

EU DIRECTIVE – Transparency Rules 2022

Subject	Legal Change	Notes/Actions required
<p>EU Directive on transparent and predictable working conditions (the "Directive")</p>	<p>This Directive was introduced in 2019 with an obligation on Member States to implement it by August 1st 2022.</p> <p>The Directive gives all workers the right to receive certain information on key contract terms in writing.</p>	<p>Not all EU Member States have yet implemented the Directive but it should be expected that implementations will be rolled out over the coming months.</p> <p>Of those Member States that have implemented the Directive, some have gone further than the Directive requires.</p> <p>Certain Member States will not require implementation as local legislation already meets the requirements of the Directive.</p>
<p>Transparency of contract terms</p>	<p>Many of the prescribed terms will typically be included in a normal employment contract already.</p> <p>However, the Directive extends the scope of the transparency obligations. These may need changes to contract terms. Employers must communicate to employees the essential elements and conditions of the relationship, as well as the relevant protections, in writing.</p> <p>Matters covered include:</p> <ul style="list-style-type: none"> - information on all components of remuneration; - overtime details; - pay arrangements; - training entitlements; - dismissal process; - any automated decision making; - notification on international posting; and - timing of the notifications (one week). 	<p>We recommend that clients review their current onboarding processes and employment documents in the Member State countries that have implemented the Directive including:</p> <ul style="list-style-type: none"> a) the template employment contract; b) any additional information provided to the employee in writing on joining; and c) the timing of when the relevant information is to be provided.
<p>Probationary periods</p>	<p>The Directive limits probationary periods in normal cases to six months.</p>	<p>Note the change and make any necessary changes to employment contract templates and work practices.</p>
<p>Variable work schedules and zero hours contracts</p>	<p>The Directive has provisions for shift workers and those with unpredictable working patterns, including rights to be informed on prescribed issues and the right to refuse work without consequence.</p> <p>It entitles workers to take up additional (non-competitive) work outside normal working hours.</p> <p>After 6 months with the same employer, an employee may have the right to request a more secure and predictable position.</p>	<p>Note the change and make any necessary changes to employment contract templates and work practices.</p>

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	Member states must implement rules to prevent abuses and unfairness in the use of zero hours contracts.	
Penalties	The Directive obliges Member States to implement "effective, proportionate and dissuasive" penalties for non-compliance.	Note the penalties when implemented in relevant jurisdictions.
Implementation by Member States	<p>States that have implemented the Directive include Belgium, Estonia, Finland, Germany, Netherlands and Sweden.</p> <p>States where implementation is awaited include France, Italy, Spain and others.</p>	<p>Take action where the Directive has been implemented.</p> <p>Monitor the position in States where implementation is awaited.</p>