

# EMPLOYMENT LAW IN COMPARISON



**bpv** LEGAL

Bratislava

Brussels

Bucharest

Budapest

Prague

Vienna

# Termination without reason possible?

AUSTRIA

Generally, it is possible for both the employee and the employer subject to statutory notice dates and periods (but must be agreed on for fixed-term contracts). However, dismissals can be challenged by employees under certain conditions and in this case the employer needs reasons for justification.

It is possible only: a) by mutual agreement of the parties; b) during the trial period; c) if the employee terminates the employment by a notice of termination. Special case: Agreements on work performed outside employment (in Czech: *dohody mimo pracovní poměr*) can be terminated without reason by either of the parties.

CZECH  
REPUBLIC

HUNGARY

Termination without reason is possible: a) by mutual agreement of the parties; b) by the employee's resignation; c) under the probationary period. Special case: The employer can terminate the employment relationship of pensioner employees without reason.

Termination without reason is possible only: a) by mutual agreement of the parties; b) by the employee's resignation.

ROMANIA

SLOVAKIA

It is possible only: a) by mutual agreement of the parties; b) during the trial period; c) if the employee terminates the employment by a notice of termination. Special case: Agreements on work performed outside employment (in Slovak: *dohody o prácach vykonávaných mimo pracovného pomeru*) – termination without reason by any of the parties.

Possible for employees provided that they give written notification to the employer 30 days in advance. Not possible for employers.

CHINA

GERMANY

Termination without reason is possible by the employer only: a) in small companies with less than 10 employees, b) under the probationary period – max. 6 months. By the employee: anytime. By mutual agreement of the parties: anytime.

# Termination for cause by employer: regular and immediate?

## AUSTRIA

By both sides with immediate effect

The employment contract may be terminated for good cause and with immediate effect by both sides.

Reasons are for example invalidity, salary arrears, assaults, lack of confidence, disclosure of trade secrets, failure to perform work for a material period of time without excuse etc.). However, it always depends on the concrete individual case, whether it is a blue or white-collar employee, etc.

## Employer's immediate termination

As an exemption, the employer may terminate an employment law relationship by immediate termination only if:

- a) the employee has been validly convicted of an intentional criminal offence and sentenced to imprisonment for a term exceeding one year, or if the employee has been validly convicted of an intentional criminal offence committed in the performance of working tasks or in direct relationship to the performance of working tasks and sentenced to imprisonment for a term of at least six months;
- b) if the employee has breached a duty arising out of the legal regulations applicable to the work performed by the employee in an especially gross manner.

## Notice of regular termination by the employer

The employer may give notice to an employee only on the following grounds:

- a) if the employer or part thereof is being dissolved or relocated;
- b) if the employee becomes redundant based on a decision of the employer or other organizational changes;
- c) if the employee may no longer perform the current work due to an accident at work, occupational disease, medical fitness in the long term given their state of health;
- d) if the employee fails to fulfil the prerequisites stipulated by the legal regulations for the performance of the agreed work;
- e) if the employee fails to fulfil the requirements on proper performance of this work not due to the employer's fault;
- f) if reasons exist on the basis of which the employer could immediately terminate the employment;
- g) if the employee commits a particularly gross breach of a duty of the legal regulations or any other duties connected with their special status as "temporarily unable to work" (Section 301a of the Czech Labour Code).

CZECH  
REPUBLIC

## HUNGARY

## Employment relationships for an indefinite period of time

Employers are required to give reason and justify the dismissal. The reason for the dismissal must be in connection with: a) the employee's behaviour; b) the employee's ability, or c) operational reasons related to the employer.

## Employment relationships for a definite period of time

Employers may terminate a fixed-term relationship only in the following cases:

- a) liquidation or bankruptcy proceedings are under way concerning the company;
- b) for reasons related to the employee's ability; or
- c) if maintaining the employment relationship is no longer possible due to unavoidable external reasons.

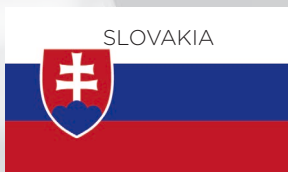
# Termination for cause by employer: regular and immediate?

## Termination with cause de jure

Only in certain cases expressly provided by law (e.g. expiry of duration of the employment contract concluded for a definite period).

## Termination with cause by dismissal

Only for one of the following reasons: a) as a disciplinary sanction; b) if the employee is preventively arrested or placed under house arrest for more than 30 days; c) if the employee is not professionally or medically fit to perform work; or d) in case of redundancy.



## Employer's immediate termination

As an exemption, the employer may terminate an employment relationship by immediate termination only if:

- a) the employee has been validly convicted of an intentional criminal offence;
- b) the employee has seriously breached work discipline.

## Notice of termination by the employer

The employer may give notice to an employee only for the following reasons:

- a) if the employer or part thereof is being dissolved or relocated and the employee does not agree with it;
- b) if the employee becomes redundant based on a decision of the employer on organisational changes;
- c) if the employee may no longer perform the current work due to an accident at work, occupational disease or threat of such a disease, or if the maximum permissible exposure of the employee has been reached;
- d) if the employee fails to fulfil the prerequisites stipulated by the legal regulations for the performance of the agreed work;
- e) if an appointment or election is a prerequisite for the managerial employee and the employee is recalled or resigns;
- f) if the employee fails to meet the requirements for proper performance of work agreed;
- g) if the employee does not satisfactorily fulfil the work tasks, and the employer has in the preceding six months called on them in writing to remedy their underperformance;
- h) for less serious breach of labour discipline (if the employee was given a notice during the preceding six months with a written warning of termination).

## For employers:

- a) Due to the fault of employees: - during the probation period; - materially breaches of the employer's rules and regulations or duty; - employment relationship with another employer materially affecting their work / refuses to rectify after warning; - commits criminal offences; - unfit for position.
- b) Not fault of employees: A major change in objective circumstances renders the employment contract unperformable and the parties are unable to reach an agreement on an amendment.
- c) Operational reasons: - restructuring pursuant to the enterprise bankruptcy law; - serious difficulties in production and/or business operations; - major change in enterprise and needs to reduce the workforce after amendment of employment contracts; - major change in the objective economic circumstances rendering employment contracts unperformable.



## Termination for cause by employer: regular and immediate?

For employees, no need to give prior notice to the employer:

a) during the probationary period; b) if the employer uses violence, threats or unlawful restriction of personal freedom to compel employees to work; c) if the employee is instructed in violation of rules and regulations or peremptorily ordered to perform operations endangering personal safety; d) if employer fail to provide the protection or working conditions specified in the employment contract; e) if employer fails to pay full labour compensation on time.



For employers, if the labour law is applicable: Termination has to be socially justified:

- a) Personal reasons, like long term illness, limited efficiency or being imprisoned
  - b) Operational reasons: factual operational reasons justify the termination, like downturn in orders, plant closure or outsourcing
  - c) Behavioural reasons: unacceptable behavior after the first warning, then termination allowed.
- Severe breaches such as theft allow immediate termination.



## Immediate termination?



Hungarian law also allows termination with immediate effect. When one party gravely violates a material obligation or engages in conduct that makes it impossible to continue the employment relationship, the other party can terminate the employment relationship with immediate effect.

The employment contract may only be terminated with immediate effect during or at the end of the probationary period or by the parties' agreement.



The employment contract may be ended with immediate effect if a material cause is given and no later than 2 weeks from knowledge of the cause.



# Severance pay?

## AUSTRIA

There are two severance pay systems:

While the old system generally only applies to contracts concluded prior to 1 January 2003 and which is a one-time payment upon termination of employment (up to the amount of an annual salary), the new system is applicable to employees whose employment contracts commenced on or after 1 January 2003. In this case the employer is obliged to pay monthly contributions of 1.53% of the gross salary to a company provident fund ("*betriebliche Vorsorgekasse*"). While in the old system the employee can completely lose his or her entitlement by e.g. giving notice of termination, in the new system this entitlement is virtually "guaranteed".

If terminated for organisational reasons:

- a) one average monthly salary if their employment lasted less than one year;
  - b) two average monthly salaries if their employment lasted between one and two years;
  - c) three average monthly salaries if their employment lasted at least two years;
- Severance payment is not subject to social security charges.

## CZECH REPUBLIC

## HUNGARY

An employee is entitled to severance pay if the employment relationship is terminated:

- a) by the employer;
- b) due to the dissolution of the employer;
- c) at the time of transfer of the employer if the employer's successor does not fall within the personal scope of the Labour Code.

The sum of the severance pay varies according to the duration of the employment relationship.

Special rule: Employees, who are pensioners, are not entitled to severance pay regardless of the duration of their employment relationship.

Mandatory only in case of dismissal due to the fact that the employee is not medically able to perform work.

## ROMANIA

## SLOVAKIA

Mandatory if the employment is terminated for organisational reasons or because of the employee's long-term health condition based on a medical report.

The minimum severance pay is:

- one average monthly salary if the employment lasted two to five years;
- two average monthly salaries if the employment lasted five to ten years;
- three average monthly salaries if the employment lasted ten to twenty years;
- four average monthly salaries if the employment lasted more than 20 years.

If the employment is terminated for such reasons by a mutual agreement the minimum severance pay is in general one average salary higher. Ten average monthly salaries if the employment is terminated because of the employees' health reasons.

## Severance pay?

Except for termination due to employee's fault, employers should cover severance pay: one month's wage for each full year worked (art. 28 LL; art. 47 LCL).



No general claim exists.  
Only Claim for operational reasons possible, § 1a KschG: 0.5 monthly earnings for each year of existence of the employment relationship.  
Severance pay also possible if stated in the contract or as compensation for disadvantages.

## Special protection against dismissal?



Yes, several groups of employees enjoy special protection against ordinary as well as premature termination which in particular applies to:

- a) apprentices;
- b) pregnant women and young mothers;
- c) parents on parental leave;
- d) employees doing military service or alternative service in lieu of military service;
- e) members of the works council;
- f) disabled employees.

It is prohibited to give notice to an employee during the period of protection:

- a) illness unless caused by alcohol abuse or addictive substances;
- b) performance of a military exercise, until two weeks after the employee is released from this exercise;
- c) performance of a public office;
- d) pregnancy, maternity leave or on parental leave;
- e) employee working at night is found temporarily unfit to perform night work based on a medical report issued by an occupational health service provider;
- f) at the time when the employee provides long-term care for a child under 10 years or another member of the household in cases under the Sickness Insurance Act.



# Special protection against dismissal?



Yes, several groups:

- a) during pregnancy and maternity leave;
- b) during leave of absence taken without payment for caring for a child;
- c) during any period of actual voluntary reserve military service;
- d) for women, while receiving treatment related to a reproduction procedure, for up to six months from the beginning of such a treatment.

Yes, several groups:

- a) during sick leave;
- b) during the suspension of activity due to quarantine;
- c) if the employee is pregnant (the protection refers to grounds related to her condition);
- d) during maternity leave;
- e) during childcare leave, also for an additional period provided by the law;
- f) during annual leave.

Mandatory only in case of dismissal due to the fact that the employee is not medically fit to perform work.



Yes, during the period of protection:

- a) illness unless caused by alcohol or abuse of addictive substances or in time of institutional or spa treatment;
- b) service during a state of crisis (mobilization);
- c) pregnancy, maternity leave, parental leave, sole caregiver for a child younger than three years of age;
- d) while released for a public function/public office;
- e) employee working at night has been recognised as temporarily unfit for night work.

Yes (art. 29 LL; art. 42 LCL):

- a) employee exposing to occupational disease hazards and has not undergone a pre-departure occupational health check-up / suspected of having an occupational disease and is being diagnosed or under medical observation;
- b) lost or partially lost capacity to work due to an occupational disease or a work-related injury;
- c) the set period of medical care has not expired in case of illness or non-work-related injury;
- d) during an employee's pregnancy, maternity or parental leave;
- e) employee has been working for the employer continuously for not less than 15 years and is less than five years away from legal retirement age.





## Special protection against dismissal?



Yes, for:

- a) severely disabled;
- b) pregnant women and young mothers;
- c) mothers and fathers in parental leave.

## Notice Period?



The notice periods to be adhered to by the employer with regard to white-collar employees reach from six weeks to five months (depending on the years of service), usually - unless otherwise agreed - ending on each calendar quarter.

A white-collar employee may terminate the employment contract at the end of every month subject to a notice period of 1 month, which can, however, be contractually extended. With regard to blue-collar employees the notice periods are usually regulated by the applicable collective bargaining agreement (which differ significantly), otherwise statutory law applies (usually 14 days or 4 weeks). From 1 January 2021, the longer notice periods applicable for white-collar employees will also apply to blue-collar employees.

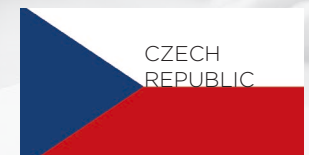
The notice period is in general two months may be extended only by written agreement.

If an employee has been given notice prior to commencement of the period of protection and the notice period is to expire during the period of protection, the period of protection shall not be included in the notice period.

The employment relationship shall end only upon expiry of the remaining part of the notice period after expiry of the period of protection unless the employee notifies the employer that they do not require the extension of the employment relationship.

The prohibition of giving notice shall in general not apply to notice given to an employee:

- a) on the grounds of organizational changes, relocation of employer;
- b) shall not apply to a pregnant employee, a female employee on maternity leave or a male employee on parental leave for the term for which a women is entitled to take maternity leave;
- c) if the employer may terminate the employment relationship by immediate termination.



The notice period for ordinary termination is 30 days. By dismissal it shall be extended based on the duration of the employment relationship by the maximum of 60 days. By agreement of the parties the notice period can be extended by up to six months. For a fixed-term employment relationship, the notice period ends no later than the last day of the fixed term. By immediate termination notice period is not applicable.

# Notice Period?

In case of resignation, the notice period is:

- a) maximum 20 working days in case of non-managers; or
- b) maximum 45 working days in case of managers.

In case of dismissal, the notice period is of at least 20 working days.



The notice period is in general two months, if the employment relationship lasted less than one year: one month. If the employment relationship is terminated by the employer due to organizational reasons or due to the health conditions specified in a medical report, the notice period is at least three months.

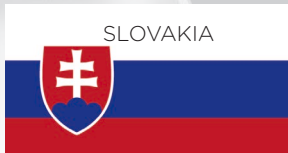
It may be extended by agreement.

The ban on notice shall not apply in cases:

- a) if the employer or part thereof is being wound up;
- b) relocation of the employer or part thereof and the employee disagrees with the change of the workplace (with exceptions);
- c) when the employer could terminate the employment relationship immediately (with exceptions);
- d) breach of labour discipline (with exceptions);
- e) if the employee has lost the preconditions for the performance of the agreed work.

Protection of a member of the trade union authority / work council / work trustee:

Only with the prior consent of works representatives (if they have not refused to give their consent within 15 days, the consent shall be given).



Except for termination due to employee's fault, employers should give written notice to employees 30 days in advance.

Except for the reasons mentioned above, employees should give written notice to employers 30 days in advance.



Premature extraordinary termination: Notice of termination reasons within two weeks. Two weeks from knowledge of the reason for termination (§ 626 II BGB)

Ordinary termination: Depends on the time of the previous employment relationship (between two weeks one and seven months, § 622 BGB).

Three week period for protest. If the period expires, the termination is effective, even if special protection is given.



# Temporary employment renewable?

AUSTRIA

Yes, however, “*chain limitations*” are given, i.e. a series of successive fixed-term contracts is only permissible for a justified reason.

In general three years to be renewed at maximal twice.

CZECH  
REPUBLIC

HUNGARY

Yes, but the fixed-term employment relationship may not exceed a total of five years. The extension is possible, but only if the employer has a legitimate interest for it and only within the above-mentioned five-year period.

Yes, however, without exceeding a total 36-month term. A temporary position itself must not pass an initial duration of 24 months.

ROMANIA

SLOVAKIA

In general two years and shall not be extended or renewed more than two times within this two year period. Exceptions can be agreed in specified cases (substitution of the employee during maternity or parental leave, long-term leave to perform a public office or trade union office, seasonal work, work agreed in a collective agreement, etc.).

Temporary employment no longer exists in the law. Though the contracts for “*temporary employees*” still exist in reality, the conditions should be the same as others except for the employment period. So “renewable” is always possible, if the employee has worked for 10 years under a “temporary labour contract”, they can ask for an indefinite labour contract.

CHINA

GERMANY

Yes: Temporary employment without reason: Maximum overall two years, and can be renewed three times (§ 14 II TzBfG). Exception: - first four years after the company was founded: maximum four years; - employee is at least 52 years old and has been unemployed for at least four months: maximum 5 years.

# Probationary period?

AUSTRIA

It is admissible to agree on a probationary period of 1 month at max, during which either party may terminate the employment contract with immediate effect and without cause. Probationary periods must be explicitly agreed, unless provided for by a collective bargaining agreement.

At maximum three months for most employees; six months for employee in managerial position.  
To be concluded in writing latest upon first day of work.

CZECH  
REPUBLIC

HUNGARY

Yes, with a maximum limit of three months.  
Collective bargaining agreements may derive from the above-mentioned restriction and may stipulate a maximum of six months probationary period.

In case of employment contracts concluded for an indefinite period of time, the maximum probationary period is of: a) 30 calendar days for disabled employees; b) 90 calendar days for non-managers; or c) 120 calendar days for managers. For temporary employment, the probationary period may be up to 45 working days, depending on the duration of the employment contract. It is not mandatory to have a probationary period.

ROMANIA

SLOVAKIA

Not mandatory.  
At maximum for most employees 3 months, for specified executive/managerial employees six months.  
To be concluded in writing in the employment agreement latest upon first day of work.

Fixed-term labour contracts: depending on the term. a) < three months: no probationary period; b) three months until one year: maximum one month; c) one year until three years: maximum two months; a) > three years: maximum six months. Labour contracts without a fixed term: maximum six months. Labour contracts setting the completion of a specific task as the term to end the contract: no probationary period.

CHINA

GERMANY

For trainees: At least one month and a maximum of four months.  
For regular employees: as stated in the contract, maximum of six months.

# Normal working time?

AUSTRIA

Generally 8 hours/day, 40 hours/week; collective bargaining agreements, however, often provide for a shorter weekly normal working time (e.g. 38.5 hours/week). Several special working time models (e.g. flexitime, shift work) exist that provide for longer normal working time in certain weeks under certain conditions.

Full-time weekly working hours is 40 hours per week. a) mining or three-shift and continuous work regime: 37.5 hours per week; b) two-shift work regime: 38.75 hours per week. At maximum three months for most employees; c) six months for employee in managerial position. To be concluded in writing latest upon first day of work.

CZECH  
REPUBLIC

HUNGARY

8 hours/day, 40 hours/week.

8 hours/day, 40 hours/week.

ROMANIA

SLOVAKIA

Full-time weekly working hours is 40 hours per week: a) two-shift work regime: 38.75 hours per week; b) three-shift work regime or continuous work regime: 37.5 hour per week. Exceptions for juvenile employees and hazardous work.

8 hours/day, 40 hours/week. Local variations exist.

CHINA

GERMANY

The working time depends on the employment relationship. All rules are stated in the ArbZG. The work shifts of the employees on working days may not exceed eight hours.



## Part time?

AUSTRIA

Possible by individual agreement and/or collective bargaining agreement.

Possible by individual agreement.

CZECH  
REPUBLIC

HUNGARY

The daily working time is shorter than the normal daily working time specified for the job.

Weekly working time of less than 40 hours.

ROMANIA

SLOVAKIA

Possible by individual agreement.

Part-time employers are only allowed to work 4 hours/day and not over 24 hours/week.

CHINA

GERMANY

Generally possible, the employee can choose between different kinds of possibilities (TzBfG). Within the most common part time job the employee works 5 times a week for 20 hours. The working hours are stated in the contract.

## Work overtime? Maximum overtime hours?

AUSTRIA

Generally, only if overtime work has been agreed or is required by serious operational reasons. Maximum working time (incl. overtime work) is 12 hours/day and 60 hours/week, however no more than 48 hours/week on average during a 17 weeks' period. Overtime hours exceeding the 10th hour/day and 50th hour/week are voluntary and the employee may refuse to perform them.

Only exceptionally (not to be provided for in shift plan). To be ordered for serious operational reasons. Maximum of ordered overtime eight hours in a week and 150 hours in a calendar year. Voluntary overtime: together with ordered overtime: at maximum 416 hours in calendar year (collective bargaining agreement required).

CZECH  
REPUBLIC

HUNGARY

Yes, but in general the maximum daily working time (including overtime) cannot exceed 12 hours and the weekly working time is maximum 48 hours. The statutory maximum amount of overtime is 250 hours/year, which – by mutual agreement of the parties – may be extended to a maximum of 150 hours/year. Collective bargaining agreements may stipulate a maximum overtime of 300 hours/year.

Yes, provided that the maximum duration of the working time, including overtime, does not exceed 48 hours per week (computed based on the average duration of the working time for a reference period of four calendar months). Longer reference periods (up to 12 months) may be agreed upon in collective bargaining agreements. As a rule, part-time employees may not perform overtime.

ROMANIA

SLOVAKIA

Yes. The employee may work a maximum of 400 hours overtime in a calendar year (maximum of 150 ordered overtime hours in a calendar year + 250 agreed overtime hours). The employee's average weekly working time including overtime shall not exceed 48 hours.

Generally, maximum one hour per day; for special reasons, maximum three hours per day. Maximum 36 hours per month.

CHINA

GERMANY

The general working time cannot exceed 48 hours/week. Therefore maximum overtime hours are 8 hours/week.

# Can overtime compensation be agreed upon?

AUSTRIA

Mandatory compensation (regular hourly compensation plus an overtime premium of at least 50%)  
Alternatively compensation by time off.  
All-in or lump-sum agreements are – to some extent – permissible.

Only if employee agrees, preference for overtime surcharge.

CZECH  
REPUBLIC

HUNGARY

By the general rules it is not possible. Although employees whose working schedule is flexible receive no overtime compensation.

Only exceptionally, if the overtime cannot be compensated by hours off paid within the next 60 days, overtime shall be paid to the employee by adding an increment (at least 75% of the wage).  
It is not possible to provide in the employment contract that the set-off for overtime is included in the wage.

ROMANIA

SLOVAKIA

Upon agreement in writing the employee's wage can include overtime work up to a maximum of 150 hours per calendar year with specified groups of employees (e.g. executive/managerial employee).  
Compensation in time (1:1) or overtime surcharge equal to at least 25% of their average earnings (35% in cases of hazardous work).

Yes but limited by “*comprehensive working hour system*”, needs consent from authority.

CHINA

GERMANY

Compensation is not regulated in the German labour law. The form of compensation depends on the contract or the collective agreement.

# Minimum wage?

AUSTRIA

No statutory minimum wage, however provided for by collective bargaining agreements.

87.30 CZK/hour (3.25 EUR) or CZK 14,600 (541 EUR) monthly for 40 hours working week in the lowest category of work.

CZECH  
REPUBLIC

HUNGARY

The minimum monthly gross wage is HUF 161,000 (app. EUR 455).  
For employees working in a position that requires a high school diploma or a secondary vocational qualification, the minimum monthly gross wage is HUF 210,600 (app. EUR 595).

For 2020, the minimum monthly gross wage is of RON 2,230 (app. EUR 460). Exceptions:  
a) for employees having jobs that require university studies, with at least one year experience, the minimum monthly gross wage is of RON 2,350 (app. EUR 490);  
b) for employees working in construction, the minimum monthly gross wage is of RON 3,000 (app. EUR 630).

ROMANIA

SLOVAKIA

For 2020: 580 EUR/monthly or 3.33 EUR/hour applicable for 40 hours for a week in the lowest degree of work difficulty. The minimum wage increases according to the degree of difficulty of the work.

Determined by the People's Governments of provinces, autonomous regions or municipalities.  
e.g. Shanghai: 2480 RMB/month; Beijing: 2200 RMB/month.

CHINA

GERMANY

Since 01.01.2020: EUR 9.35 per hour.  
Plan until 2022: EUR 10,45 per hour.

# Sick pay?

AUSTRIA

Yes, unless sickness was caused by gross negligence:  
100% for a maximum of six weeks per year worked (increasing with the years of service) + 50% for another four weeks (both to be paid by the employer) + sick pay by the public health insurance (as soon as the employee only receives half or less of their wages from the employer).

60% of average earnings for the first 14 days of sick leave paid by employer, after which the employee receives sick pay from the state.

CZECH  
REPUBLIC

HUNGARY

For 15 sick days/year the employee is entitled to sick pay in the amount of 70% of the absentee pay, which shall be paid by the employer. After 15 days the employee is entitled to a sick pay provided by the State (through the Social Security System), amounting to approx. 50%- 60% of the average daily wage, depending on various factors. In some cases, the employer shall pay one third of the sick pay provided by the State.

The employee benefits from a sick leave allowance in the amount of 75% of the monthly average wage for the last six months (except in case of certain sicknesses, when the allowance is 100% of the monthly average wage for the last six months). However, without exceeding twelve national gross minimum wages. This allowance must be borne as follows: a) by the employer, from the first until the fifth day of medical leave; and b) by the state, from the sixth day until the last day of the sick leave.

ROMANIA

SLOVAKIA

25% of the employee's daily assessment base for the first to third day of sick leave, 55% for the fourth to tenth day of sick leave, paid by the employer, after which the employee receives sick pay from the state.

Yes, minimum 80% of the minimum wage in the medical period.  
A. Work for < 10 years: a) < five years for this employer: three months; b) > five to 10 years for this employer: six months B. Work for > 10 years: a) < five years for this employer: six months; b) five to ten years for this employer: nine months; c) 10 to 15 years for this employer: 12 months; d) 15 to 20 years for this employer: 18 months.

CHINA

GERMANY

Yes, if the employment relationship has lasted longer than four weeks and the disease is not self-inflicted. Entitlement to sick pay for six weeks.



# Employee participation in management?

AUSTRIA

Generally – and subject to further requirements in detail – yes, if the employer is a legal person and has a supervisory board, the works council may nominate employee representatives for the supervisory board. For every two supervisory board members appointed by the shareholders, the works council is entitled to appoint a member.

Mandatory for joint stock companies with a supervisory board and more than 500 employees: one third of board members in supervisory board elected by employees.

CZECH  
REPUBLIC

HUNGARY

Electing a work agent is mandatory if the average number of employees are higher than 15. Electing a work council is mandatory if the average number of employees are higher than 50. The work council (or the work agent) is entitled to monitor the employer's compliance with the work provisions and regulations.

The employer may invite the representative trade union to participate in the board of directors or other assimilated body thereof in order to discuss matters of professional, economic and social interest.

ROMANIA

SLOVAKIA

Mandatory in supervisory board for joint stock companies with more than 50 employees with regular employment: one third of board members in supervisory board are elected by employees with regular employment.

(art.18 Company Law of the People's Republic of China)

When the company wants to make major changes and important regulations, it must listen to the opinions of the labour union and listen to the suggestions of employees through workers' congress or other ways.

CHINA

GERMANY

Mandatory for corporations with:

- more than 500 employees: one third of supervisory board is elected by employees (DrittelbG);
- more than 2000 employees: Employees and shareholders each holding half of the supervisory board (MitbestG) (deciding vote with chairman (nominated by employer);
- more than 1000 employees in coal + steel companies. Employees and shareholders each holding half of the supervisory board (MontanMitbestG).

# Practice of trade unions, mandatory collective bargaining agreements?

AUSTRIA

In almost all cases, mandatory collective bargaining agreements exist on a nationwide basis, thereby setting uniform minimum standards of employment for an entire industry. Industrial conflict is extremely rare in Austria.

Company trade unions exist in many manufacturing companies, weak position in practice, no strikes. Only in a few sectors (in practice most important energy, rail and paper) national collective bargaining agreements exist, not all are mandatory.

CZECH  
REPUBLIC

HUNGARY

Trade unions exist in many companies, but they have a weak position in practice. In a few sectors there are higher collective bargaining agreements, which can be mandatory for every employer in the sector, even if the collective bargaining agreement was not signed by them.

Trade unions exist in certain companies (usually the ones having a hundreds or thousands of employees), having an important role and negotiation position within the companies. The conclusion of a collective bargaining agreement is not mandatory.

ROMANIA

SLOVAKIA

Company trade unions exist in many manufacturing companies, weak position in practice, no strikes. No mandatory collective bargaining agreement; in few sectors higher collective bargaining agreements with associations of employers.

GERMANY

Company trade unions exist in many work sectors. The employee has to pay to be part of it. Free collective bargaining is protected under constitutional law. Bargaining agreements are mandatory for the contracting parties of the agreement. They also depend on the working sector and the trade union.

# Costs of dismissal protection litigation?

AUSTRIA

In detail varying regulations (depending on the type of procedure, the amount of salary etc.). In most typical dismissal challenge proceedings, however, there is no reimbursement of costs from the losing party in the first two instances (only in the third instance), which means that each party bears its own costs. Dismissal challenge procedures are exempt from court fees.

Court fee – CZK 2000.  
Plus Attorney fees of the losing party.

CZECH  
REPUBLIC

HUNGARY

If a decision about the wrongful dismissal is admitted by the court, the employer is obliged to pay for the damages of the employee. The amount of the damages cannot exceed 12 months' absentee pay of the employee. If special circumstances are present (for example: a pregnant employee was fired), the employee can request reinstatement from the court.

In case the challenge of the dismissal decision is admitted by the court, the employer would be obliged by the court to pay damages equal to the increased, indexed and amended wages and other rights the employee would have benefited from the date of their dismissal until the court decision. In addition, the employer would also be obliged to pay the legal fees incurred by the employee.

ROMANIA

SLOVAKIA

An employee claiming invalidity of the termination of employment is exempt from court fees.  
Risk if the employer loses the litigation: wage compensation in the amount of the average earnings for the duration of the whole proceeding (the wage compensation is limited to 36 months; exceeding 12 months may be reduced by the court depending on the circumstances) and compensation for the employee's legal costs (depending on the litigation value/claimed wage compensation).

Not found in Chinese law.  
As for labour disputes, complaints can only be lodged after arbitration fails. The undertaking of court fee and lawyers' fees are decided by the judge.

CHINA

GERMANY

Costs include lawyer's fee and court costs.  
The court costs depend on the gross salary of the employee: The amount in dispute is one quarter of the gross annual salary. No compensation for own lawyer's fees, even if employee wins at court.

# Legal holiday entitlement?

AUSTRIA

Generally five weeks, i.e. 30 days (Mo-Sa)/25 days (Mo-Fr) for all employees. The holiday entitlement increases depending on seniority (to six weeks).

Four weeks

CZECH  
REPUBLIC

HUNGARY

As a general rule: 20 working days, which extends by a maximum of 10 days depending on the employee's age. Employees with children are entitled to additional vacation days from 2 days to the maximum of 7 days depending on the number of children.

20 working days, except for certain categories of employees (e.g. working under difficult, harmful or dangerous work conditions, disabled, younger than 18 years old), whose legal holiday entitlement is of 23 working days.

ROMANIA

SLOVAKIA

At least four weeks. For employees older than 33 years at least five weeks.

Depends on the accumulated working time:

- 1 to 10 years: five days;
- 10 to 20 years: 10 days;
- > 20 years: 15 days.

CHINA

GERMANY

Four weeks minimum – in practice five or six weeks.

# Mandatory retirement age?

AUSTRIA

Regular retirement age for men is 65 years, for women 60 years (which, however, will be more and more aligned with the retirement age of men in the coming years).  
Employment contracts do not end automatically with retirement age, and it is permissible to continue working.  
Special pensions such as heavy labourer pension exist which allow retirement before the above-mentioned age.

Retirement age cannot cause automatic termination of the employment.  
For insured individuals born after 1971 the retirement age is 65 years.  
Current required period of insurance is 35 years.

CZECH  
REPUBLIC

HUNGARY

It varies from 62 to 65 years of age depending on when the employee was born.  
Special rule for women: after 40 years of work they can retire, regardless of their age.

For men: 65 years old;  
For women: 63 years old, with the option of continuing to work until she is 65 years old.

ROMANIA

SLOVAKIA

Retirement age cannot cause automatic termination of the employment.  
Retirement age varies based on the year of birth. For individuals born after 1966 the retirement age is 64 years, Women retirement age decreases with the increasing number of children (down to 62.5 years).

For men: 60;  
For women: 55.

CHINA

GERMANY

From the year of birth 1947: 65 is the basic retirement age, and one month later for each year of birth after 1947.  
Employees born after 1964 have the retirement age of 67 years.  
The employment does not end automatically with the retirement age, except it is written in the contract.

bpv LEGAL

Bratislava

Brussels

Bucharest

Budapest

Prague

Vienna



# Social insurance obligation?

AUSTRIA

Austria has mandatory social insurance (health, work accidents, pension and unemployment). The contributions are shared between employer and employee, contributions to accident insurance, however, are borne solely by the employer. Additional contributions exist, e.g. for the insolvency compensation fund, mandatory membership in the chamber of workers, statutory housing subsidies and the family assistance funds.

- a) Health insurance: - employee 4.5%; - employer 9 %.
- b) Social security: - employee 6.5 %; - employer 24,8%.

CZECH  
REPUBLIC

HUNGARY

- a) Social security contributions paid by the employer: -social contribution tax: 17.5%; -vocational training contribution: 1.5.
- b) Social security contributions paid by the employee: -personal income tax: 15%; -pension insurance: 10%. Health and labour-market insurance: 8.5%.

- a) The employee bears the following social security contributions: - pension insurance – 25% of the gross salary; - health insurance – 10% of the gross salary. b) The employer bears: - the labour insurance contribution – 2.25% of the gross salary; - a social security contribution for pensions insurance (should the employee work under difficult or special conditions) – 4% or 8% of the gross salary.

ROMANIA

SLOVAKIA

- a) Health insurance: - employee 4% (employees with disability 2%); - employer 10 % (for employers with disability 5 %).
- b) Social security: - employee 9.4 %; - employer 25.20%.

- a) Basic old-age insurance: - employee: 8% of base; - employer: 14 to 21% of base (differs between provinces, e.g. Shanghai 21%, Beijing 20%); b) Basic medical insurance: - employee: 2% of base; - employer: approximately 9% of all its employees' average monthly salary last year (differs between provinces); c) Work injury insurance: - employer alone: 0.5 to 2% of base (the rate differs between industries); d) Unemployment insurance: - employee: approximately 0.2% of base (differs between provinces); - employer: approximately 1% of base (differs between provinces).

CHINA

GERMANY

- a) Statutory health insurance (Total: 14.6 % of the remuneration subject to social security): - the employee pays 7.3%; - the employer 7.3%; - next to the statutory health insurance the private health insurance exists. If employees earn more money than the income threshold, they can choose between them. b) pension insurance (Total: 18.9% of the salary subject to social security contributions): Employers and employees take over half each. c) Care insurance (Total: 3.05%/3,3 % - for child-free employees of the salary subject to social security contributions): Employers and employees take over half each. d) Unemployment insurance (Total: 2.4% of gross pay): Employers and employees take over half each) e) Accident insurance (Contributions to statutory accident insurance) are paid by the employer alone. The rate depends on the accident risk and the salary.

# Vocational training?



Generally, the employer provides options for vocational training at its own discretion; an obligation to vocational training exists with regard to certain professions (e.g. doctors and dentists, qualified nurses, paramedics, accountants).

It depends on the type of work performed by the employee and the type of workplace. Despite discussions, so far no special legal regulation.



As a general rule there is no vocational training obligation (although in certain professions a vocational training obligation does exist, e.g.: lawyers).

The employer has to ensure that each employee participates in an occupational training at least every two years (if the employer has at least 21 employees) or three years (if the employer has less than 21 employees).



It depends on the type of work performed by the employee and the type of workplace.



Most of the highly-skilled workforce has gone through the dual system of vocational education and training (VET). This includes studies and the job-work experience.

# Telework and Home office regulated?

AUSTRIA

Teleworking/Home office is generally permissible if agreed between employer and employee. However, only very few specific provisions exist (mostly included in collective bargaining agreements). Including specific clauses in the labour contract/the conclusion of a separate agreement is therefore advisable.

Despite discussions, so far no special legal regulation.

CZECH  
REPUBLIC

HUNGARY

Telework in Hungary is a special form of work, when the employee regularly performs the work activities in a different place than the employer's facilities, using a computer or other electronic devices. The parties shall agree on performing the work activities by telework in the employment contract.

Teleworking is a form of work organisation based on which the employee works in a place other than the one organized by the employer, using information technology and communications. The employment contract shall include certain special clauses. If the employee works under teleworking regime at home, other special clauses also have to be included in the employment contract.

ROMANIA

SLOVAKIA

Can be agreed in the employment contract. Several provisions do not apply for those employees (distribution of working time, continuous daily/weekly rest, obstacles to work, no entitlement for wage for overtime work, wage surcharges for work on public holiday/Saturday/Sunday, for night work, etc..).

GERMANY

Home office regulations do not exist. However, a legislative proposal is given because of the COVID-19 pandemic.

bpv LEGAL

Bratislava

Brussels

Bucharest

Budapest

Prague

Vienna

# Limitation of Employee Liability?

AUSTRIA

The employee is generally liable for the damage caused to the employer as a result of his/her fault and related to his/her work (depending on the degree of fault): In case of excusable negligence the employee is not liable, in case of slight negligence the liability can be reduced by the courts (even down to zero), in case of gross negligence it can be reduced (but not down to zero), in case of intent the employee is fully liable.

If damage was caused by employee's negligence: four and half times the amount of the employee's average monthly earnings prior to breach of the obligation.  
No limitation if the damage was caused intentionally, under the influence of alcohol or other drugs.

CZECH  
REPUBLIC

HUNGARY

Employees shall be subject to liability for damages caused by any breach of their obligations arising from the employment relationship, if they failed to act as would normally be expected in the given circumstances. The amount of compensation may not exceed four months' absentee pay payable to the employee. Compensation for damages caused intentionally or through grave negligence shall cover the full extent of losses.

The employee shall be liable for the damages caused to the employer as a result of the employee's fault and related to their work. The employees may be held liable on disciplinary terms if they commit a disciplinary infringement.

ROMANIA

SLOVAKIA

If damage was caused by employee's negligence: four times the amount of the employee's average monthly earnings. No limitation if the damage was caused intentionally, under the influence of alcohol or other drugs. The limitation above shall not apply to a special liability of the employee as: a) employee's responsibility for loss of entrusted items (based on a written confirmation); b) responsibility for a shortage in valuables entrusted to the employee, for which they shall be obliged to give account (based on a written agreement of material responsibility).

GERMANY

If damage was caused by employee's: a) slight negligence: no liability of the employee; b) medium/ average negligence: the employee has to bear the loss proportionally, mostly half of it; c) gross negligence: employee has to bear the full damage; but only until the maximum contribution of 3 gross monthly salaries.

bpv LEGAL

Bratislava

Brussels

Bucharest

Budapest

Prague

Vienna

# CONTACTS

bpv LEGAL

AUSTRIA

**bpv HÜGEL RECHTSANWÄLTE**  
Donau-City Strasse 11  
A – 1220 Vienna

vienna@bpv-huegel.com  
www.bpv-huegel.com  
Tel.: (+43) 126 050 0

Contact: Florian Neumayr  
florian.neumayr@bpv-huegel.com

**bpv HÜGEL RECHTSANWÄLTE**  
Hauptplatz 9-13  
A – 2500 Baden

baden@bpv-huegel.com  
www.bpv-huegel.com  
Tel.: (+43) 225 220 9899

Contact: Christian Macho  
christian.macho@bpv-huegel.com

**bpv HÜGEL RECHTSANWÄLTE**  
Enzersdorferstraße 4  
A – 2340 Mödling

moedling@bpv-huegel.com  
www.bpv-huegel.com  
Tel.: (+43) 223 689 3377

Contact: Christoph Nauer  
christoph.nauer@bpv-huegel.com

**bpv BRAUN PARTNERS**  
Ovocný trh 8  
CZ – 110 00 Prague 1

prague@bpv-bp.com  
www.bpv-bp.com  
Tel.: (+420) 224 490 000

Contact: Arthur Braun  
arthur.braun@bpv-bp.com

CZECH  
REPUBLIC

HUNGARY

**bpv JÁDI NÉMETH**  
Danubius Center  
Szent István sqr. 11  
H – 1051 Budapest

budapest@bpv-jadi.com  
www.bpv-jadi.com  
Tel.: (+36) 142 940 00

Contact:  
Andrea Jádi Németh  
andrea.jadi-nemeth@bpv-jadi.com

**bpv GRIGORESCU STEFANICA**  
33, Dionisie Lupu Street  
RO – 020021 Bucharest

office@bpv-grigorescu.com  
www.bpv-grigorescu.com  
Tel.: (+40) 212 641 650

Contact:  
Anca Grigorescu  
anca.grigorescu@bpv-grigorescu.com

ROMANIA

SLOVAKIA

**bpv BRAUN PARTNERS**  
Europeum Business Center  
Suché Mýto 1  
SK – 811 03 Bratislava

bratislava@bpv-bp.com  
www.bpv-bp.com  
Tel.: (+421) 233 888 880

Contact:  
Igor Augustinič  
igor.augustinic@bpv-bp.com