

2025 Annual Updates: Key Changes for Employers

In our recently published 2025 Annual Updates, there are a number of key changes that have been proposed or passed coming within the next year, with some coming as early as 1st January 2025.

Below we detail the most important changes to employment and labour law across the world in the coming year, analyse some ongoing global trends and highlight key jurisdictions with no major changes.

Jurisdiction where no change is expected

At this moments, there are no significant changes expected in Bermuda, Bulgaria, The Cayman Islands, Greece, Hungary, Taiwan, and The United Arab Emirates.

Global Trends

We are seeing some global trends in employment law emerge across multiple jurisdictions.

These include:

- Improved classification tests for whether a worker is an employee or a contractor;
- The introduction of a positive duty on sexual harassment;
- Discussions around changing or removing non-compete clauses.

Key Changes by Country

China:

New regulations are being introduced to create gradual adjustments to China's statutory retirement age, to address demographic changes and ensure the long-term sustainability of the pension system.

The retirement age for all workers with a statutory retirement age of 55 years will increase by one month every four months, eventually reaching 63 and 58 years, respectively for males and females.

Employers should update internal policies and retirement planning processes to align with the new regulations on gradually raising the statutory retirement age.

Denmark:

There are several planned pieces of legislation entering into force in Denmark that will place new obligations upon employers.

These include: amendments to The Posted Workers Act, implementation of The Gender Balance Directive, and a New Work Requirement for Social Assistance Recipients.

Egypt:

A Bill has been proposed to implement major reform to the main labour law, and it is in the latter stages of the legislative process. The amendments will affect areas such as maternity leave, parental leave, annual leave, sick leave, notice periods, fixed-term contracts, and flexible working.

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Germany:

In an effort to reduce bureaucracy and to facilitate digitalisation in the workplace, the current requirement for certain documents to be in formal written form, with a wet ink signature is being replaced by the ability to use text or electronic form for several legal actions.

This includes: Terms of Employment, Automatic Retirement Clauses, Temporary Employment Agreements, Parental Leave Requests, and Reference Letters.

Indonesia:

Indonesia's Constitutional Court has ruled to introduce substantial modifications to the Manpower Law. These changes include mandating court approval for contested dismissals, limiting fixed-term contracts to a maximum of five years, adjusting wage calculation methods, and emphasizing the preference for Indonesian workers over foreign nationals in job recruitment.

The court requires new legislation to be passed that implement all these changes, and it will likely come into effect in 2025. When it does, there will be several new obligations and required actions for employers.

Ireland:

Paid sick leave is expected to rise from 5 to 7 days. Employers should put in place a sick pay policy, if not yet implemented, or align current handbooks and/or policies with statutory sick leave entitlements.

Mexico:

Mexico is introducing measures to reduce the maximum working schedule from 6 working days and 1 rest day per week, to 5 working days and 2 rest days per week. If approved, the maximum permitted work week would change from 48 to 40 hours.

There are further changes being proposed that include: the increase in Christmas bonus from 15 to 30 days, increase in paternity leave days from 5 to 10, and the introduction of mandatory obligations on employers that require a certain percentage of their workforce to qualify as disabled and a certain percentage of their workforce to be over 60.

New Zealand:

Several key measures are being adopted in New Zealand, including the introduction of a new 'Gateway Test' which seeks to provide clearer guidelines for businesses to determine whether their workers should be classified as independent contractors or employees.

There is also a planned reform of how annual leave / sick leave is to be accrued, calculated and taken.

Poland:

New laws on whistleblowing and internal reporting have been implemented. Entities employing at least 50 persons, are required, among others, to implement an internal reporting procedure for whistleblowing.

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An employer is obliged to establish an internal reporting procedure, or an employer that wishes to introduce such a procedure, even though not required to, must undertake consultations with trade unions operating at the establishment or workforce representatives, selected in accordance with the usual procedure at the entity, if it has no trade union.

The consultations should last at least 5 and not more than 10 days. Once the consultations have been completed, the employer should announce the procedure, which will enter into force 7 days after the date of its announcement.

Saudi Arabia:

Legislation has been passed to provide major updates to the governing employment law. The updates will, among other things: increase the probationary period; increase protection under equal opportunities laws; stop indefinite contracts for non-Saudi Nationals; change notice periods; introduce resignation as a valid reason for termination; update lengths of maternity, bereavement, and paternity leave; and change overtime.

When the law comes into place in mid to late February 2025, there will be several new obligations and required actions for employers.

Singapore:

In Singapore, the Ministry of Manpower and the Tripartite Alliance for Fair and Progressive Employment Practices have introduced the Tripartite Guidelines on Flexible Work Arrangement Requests (Tripartite Guidelines). The Guidelines came into effect on 1st December 2024. They set out the types of flexible working requests employees can make and how employers must respond.

The Workplace Fairness Legislation, set to become law in 2025, represents a major step in combating workplace discrimination. Applicable to employers with 25 or more employees, it will make it unlawful to base employment decisions on protected characteristics, including age, nationality, sex, marital status, pregnancy, caregiving responsibilities, race, religion, language ability, disability, and mental health. Exceptions may apply where a protected characteristic is a genuine job requirement. This legislation complements existing guidelines, aiming to promote equitable practices in hiring, appraisals, and dismissals

Additionally there is proposed changes to the formal grievance process. Currently, employers are not legally required to address workplace grievances, but new proposals mandate formal grievance procedures to facilitate early, amicable resolution within companies.

Spain:

Spain are introducing an 'Additional Solidarity Contribution' for employees' salaries who exceed the maximum contribution base.

There are also talks to reduce the maximum working hours per week to 37.5 hours.

This is a high level general update only. Legal advice should be obtained on specific circumstances.