a national minimum wage, while Sweden is the only member state which has no legal minimum wage requirement for EU nationals.

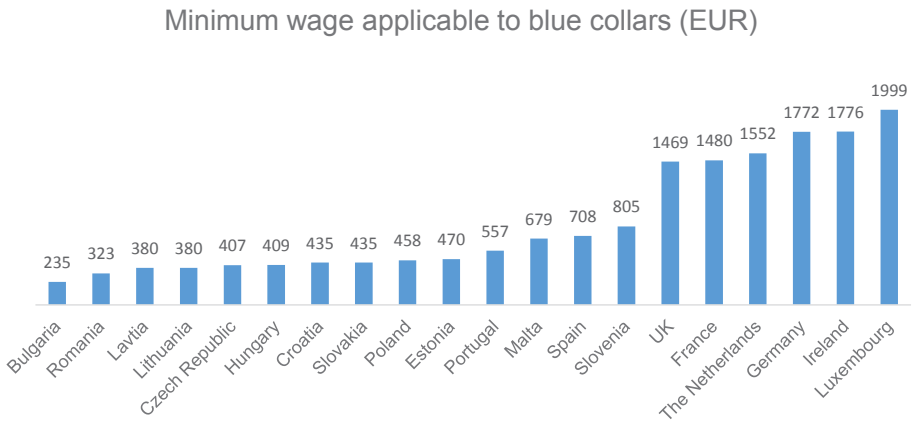


Countries where the minimum wage is set at national level: Bulgaria, Croatia, Czech Republic, Estonia, France, Germany, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, United Kingdom.

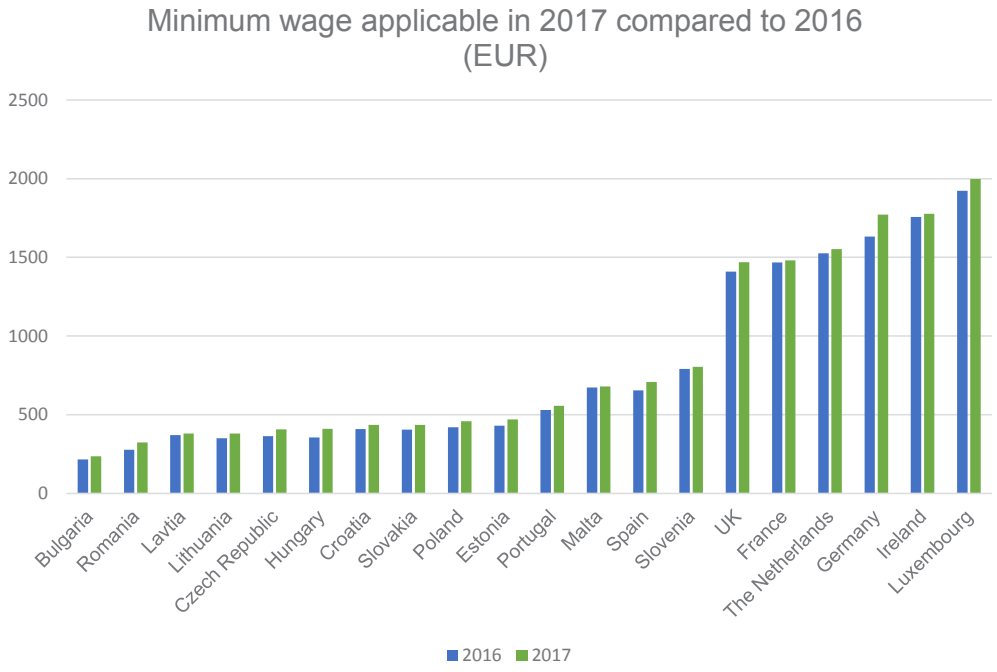
Countries where the minimum wage is set under Collective Bargaining Agreements: Austria, Belgium, Cyprus, Denmark, Finland, Greece, Iceland, Italy, Norway, Switzerland.

Countries where there is no minimum wage: Sweden.

In the 20 countries that have a minimum wage established at national level, it varies between EUR 235 per month in Bulgaria and EUR 1,999 per month in Luxembourg.



All 20 countries analyzed have registered increases in the minimum wage in 2017 compared to 2016.



All 20 countries that have a minimum wage established at national level have registered an increase in the level of the minimum statutory wage in 2017 compared to 2016.

How frequently does the minimum wage change?

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

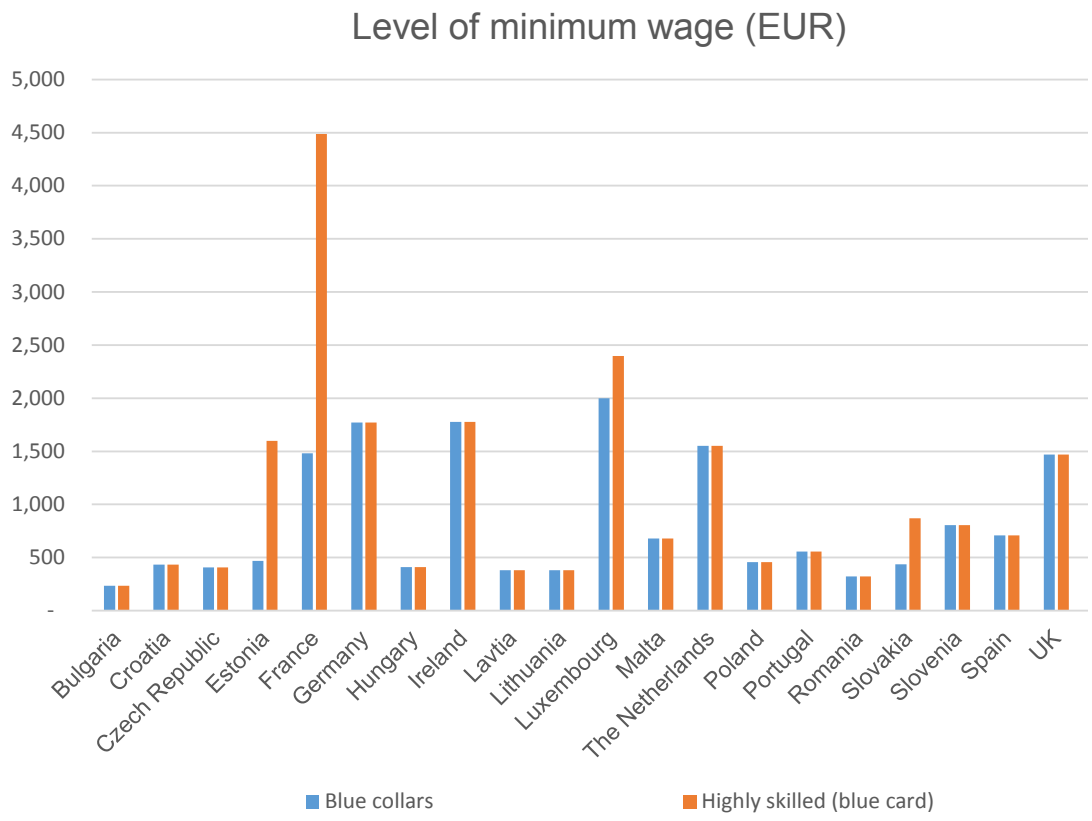
Even for the countries which have fixed national minimum wages, this can change. Generally the minimum wage changes periodically (usually once a year) but in certain cases it can also change during the course of a year.

Minimum wage levels 2015 to 2017

Country	Rate	Currency	Level of the statutory minimum wage			Increase 2016-2017
			2015	2016	2017	
Bulgaria	Monthly rate	BGN	380	420	460	9.52%
Croatia	Monthly rate	HRK	3029.55	3120	3276	5.00%
Czech Republic	Monthly rate	CZK	9200	9900	11000	11.11%
Estonia	Monthly rate	EUR	390	430	470	9.30%
France	Monthly rate	EUR	1457.52	1466.65	1480	0.91%
Germany	Hourly rate	EUR		8.5	8.84	4%
Hungary	Monthly rate	HUF	105000	111000	127500	14.86%
Ireland	Hourly rate	EUR	8.65	9.15	9.25	1.09%
Latvia	Monthly rate	EUR	360	370	380	2.70%
Lithuania	Monthly rate	EUR	325	350	380	8.57%
Luxembourg	Monthly rate	EUR		1922.96	1998.59	3.93%
Malta	Weekly rate	EUR	166.26	168.01	169.76	1.04%
The Netherlands	Monthly rate	EUR	1507.8	1524.6	1551.6	1.77%
Poland	Monthly rate	PLN	1750	1850	2000	8.11%
Portugal	Monthly rate	EUR	505	530	557	5.09%
Romania	Monthly rate	RON	1050	1250	1450	16.00%
Slovakia	Monthly rate	EUR	380	405	435	7.41%
Slovenia	Monthly rate	EUR	790.73	790.73	804.96	1.80%
Spain	Monthly rate	EUR	648.6	655.2	707.6	8.00%
UK	Hourly rate	GBP	6.7	7.2	7.5	4.17%

Is there any difference between blue collars and highly-skilled workers?

Some countries have a national minimum wage which varies between blue-collar and highly-skilled workers. For highly-skilled workers, France has the highest minimum wage (EUR 4.486 per month), whereas Luxembourg has the highest level which applies to all workers.



Is the minimum wage gross or net?

The national minimum wage is set as a fixed amount, either as a monthly or an hourly rate. As a general rule, the national minimum wage is the gross amount before income tax and social security contributions, although this can sometimes differ from country to country.

A high level comparison between the member states has been prepared, using the applicable gross minimum wage, from the following perspectives:

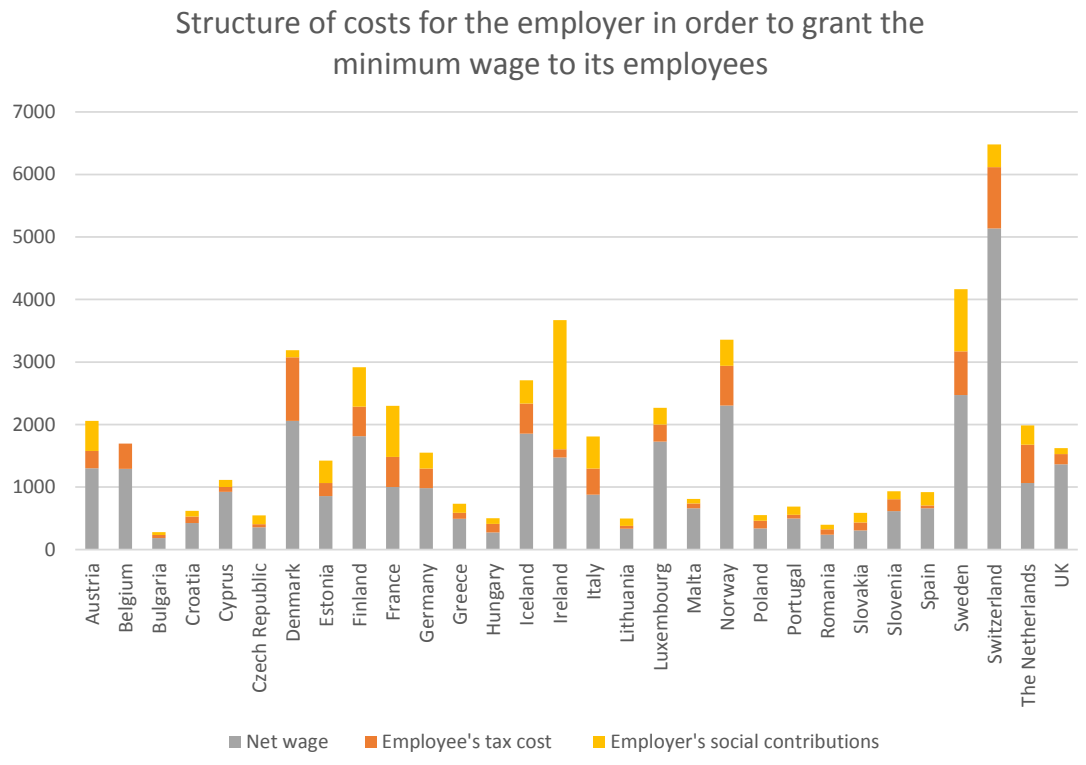
- The tax cost borne by the employee (generally income tax and employee's mandatory social security contributions, less any tax credits/reliefs available).
- The net salary of the employee.
- The tax cost borne by the employer (employer's social security contributions).

This comparison was prepared based on the statutory gross minimum wage (for countries with a statutory wage set by law) and on the minimum wage applicable for a certain industry (for countries where collective bargaining agreements are applicable in this respect).

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

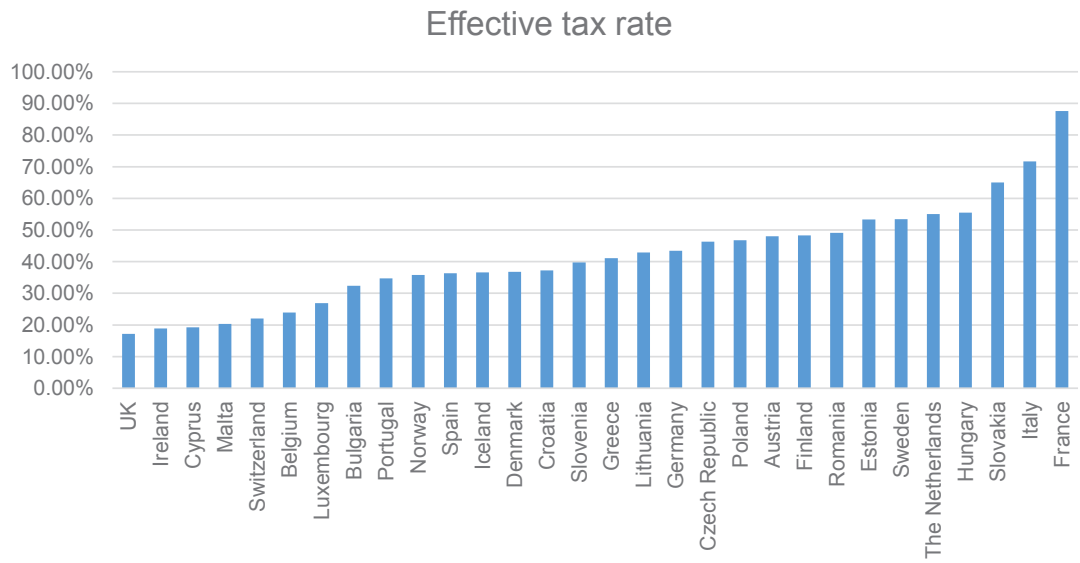
- The employee is assigned to the host country for a period of one year.
- The employee is single (no family members remaining in the home country or accompanying him/her to the host country).
- The employee is covered under the social security system in the host country.
- The employee has a standard remuneration package, without any additional benefits in cash or in kind.
- The employee works 100% of his/her time in the host country.

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



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

The effective tax rate[1] applicable to the minimum wage used in the member states is the lowest in the UK (17.15%). In the opposite corner, France has the highest effective tax rate, raising the employer's effective tax cost for the minimum wage to 87.59%.



What criteria does the minimum wage depend upon?

In some countries, including some which have a national minimum wage, the level of the minimum wage depends upon certain factors.

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

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

What can be included in the minimum wage?

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

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

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

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

The Directive clearly states that allowances specific to the posting are to be considered part of the minimum wage, unless they are paid to reimburse expenditure on travel, board and lodging. Bearing this in mind, the country-by-country section of the report includes information on which salary items can be considered as part of the minimum wage in accordance with the domestic legislation of each country.

Types of payments which have been analysed as to whether they could be considered as part of the minimum wage:

Per diem allowance

Daily allowance meant to cover food and incidental costs while travelling in connection with one's work or being employed at a distance from one's home.

Cost of living allowance

Amount paid by employers to protect assignees while on assignment from increased costs of goods and services in the host location as compared to those in the home country

Foreign service premiums

Assignment-related allowance.

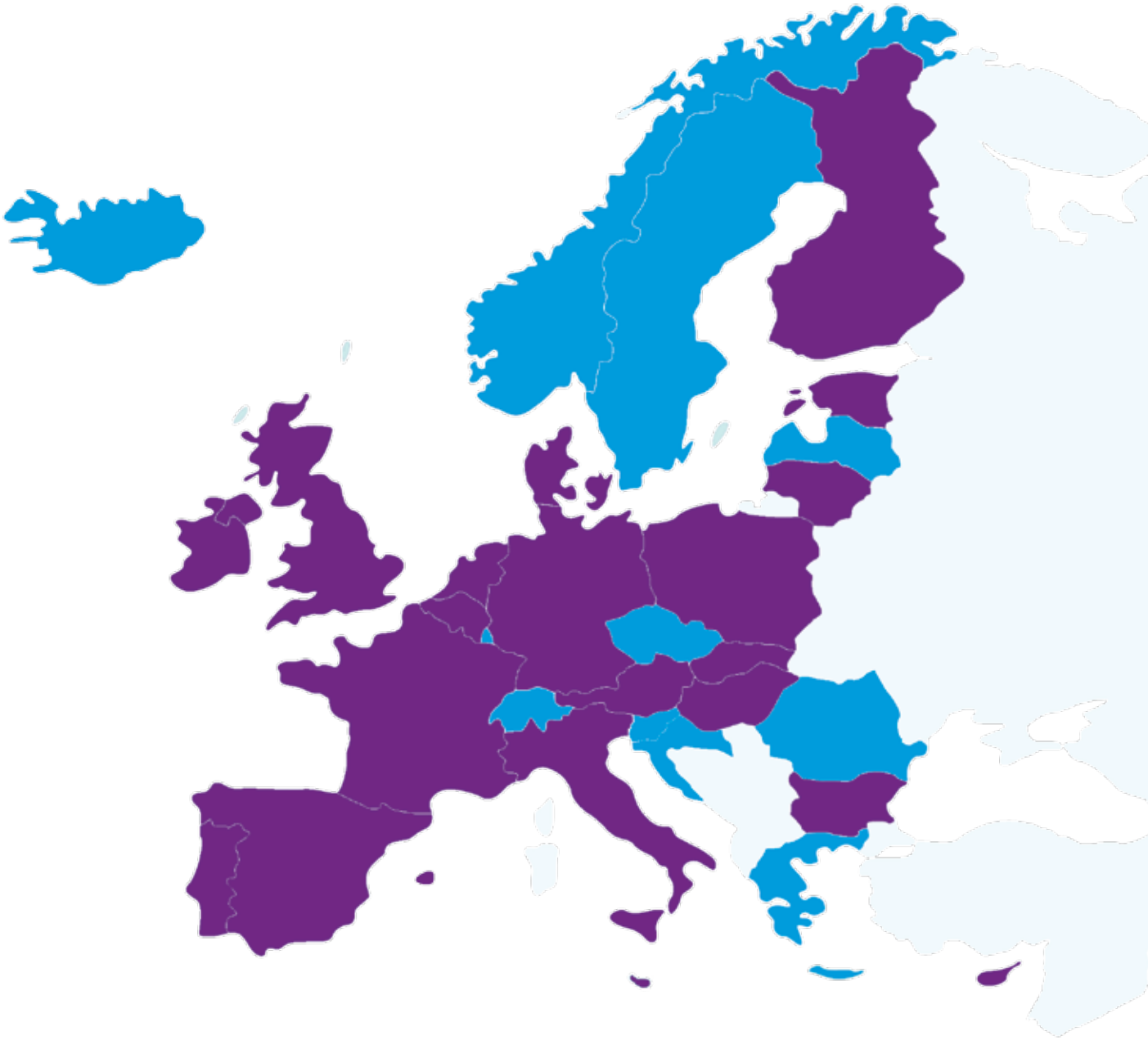
Bonuses

Additional compensation given to an employee in the home country above the normal wage.

Have all member states transposed the new Directive into their legislation?

On 15 May 2014, Directive 67/2014/EU was issued, modifying the 1996 Posting of Workers Directive. The deadline for transposing the new Directive by member states was 18 June 2016. At the date of issuance of this report (February 2017), not all EU member states have implemented this Directive into their local legislation.

Status of transposing Directive 67/2014/EU into the local legislation of each member state



EU Directive 67/2014 has been transposed into domestic legislation

EU Directive 67/2014 was not transposed into domestic legislation until February 2017

Section 3

Country-by-country report

Collective bargaining agreements set a minimum standard wage in Austria, based on industry and on the occupation of the employee.

Austria does not have a minimum wage set by law, as there is no specific legislation relating to a minimum wage requirement. However, collective bargaining agreements set a minimum standard. The minimum wage in the bargaining agreements changes annually. Every year there is a percentile increase of the minimum wage. Some industries raise the minimum wage at the beginning of the year, while others change it during the year (e.g. 1 November).

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

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

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

- Minimum wage rates.
- Holiday entitlements.
- Working time provisions.
- Notification obligations.
- Obligation to hold certain documents and present them if required

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

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

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

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

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

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

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

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

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

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

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

As a rule, only the fixed base salary is considered part of the minimum wage.

In Belgium, minimum wages are set by collective bargaining agreements (CBAs), which means that every joint committee (JC) has a different minimum wage. Consequently, the change of the level of the minimum wage and the expected date for the change depend on the applicable CBA. A system of automatic wage indexation also exists in Belgium, which is set by the CBA but it is imposed by law.

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

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

For non-compliance with the minimum wage requirements (or non-payment of wages) a criminal fine of EUR 300 to EUR 3,000 or an administrative fine of EUR 150 to EUR 1,500 per individual may be imposed.

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

For non-compliance with the notification requirements, the employer will be charged with a criminal offence, which carries a prison sentence of 6 months to 3 years and/or a criminal fine between EUR 3,600 and EUR 36,000. Alternatively, an administrative penalty applies, varying between EUR 1,800 and EUR 18,000 per individual.

If, in the absence of the employer, the Belgian entity fails to report a posted employee who is working or performing services at the entity's premises, the Belgian host entity is liable to a criminal fine of between EUR 600 and EUR 6,000 per individual or an administrative penalty of between EUR 300 and EUR 3,000 per individual. The same sanctions apply for an assigned self-employed worker who has not duly reported his/her activities via Limosa.

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

Belgium implemented Directive 67/2014/EC by the Act of 11 December 2016 (in force since 30 December 2016). This comprises a list of criteria which enable the authorities to determine whether a posting is a temporary assignment, gives the authorities greater powers to investigate assignments, as well as providing for joint liability of the employer and receiving company and cross-border execution of penalties. Prior to the Directive, Belgium already had some rules on social dumping and related penalties.

Blue collar workers JC 100: supplementary joint committee for blue collar workers (starters)	**White collar workers** JC 200: supplementary joint committee for white collar workers (starters)	**Highly skilled (blue card)**
EUR 1,564.62	Class A: EUR 1,670.21 Class B: EUR 1,739.80 Class C: EUR 1764.41 Class D: EUR 1,903.24	EUR 51,882(gross per year)

Bulgaria has a minimum wage set at national level. From January 2017 the minimum wage is BGN 460 per month (approximately EUR 235), compared to BGN 420/month (approximately EUR 214) in 2016. The minimum wage is revised on an annual basis.

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

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

Directive 67/2014/EU has been transposed into local legislation and employers have until 8 February 2017 to bring their internal practices into line with the new rules.

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

All employees who work in Croatia, irrespective of the industry, occupation or age, are entitled to a minimum wage in accordance with the Croatian Minimum Wage Act.

From January 2017 the minimum wage in Croatia is HRK 3,276 per month (the equivalent of approximately EUR 433). During 2016 the minimum wage was set at HRK 3,120 (the equivalent of approximately EUR 412). However this is updated annually.

In certain cases, the applicable wage can be lower than the minimum wage set by the Croatian Minimum Wage Act, if that wage is part of a collective bargaining agreement. However, even in such cases, the wage cannot be lower than 95% of the minimum wage set by the Croatian Minimum Wage Act - i.e. HRK 3.112.20 (the equivalent of approximately EUR 411).

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

No formal notification has to be submitted to the local authorities in the case of postings to Croatia as an automatic exchange of information exists between the Croatian Ministry of Internal Affairs and the Croatian Tax Authorities.

For non-compliance with the above minimum wage requirements, fines, which range from HRK 60,000 (approx. EUR. 7,926) to HRK 100,000 (approx. EUR 13,210) for the employer and HRK 7,000 (EUR 925) to HRK 10,000 (approx. EUR 1,321) for the employee can be imposed.

The maximum legal working hours are 40 per week. Any additional work is considered overtime.

Directive 67/2014/EU has not yet been implemented into Croatian legislation. However, based on the official action plan for legislation changes in 2017, the Directive should be implemented by two specific laws. The draft laws implementing the Directive are planned to be sent to Croatian Government for approval in the first quarter of 2017.

In certain cases, the applicable wage can be lower than the minimum wage set by the Croatian Minimum Wage Act.

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

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

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

Directive 67/2014/EU as regards the posting of workers in the framework of the provision of services has not been transposed into Cyprus domestic legislation yet.

Directive 96/71/EC is currently transposed in Cyprus legislation and is still the applicable law for identifying a genuine posting and preventing abuse and circumvention of the procedure for the posting of workers to Cyprus as well as for any administrative requirements and control measures (section 8-10 N.137(I)2002).

The Cyprus Department of Labour have stated that Directive 67/2014/EU will be transposed into Cyprus legislation in the near future.

In the case of postings to the Czech Republic, no formal notification has to be submitted to the local authorities.

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

The current level of the minimum wage is applicable as from 1 January 2017. The minimum wage per hour is CZK 66.00 (approx. EUR 2.44), while the minimum wage per month is CZK 11,000 (approx. EUR 407.11), which is applicable to both blue-collar and highly-skilled workers. The minimum wage for disabled workers is CZK 11,000 (approx. EUR 407.11).

During 2016 the minimum wage per hour was CZK 58.70 (approx. EUR 2.15), while the minimum wage per month was CZK 9,900 (approx. EUR 363). The minimum wage for disabled-workers for 2016 was CZK 9,300/month (approx. EUR 341) for 40 working hours per week or CZK 55.10 per hour (approx. EUR 2.02). The maximum number of legal working hours in the Czech Republic is 40 per week.

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

In terms of administrative requirements, in the case of postings to the Czech Republic, no formal notification has to be submitted to the local authorities. However, penalties for non-compliance with the minimum wage requirement can be up to CZK 2 mil. (approx. EUR 74,000).

Directive 67/2014/EU is not expected to be transposed into Czech legislation until July 2017.

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

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

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

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

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

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

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

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

In June 2016, Denmark enacted legislation transposing into Danish law Directive 67/2014/EU concerning secondments of employees as part of the free exchange of services in the European Union (EU). The Danish Labour Market Fund for Posted Workers (Arbejdsmarkedets Fond for Udstationerede or "AFU") is established as a result of the implementation of the Directive.

AFU is an attempt to establish the rights of posted workers to receive correct wages from their employers while working in Denmark. AFU is a joint fund financed by both Danish and foreign employer contributions. Aall foreign enterprises registered in the Register of Foreign Service Providers (RUT) must pay contributions to AFU. The aim of AFU is to make sure that posted workers receive correct wages if the enterprise fails to meet its wage obligations.

Estonia

The employer of a posted employee must provide the Labour Inspectorate with information concerning the posting, but no later than on the day the posted employee commences work in Estonia.

Estonia has a national minimum gross wage requirement. From 2017 the level of the minimum gross wage applicable to blue collar workers and other EU nationals for full time employment is set at EUR 470 per month. This represents an increase from EUR 430 per month which was the level during 2016.

The current minimum gross wage for highly skilled workers, whether they are EU or non-EU citizens who are holders of the European Union blue card, is currently EUR 1,598 per month. However, an employer is required to pay a holder of an EU Blue Card at least the equivalent of 1.5 times the annual average gross monthly salary, as published in the latest edition of Statistics Estonia. (The new annual average gross monthly salary will be published in March 2017).

In the following cases, the minimum gross wage for an EU Blue Card holder currently may be EUR 1,321. However an employer is required to pay a foreigner at least the equivalent of 1.24 times the annual average gross monthly salary, as published in the latest edition of Statistics Estonia (the new annual average gross monthly salary will be published in March 2017):

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

The current minimum gross wage for a foreigner working as a top specialist, with appropriate professional training or experience for employment in the field, is EUR 2,130 per month. However, the employer is required to pay remuneration to a foreigner working as a top specialist the equivalent of at least 2 times the annual average gross monthly salary, as published in the latest edition of Statistics Estonia. (The new annual average gross monthly salary will be published in March 2017).

The minimum gross wage for a foreigner working as an expert, adviser, consultant or skilled worker is EUR 1,065 per month. However, an employer is required to pay a foreign worker at least the equivalent of the annual average gross monthly salary, as published in the latest edition of Statistics Estonia. (The new annual average gross monthly salary will be published in March 2017).

The maximum legal working hours are 8 hours per day / 40 hours per week. Besides the regular salary received during an assignment, per diems, cost of living allowances, foreign service premiums and bonuses are not considered as part of the minimum wage.

Estonia has implemented Directive 67/2014/EU and changed the law of working conditions of employees posted to Estonia. The Working Conditions of Employees Posted to Estonia Act says that employers must ensure that the working conditions, which are established in Estonia are applied to a posted employee. In addition The Occupational Health and Safety Act must be applied to a posted employee (even when it is less favorable to the posted employee than the provisions of a foreign law).

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

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

In the case of assignments to Finland, the employer might be required to submit a notification to the trade union about the use of foreign employees.

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

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

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

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

In terms of administrative requirements, in the case of assignments to Finland, the new Act on Posting Workers entered into force on 18 June 2016 (except section 7 on the notification obligation which is due to enter into force later this year). Directive 67/2014/EU was implemented by the aforementioned act. The main changes to the previous act are mentioned below.

The posting undertaking is required to submit a notification to the occupational safety and health authority about the posting of workers to Finland under an agreement on cross-border service provision. The contractor must ensure that the posting undertaking submits the aforementioned notification. However, the aforementioned notification requirement is not yet in force, but is due to enter into force later this year.

The penalty system has radically changed. The previous criminal sanctions have been replaced by the new administrative negligence fee to be applied. The amount of the negligence fee ranges from EUR 1,000 to EUR 10,000 and is imposed by the occupational safety and health authority.

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

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

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

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

The current minimum wage level is applicable from 1 January 2017 and it can change once or twice a year, usually in January and/or July.

Minimum wages in France are defined:

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

From January 2017 the legal minimum wage is EUR 1,480.27 gross per month for a full time employee working 35 hours per week. During July–December 2016 the legal minimum wage was EUR 1,466.65 gross per month for a full time employee working 35 hours per week. Hours worked above 35 per week are regarded as overtime and should lead to additional compensation.

To be entitled to a European Blue Card, an employee should earn at least EUR 53,836.5 per year. According to French regulations, assignment related allowances can be part of the minimum wage (i.e. COLA, foreign service premiums, bonuses). However, the amounts paid to the assignee to compensate for expenses actually borne, as well as the expenses directly borne by the employer like travel expenses, accommodation or meals, are not taken into account in the minimum wage and cannot be supported by the employee.

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

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

Recent regulations have reinforced the penalties for non-compliance with legal requirements when posting foreign employees to France.

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

For third country employees who need a work permit for Germany and apply for a Blue Card, the minimum wage requirement is EUR 50,800 gross per year (2017) or EUR 39,624 gross per year (2017) for selected occupational groups.

Germany has a minimum wage requirement set at national level.

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

The current statutory minimum wage since 1 January 2017 is EUR 8.84/working hour. In addition, there are minimum wage requirements in collective bargaining agreements which are often higher than the nation-wide minimum wage requirements and which, however, depend on the industry and occupational group. In addition, there are minimum wage requirements for agency workers which are as follows:

- By the end of February 2017: EUR 8.84/working hour in the Eastern provinces and EUR 9.00/working hour in the remaining provinces
- In the period between March and December 2017: EUR 8.91/ working hour in the Eastern provinces and EUR 9.23/ working hour in the remaining provinces

There is no differentiation between blue collar workers and highly qualified employees. However, for third country employees who need a work permit for Germany and apply for a Blue Card, the minimum wage requirement is EUR 50,800 gross per year (2017) or EUR 39,624 gross per year (2017) for selected occupational groups (IT-specialists, doctors, engineers etc.). For any other third country nationals who need a work permit, but do not qualify for a Blue Card, the requirement is for their wages is to be at least as high as the wages for comparable German or EU employees, but not less than the minimum wage requirements. The next adjustment is due to take effect from 1 January 2018.

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

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

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

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

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

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

Germany has transposed Directive 67/2014/EU into its local legislation.

Greece

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

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

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

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

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

Besides the regular salary received during an assignment, it seems that per diems, cost of living allowances, foreign service premiums and bonuses are not considered as part of the minimum wage. In these cases. For assignments especially, caution should be paid to the salary package granted in order to ensure that the Greek minimum wage requirement is met.

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

In Greece, Presidential Decree 101/2016 transposed into Greek legislation the provisions of the Directive 67/2014/EU. The Decree's main provisions are as follows:

a) The supervision and control of compliance with the appropriate employment rules is vested with the employment authorities together with the police and social security authorities.

b) The Greek authorities must co-operate with the authorities of the other member states to help them obtain any information or assistance needed.

c) The authorities mentioned above under (a) are also provided with the power to assess whether postings are genuine (this assessment is made on the basis of various factors determined in the Decree).

d) The contents/details of documents required to be filed by the home country employer prior to the commencement of the posting have been broadened.

e) Provision is also made for the cross border execution of decisions on the imposition of penalties.

Regarding postings to Hungary, form T104 must be filed with the Hungarian tax authority within a maximum of 30 calendar days from the start of the assignment.

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

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

As from January 2017 the minimum wage is HUF 127,500 (approximately EUR 411), compared with 2016 when it was HUF 111,000 (approximately EUR 355). In Hungary only the base salary, as established through the employment contract, may be considered as part of the minimum wage.

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

Regarding postings to Hungary, form T104 must be filed with the Hungarian tax authority within a maximum of 30 calendar days from the start of the assignment. The obligation falls with the host employer with respect only to assignees who have foreign tax residency status and are likely to receive income taxable in Hungary. For failure to submit the form, the Hungarian tax authority may impose a fine of up to HUF 200,000.

New provisions of the Hungarian Act on the Labour Code and the Act on Labour Inspection entered into force in order to introduce into Hungarian legislation the provisions of Directive 67/2014/EU. This amended legislation imposes registration and reporting obligation on companies located within the EEA and posting (assigning) their employee to Hungary in order to provide services. The obligations must be fulfilled electronically (in the Hungarian or in English language) via the labour inspectorate website of the Hungarian Ministry of National Economy.

The following data are required to complete the registration:

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

The registration must be filed by the foreign company by no later than the employee's first working day in Hungary.

Foreign companies (not just companies located within the EEA) are required to apply the following rules of the Hungarian Labour Code to their employment relationships with the assignee – unless the law applicable for the assignee's employment is more favourable to the employees than the Hungarian rules:

- Maximum working hours,
- Minimum paid annual holidays,
- Minimum wage,
- Health, safety and hygiene at work,
- Provisions on non-discrimination.

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

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

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

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

All Icelandic employees must contribute to a union of their choice, each union applying a different minimum wage.

The current minimum wage is applicable as from 1 May 2015 and it is revised when the collective wage agreements are updated.

Currently, the minimum wage for the majority of Icelandic unions is ISK 260,000 (approximately EUR 2,170). It is expected that the minimum wage will increase as follows:

Period	ISK	EUR (approximately)
1 May 2016	260,000.00	2,170.00
1 May 2017	280,000.00	2,335.00
1 May 2018	300,000.00	2,500.00

All Icelandic employees must contribute to a union of their choice, each union applying a different minimum wage.

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

Iceland has maximum legal working time of 13 hours per working day and 48 hours per week, including overtime.

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

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

Directive 67/2014/EU has not been implemented into Iceland's legislation.

Ireland's minimum wage requirement applicable from 1 January 2017 is EUR 9.25 per hour, a rise from EUR 9.15 applicable during 2016.

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

Age	Minimum wage applicable
Under 18 years old	6.48 (70% of the minimum wage)
1st year of employment over the age of 18	7.40 (80% of the minimum wage)
2nd year of employment over the age of 18	8.33 (90% of the minimum wage)

The National Minimum Wage Act also provides sub-minimum rates which apply to employees who are over 18 and are undergoing a course of structured training or directed study that is authorized or approved by the employer. The trainee minimum wage rates are as follows:

Stage of the training	Minimum wage applicable
1st part of the course	6.94 (75% of national minimum wage)
2nd part of the course	7.40 (80% of national minimum wage)
3rd part of the course	8.33 (90% of national minimum wage)

The minimum wage in Ireland is determined as an hourly rate and it depends on the age of the employee.

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

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

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

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

Directive 67/2014/EU was transposed into law in Ireland on 27 July 2016. The key measures which have been introduced, as a result of the Irish regulations to implement Directive 67/2014/EU include:

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

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

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

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

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

Italian legislative Decree 136/2016 has now transposed Directive 67/2014/EU into Italian Law. The law provides that:

- All new secondments to Italy starting on or after 26 December 2016, should be notified to the Ministry of Labour not less than 24 hours before the secondment is due to start, using the appropriate form UNI-DISTACCO on the portal established by the Labour Ministry
- A registration requirement also applies for those assignments which started on or after 22 July 2016 and which were still ongoing on 26 December 2016. These were required to be registered retroactively by 26 January 2017.

As well as the registration requirement, the Legislative Decree also imposes recordkeeping requirements and the requirement for the translation of documents into Italian in order to ensure that the posted workers Directive is being enforced and employees seconded to Italy are being paid at least the minimum salary provided by the Collective National Contract and that minimum contractual requirements for holiday and working time are being upheld.

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

Latvia has a minimum wage requirement in place. The Latvian Government reviews the minimum wage level each year. However this does not necessarily lead to it being increased. Changes in the minimum wage depend on the economic situation in the country.

The Latvian minimum wage is a fixed amount of EUR 380 per month (EUR 370 during 2016) and it does not depend on professional expertise, industry or age. The minimum wage is the lowest salary that all employers must grant to their employees for work within normal working hours.

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

Assignment allowances such as per-diems, cost of living allowances, foreign service premiums or bonuses are not considered as part of the minimum wage.

In the case of assignments to Latvia, host employers need to notify the tax authority about all new hired employees one day before the employee starts working. For non-compliance with the minimum wage requirement, Latvian employers can face an administrative penalty of up to EUR 7,000. If the requirement is breached repeatedly within one year, the penalty increases to EUR 14,000.

The Latvian Government reviews the minimum wage yearly, although this does not necessarily lead to an increase.

Lithuania has a minimum wage set at national level.

As from July 2016 the minimum wage is EUR 380 per month (equivalent of EUR 2.32 per hour), which applies to EU and non-EU nationals, both blue collar workers and highly skilled workers.

Level of the employee	Monthly amount EUR	Hourly amount EUR
Blue collar	380	2.32
Highly skilled (blue card)	380	2.32

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

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

The maximum working time in Lithuania is 8 hours per day or the equivalent of 40 hours per week. Various exceptions might be applicable in accordance with specific laws, government resolutions and collective agreements. The maximum working hours, including overtime, must not exceed 48 hours per 7 working days. A new Lithuanian Labour code is expected to come into force from 1 July 2017 (or possibly at a later date) which could bring some changes (e.g. to maximum working time, vacations etc.).

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

If the stay of an assignee in Lithuania exceeds 3 months during a 6 month period, he/she needs to obtain a certificate confirming the right to reside in Lithuania from the migration authorities (applicable for EU/EEA/Swiss citizens only). Once the certificate is obtained, the assignee will also need to declare his/her residence place at the municipality. There are no specific deadlines for migration obligations. However, the necessary certificates (registrations) must be obtained (completed) when relevant obligations arise.

Directive 67/2014/EU was implemented in Lithuania on 28 June 2016. As mentioned above, the new Lithuanian Labour code should come into force starting from 1 July 2017 which could bring some changes. (e.g. to maximum working time, vacations etc.).

Luxembourg has a minimum wage requirement. As from January 2017, the minimum wage is EUR 1.998.59 per month. However this is updated periodically, with no specific rule as to how often the update takes place. The minimum wage is determined as a fixed amount and depends on the worker's age and skills.

Age	Skill	Minimum wage (EUR)
15-16	Blue collar	1,498.94 (75% of the standard minimum wage)
17-18	Blue collar	1,598.87 (80% of the standard minimum wage)
Over 18	Blue collar	1,998.59 (100% of the standard minimum wage)
Over 18	Highly skilled	2,398.30 (120% of the standard minimum wage)

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

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

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

	2017	2016
Under 17 years	EUR 160.14 per week	EUR 158.39 per week
Age 17 years	EUR 162.98 per week	EUR 161.23 per week
Age 18 and over	EUR 169.76 per week	EUR 168.01 per week

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

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

Besides the regular salary received during an assignment, per diems (daily allowance, to cover food and incidental costs while travelling in connection with one's work or being employed at a distance from one's home), cost of living allowance (amount paid by employers to protect assignees while on assignment from increased cost

It is the responsibility of the employer posting the worker to Malta to notify the Director of Labour of the intention to post a worker to the country, prior to the date of posting.

of goods and services in the host location as compared to those in the home country), foreign service premiums (assignment related allowances) and bonuses (additional compensation given to an employee above his/her normal wage) are considered as part of the minimum wage.

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

For non-compliance with this notification obligation, a fine between EUR 116.47 and EUR 1,164.69 may be imposed.

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

Directive 67/2014 concerning the posting of workers in the framework of the provision of services was transposed into Maltese law by means of Subsidiary Legislation 452.82 in June 2016 and contains the below, based on Article 4 of the Directive, with the aim of identifying a genuine posting and preventing abuse.

In order to determine whether an undertaking, which is the service provider, genuinely performs substantial activities, other than purely internal management and, or administrative activities, the competent authority in Malta shall make an overall assessment of all factual elements characterising those activities. Such elements may include:

- the place where the undertaking has its registered office and administration, uses office space, pays taxes and social security contributions, has a professional licence or is registered with the chambers of commerce or professional bodies;
- the place where posted workers are recruited and from which they are posted;
- the law applicable to the contracts concluded with workers or with its clients;
- the place where the undertaking performs its substantial business activity and where it employs administrative staff;
- the number of contracts performed and, or the size of the turnover realised in the Member State of establishment.

In order to assess whether a posted worker temporarily carries out his work in Malta, all factual elements characterising such work and the situation of the worker shall be examined by the competent authority in Malta. Such elements may include in particular:

- the work is carried out for a limited period of time in Malta;
- the date on which the posting starts;
- the posting takes place to Malta as a Member State other than the one in or from which the posted worker habitually carries out his work;
- the posted worker returns to or is expected to resume working in the Member State from which he or she is posted after completion of the work or the provision of services;
- the nature of activities;
- travel, board and lodging or accommodation is provided or reimbursed by the employer who posts the worker and, if so, how this is provided or the method of reimbursement;
- any previous periods during which the post was filled by the same or by another worker.

Currently, the Netherlands has a gross minimum wage set at national level. However, the minimum wage is determined based on the age of the employee. The level of the minimum wage is determined monthly, weekly and daily as the table below:

Period	Employees over the age of 23* - 2016	Employees over the age of 23* - 2017
Daily	EUR 70.37	EUR 71.61
Weekly	EUR 351.85	EUR 358.05
Monthly	EUR 1,524.60	EUR 1,551.60

* Employees between 15 and 22 years old are granted a different minimum wage. In the survey, only employees over the age of 23 were taken into consideration

A new provision has applied since January 2016 stating that the minimum wage should be paid to a bank account. Furthermore, a mandatory holiday allowance of 8% of the gross wage is applicable. Blue collar workers can only work in the Netherlands for the minimum wage mentioned above if they are EU/EEA or Swiss nationals. Special salaries, higher than the minimum wage, apply to non-EU/ EEA and Croatian highly skilled migrants who apply for residence work authorizations and for blue card holders.

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

Besides the regular salary received during an assignment, every monetary payment qualifies as a wage for the purposes of the minimum wage legislation except the following: income for overtime, holiday allowances, profit sharing payments, payments for special events, entitlements to receive payments in the future, reimbursements which are supposed to cover necessary expenses as a result of the employment, special reimbursements for wage-earners and heads of families, year-end payments, employer's contributions to health insurance, etc.

The European Posting of Workers Directive (96/71/EC) and accompanying Enforcement Directive (67/2014/EU) were transposed into a single new Dutch national law. This Act took effect on 18 June 2016. The Act has consequences for foreign enterprises that deploy personnel for the cross-border provision of services and for clients that engage foreign contractors.

What are the implications for the service provider and the recipient of the service?

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

- Every worker posted from abroad is entitled to a basic set of employment and working conditions;
- At the request of the Inspectorate SZW, the service provider must provide all the information necessary to enforce the Act.
- The service provider must designate a contact person who the Inspectorate SZW can approach and who will liaise with the Inspectorate.
- The service provider must have certain documents available at the workplace, such as the employment contract of the posted worker; documents showing how many hours the posted worker has worked; documents showing the social security contributions (e.g. the A1 Statement), the identity of the service provider, the recipient of the service, the posted worker and the person responsible for the payment of wages; proof of payment of wages to the posted worker.
- The service provider will have a notification obligation, which must be made before the work begins. Such obligation has not yet taken effect.
- The recipient of the service will be required to verify the notification that they receive from the service provider (such obligation has not yet taken effect). If it contains errors or has not been made, the recipient of the service must inform the Inspectorate SZW of this.

Fines may be imposed for violations. If the notification and verification obligations are not complied with, the recipient of the service may also be fined.

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

However, in certain industries or business sectors there are generally applicable collective bargains in place which provide mandatory minimum wages for certain groups of employees.

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

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

Industry	Qualifications	Mandatory minimum wage per hour
Building sites	Skilled employees	NOK 193,00
	Unskilled employees	NOK 174,00
	Unskilled, min. 1 year work experience	NOK 181,50
Shipping and shipbuilding industry	Skilled workers	NOK 169,44
	Semi-skilled worker	NOK 161,72
	Unskilled worker	NOK 154,09
	In addition various increments to wages apply	
Agriculture and horticulture	Unskilled employee	NOK 131,05
	Skilled worker	NOK 131,05 + NOK 10,00
	In addition various increments to wages apply.	
Cleaner		NOK 169,37

Generally applicable collective bargaining agreements are in place in the following industries: electro, fishing and transport (both the transport of freight and of persons).

In addition the employer must pay travel costs and lodging.

Generally applicable collective bargaining agreements are in place in the following industries: electro, fishing and transport (both the transport of freight and of persons).

It is important to determine whether the work is covered by an agreement which contains provisions on minimum wages. Moreover, enterprises participating in public procurement will have a contractual obligation to apply minimum pay according to either a national applicable collective bargaining agreement or a generally applicable collective bargaining agreement, which should be assessed prior to the submission of the tender.

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

If the conditions are fulfilled, the employer may apply an average calculation of normal working hours.

Average calculation of normal working hours means that the employees may work longer hours per day and week for a specific period, provided the extra hours put in are taken out in free time. On average the employee must not work more than the maximum normal working hours according to the legislation or the applicable collective bargaining agreement. Before average calculation of working hours can be adopted, a mandatory procedure must be followed, and some authorizations are required from the Norwegian Labour Inspectorate.

In addition the Norwegian Annual Holiday Act applies. The minimum wage is considered as remuneration for labour, and may not include allowances which come in addition to wages.

Assignees to Norway must be registered with the Central Office for Foreign Tax Affairs using a specific form (RF-1199).

Directive 67/2014/EU does not as such apply in Norway. However, Norway is adopting similar rules. It is uncertain when such rules will be adopted, but may be some time during 2017.

Penalties of between PLN 1,000 and PLN 30,000 apply for non-compliance by an employer with the minimum wage requirements in Poland.

Poland has a minimum wage set at national level.

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

As from January 2017 the level of the minimum wage is PLN 2,000 (approximately EUR 460) fixed for both blue collar workers and highly skilled workers, corresponding to full time employment, based on an employment contract only (i.e. it is not applicable to civil law based contracts). In 2016, the minimum wage was PLN 1,850 (approximately EUR 420).

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

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

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

On 18 June 2016, Poland's Seconded Persons Act entered into force. The new rules aim to introduce the provisions of Directive 67/2014/EU into Polish legislation.

The most important changes brought by this Directive concerns new processes under which the Polish Labour Inspectorate will be able to verify whether rules regarding assigned individuals have been followed, in particular:

- Whether the company sending the employee to work in Poland actually carries out genuine business activity in the country where its headquarters are located, and
- That the assignment is of a temporary nature.

Moreover, employers sending assignees to work in Poland will be obliged to:

1. File a declaration to the Labour Inspectorate, at the latest by the day the employee starts work in Poland.
2. Appoint a person to act as a point of contact with the Labour Inspectorate ("contact person"). This individual should be based in Poland during the period of the assignment.
3. Maintain and upon request make available to the authorities documentation concerning the assigned individual during the period of assignment and for two years following the end of the assignment.

The foreign employer is obliged to meet the above obligations (filing the declaration and nominating a contact person) no later than the first day the employee works in Poland. In the case of assignments already underway on the date the new regulations came into force (18 June 2016), the employer has to meet the above obligations within three months, i.e., by 18 September 2016.

Penalties of between PLN 1,000 and PLN 30,000 (approx. EUR 200 – EUR 6,500) can be imposed for failure to meet the new obligations.

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

The current level of the minimum wage, applicable from January 2017, is EUR 557 per month and there is an intention to proceed with a gradual increase in the amount during the next few years. Previously, as from January 2016, the minimum wage was set at EUR 530 per month.

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

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

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

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

No specific information is available about the implementation status of Directive 67/2014/EU, in Portugal.

Romania has a minimum wage set at national level. Collective Bargaining Agreements can also set minimum wages for certain categories of employees, however not lower than the national minimum wage.

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

As from 1 February 2017 the minimum gross wage is RON 1,450 lei per month (approximately 322 EUR).

For foreigners, the same minimum wage applies in the case of local employment or assignment to Romania. However, in the case of highly skilled employees, who hold EU blue cards, the minimum wage requirement is the equivalent of 4 times the average gross wage in Romania. Currently this would mean 4x RON 2,681, i.e. RON 10,724, but legislation is currently planned to raise the legally determined average gross wage to 3131 RON.

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

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

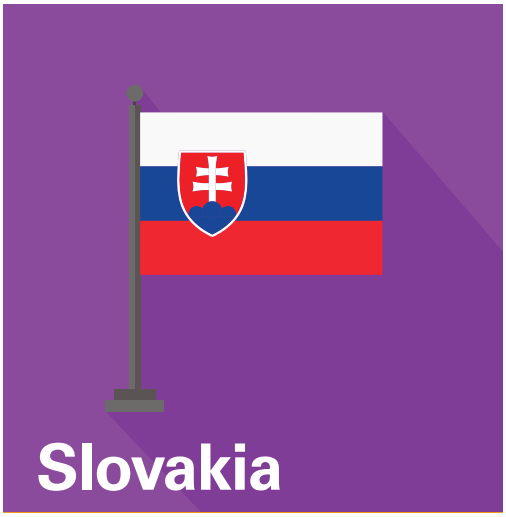
Minimum wage rates are also established by the applicable collective agreements. However these amounts cannot be lower than the national minimum gross wage.

Under the Romanian labour code, wages are defined as basic wages, allowances, benefits, as well as other additional payments. At the same time the base wages cannot be lower than the national minimum wage. Consequently, it is thus considered that the Romanian minimum wage cannot include cost of living allowances, foreign service premiums, bonuses or per diems.

A home-country employer posting workers to Romania is required to notify the Romanian labour authorities, at least five days before the start of the activity of the posted worked. For non-compliance with the requirement to notify the labor authorities, fines may be imposed on the employer.

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

Directive 96/71/EC was transposed into Romanian legislation through Law 344/2006. Directive 67/2014/EU was supposed to have been transposed into Romanian law in June 2016. However a draft law to do this was only issued on 4 October 2016, and has yet to be passed.



Slovakia

In the case of postings to Slovakia, the host employer must inform the relevant Office of Labour, Social and Family Affairs in relation to the start/termination of the assignment within 7 days of the commencement / termination of the assignment.

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

The minimum wage is determined as a fixed, monthly amount, for employees who are paid monthly and have a regular weekly working time. For other employees an hourly rate is applicable. The level of the minimum wage does not depend on the occupation, but on the type of work (i.e. complexity, responsibility and level of work difficulty). Each position must be classified in one of the six levels of work difficulty.

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

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

As the minimum wage level depends on the level of work difficulty, the type of work must be taken into consideration. Highly skilled workers are generally classified in the fifth and sixth level of work difficulty. For example, for blue collar workers the minimum wage is at least EUR 435 (EUR 405 during 2016) per month, while for highly skilled workers in the sixth level of work difficulty (e.g. workers with a blue card), the minimum wage is at least EUR 870 (EUR 810 during 2016) per month.

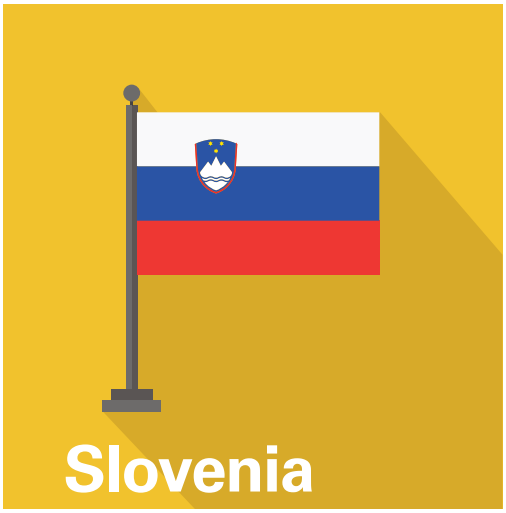
The Slovak minimum wage includes cost of living allowances, foreign service premiums, bonuses and payment for work on professional or personal anniversaries (unless this is provided from the net profit or from the social fund). However, per-diems are not considered part of the minimum Slovak wage.

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

In the case of postings to Slovakia, the host employer must inform the relevant Office of Labour, Social and Family Affairs in relation to the start/termination of the assignment within 7 days of the commencement/termination of the assignment. The host employer faces fines of up to EUR 33,193.91 if it fails to notify the assignment or employment to the Slovak authorities.

In general, the maximum legal working time in Slovakia is 8 hours per day or 40 hours per week. Special rules apply for working hours of youth workers (under 18 years of age), workers carrying out activities in an environment with a high risk of contracting cancer and healthcare workers.

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



Slovenia has a minimum wage requirement and the level of the minimum wage is generally updated every year in January. As from January 2017 the level of the minimum wage was set at EUR 804,96 and it remains unchanged irrespective of the individual's professional expertise (e.g. blue collar workers, highly skilled workers or others).

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

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

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

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

Directive 67/2014/EU has not been implemented yet. However, the Posting of Workers Act is now in preparation and will include both the above mentioned Directives.

There is a minimum wage requirement in Spain, which is set by the government. For 2017, the minimum wage is EUR 707.60/ month. However, collective bargaining agreements (national, regional or sectional), usually set another minimum wage requirement, depending on the activity or professional category, which is always higher than the one set by the government.

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

The minimum wage set by the government is a fixed amount. However, collective bargaining agreements can determine other remuneration systems. Generally, collective bargaining agreements set a fixed amount and, in addition, cover other amounts that depend on productivity, seniority, etc.

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

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

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

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

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

The maximum legal working hours in Sweden are 8 hours per day or 40 hours per week. Overtime might be allowed under certain limits.

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

The notification can be filed online, on the Swedish Work environment Authority's home page. In the case of non-compliance with the notification requirements, the tax authorities may impose penalties starting from SEK 20,000.

The implementation of Directive 67/2014/EU in Sweden is still in progress. New legislative proposals are under discussion and the amendments to Swedish law are expected to come into force on 1 July 2017. Hence, no specific measures have been taken in Sweden yet.

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

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

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

All 26 Swiss cantons apply their own standard salary levels, meaning that when determining a relevant reference salary every case is analysed individually. All cantons, however, base their assessment on their statistical reference salaries for comparable Swiss employees in their geographical area. This means that for all sorts of activities and groups of employees they apply a statistical reference salary range and usually request the assigning employer to pay the average of the statistical salary range to the employee.

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

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

Employees who are employed outside Switzerland and are supposed to work in Switzerland as assignees must be paid a salary for the time in Switzerland which is in line with the customs in the relevant Swiss canton, industry and profession (so-called Swiss reference salary).

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

- Specific role/activities/ responsibilities when working in Switzerland.
- Age.
- Job grade.
- Overall level of occupation (e.g. 50%, 80%, 100%).
- Weekly hours of work as per employment/assignment contract.
- Qualification level (highest schoo and professional certificate).
- Overall professional experience.
- Service for the applying employer.
- Number of employees employed by the Swiss group entity.

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

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

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

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

- Subsequent payment of the salary gap claimed.
- Obligation to pay the proceeding fees.
- In the case of a minor breach (e.g. salary gap is small) a fine of up to CHF 5,000.
- In the case of more material breaches, a ban on providing services in Switzerland for up to 5 years (this is imposed on more than 400 employers every year and publicly disclosed on the internet) in addition to the fine of up to CHF 5,000.
- In the case of a more material breach, which is committed systematically and with intent the fine may be up to CHF 1million.

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

The NMW rate per hour depends on age and whether the employee is an apprentice (see table below). Currently, the NMW is £ 6.95 per hour for workers aged 21 to 24 and will be raised to £7.05 from April 2017.

Since 6 April 2016, a new mandatory NLW applies to workers aged 25 and over. All employers must pay employees aged 25 and over, £7.20 per hour (£7.50 from April 2017). The NMW will still apply for workers aged 24 and under.

The NLW will operate in conjunction with the existing NMW Regulations.

The minimum wage in the UK is determined as an hourly rate.

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

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

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

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

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

As from April 2016, a new National Living Wage (NLW) was introduced for individuals over the age of 25. All employers must pay employees aged 25 and over, £7.20 per hour (£7.50 from April 2017).

Year 2017	Apprentice	Under 18	18 -20	21 to 24	NLW 25 and over
October 2016 (current rate)	£3.40	£4.00	£5.55	£6.95	£7.20
Rate from April 2017	£3.50	£4.05	£5.60	£7.05	£7.20

For instance, the NMW rates for Apprentices are based on age in the following way:

Apprentices are entitled to the apprentice rate if they are either:

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

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

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

Cases which are not eligible for the minimum wage:

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

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

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

- Repay arrears of the minimum wage to each worker named on the notice.
- Pay a penalty.

To enforce the National Minimum Wage and National Living Wage, the government recently increased the financial penalty percentage that employers pay for breaking minimum wage law from 100% to 200% of the unpaid wages owed to workers. The increase came into effect on 1 April 2016 and will apply to pay reference periods commencing on or after this date. The maximum penalty is £20,000. The penalty can be halved if employers pay within 14 days.

Anyone found guilty of non-compliance may also be considered for disqualification from being a company director for up to 15 years.

Directive 67/2014/EU was transposed into United Kingdom legislation on 18 June 2016.

Contact us

Mădălina Racoviţan
Partner, Head of People Services
Tel: +40 (372) 377 782
Email: mracovitan@kpmg.com

Daniela Oprescu
Director, People Services
Tel: +40 (372) 377 781
Email: doprescu@kpmg.com

Irina Marinescu
Manager, People Services
Tel: +40 (753) 333 050
Email: irinamarinescu@kpmg.com

Medeea Popescu
Associate Manager, People Services
Tel: +40 (748) 107 239
Email: mpopescu@kpmg.com

KPMG Romania

Bucharest Office
Victoria Business Park,
DN1, Bucuresti - Ploiesti Road
no. 69-71, Sector 1, Bucharest
013685, Romania
P.O. Box 18-191
T: +40 (372) 377 800
F: +40 (372) 377 700
E: kpmgro@kpmg.ro
www.kpmg.ro

Cluj Napoca Office
Liberty Technology Park
Gării Street no 21, Cluj-Napoca,
Cluj, Romania
T: +40 (372) 377 900
F: +40 (753) 333 800
E: kpmgro@kpmg.ro

Constanta Office
Mamaia blv., no. 208,
4th Floor, Constanta,
900540, Romania
T: +40 (756) 070 044
F: +40 (752) 710 044
E: kpmgro@kpmg.ro

Iasi Office
Ideo Business Center,
Pacurari Road, no. 138,
1st Floor, Office B 105
Iasi, 700521, Romania
T: +40 (756) 070 048
F: +40 (752) 710 048
E: kpmgro@kpmg.ro

Timisoara Office
Mihai Viteazul blv., no. 30B,
Timisoara, 300222
Timis, Romania
T: +40 (256) 221 365
F: +40 (256) 499 361
E: kpmgro@kpmg.ro

KPMG Moldova

Chisinau Office
171/1 Stefan cel Mare blv.,
8th floor, MD-2004, Chisinau
Republic of Moldova
T: + 373 (22) 580 580
F: + 373 (22) 540 499
E: kpmg@kpmg.md
www.kpmg.md

kpmg.com/socialmedia

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