

#### Austria

# **Definition of collective dismissal**

**Phase** Labour Market Promotion Act (AMFG)

**Native name** Arbeitsmarktförderungsgesetz (AMFG)

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

#### **Article**

45a and Council Directive 98/59/EC

## **Description**

The definition of collective dismissals covers employers with more than 20 employees, who dismiss, or make redundant, at least 5 persons within 30 days.

Employers are obliged to notify the Austrian public employment service (<u>AMS</u>) if they intend to dismiss ([AMFG, §45a]:

- at least 5 employees in companies with 21–99 employees,
- at least 5% of the workforce in companies with between 100 and 600 employees,
- at least 30 employees in companies with more than 600 employees,
- at least 5 employees aged 50+, irrespective of company size,

within 30 days. The notification to the AMS has to be submitted at least 30 days before the first dismissal. Similarly, employers are also required to notify their workforce and the affected employees of redundancies at least 30 days before the planned first dismissals.

In the notification notice to the AMS employers are not required to justify the redundancies. However, the employer has to indicate the grounds for dismissal and prove that the works council has been informed and consulted. Additionally, information on accompanying social support measures for affected workers are required to be included in the notice.



## **Commentary**

The statutory notification deadline of 30 days can be extended by collective agreements. In practice, the collective agreements of major industries in Austria are limited to a recommendation to inform employees and the AMS as soon as possible (e.g. collective agreement for the food-manufacturing and beverage industries, the chemical industry, iron and metal goods industry.

The notification notice is also necessary in cases of insolvency.

### Additional metadata

Cost covered by Not available

Involved actors other

than national government

Public employment service Works council

Involvement (others) None

**Thresholds** Affected employees: 5

Company size: 21

Additional information: No, applicable in all circumstances

#### **Sources**

# Citation

Eurofound (2015), Austria: Definition of collective dismissal, Restructuring legislation database, Dublin



## **Belgium**

# **Definition of collective dismissal**

**Phase** Law of 13 February 1998 regarding measures in favour of

employment (so-called 'Renault Law')

Native name Loi du 13 février 1998 portant des dispositions en faveur de

l'emploi dite loi Renault (MB. du 19/2/1998)/Wet of 13 februari

1998 houdende bepalingen tot bevordering van de

tewerkstelling

**Type** Definition of collective dismissal

Added to database 08 May 2015

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#### **Article**

62-70

# **Description**

A collective dismissal is defined as a redundancy related to economic or technical reasons or reasons linked to production. This means that the responsibility of dismissals is non-inherent to workers. The definition is partly based on the collective agreement no. 24 (1975).

An employer needs to plan to dismiss, or make redundant, a minimum of 10 employees within the following 60 days in order to fall within the scope of national legislation.

Moreover, different thresholds define the collective dismissal, the legislation is applicable to:

- Companies which have an average number of workers employed (during the past year before the redundancy) from 20 to 99 persons, if the number of layoffs reaches 10 workers;
- Companies which have an average number of workers employed (during the past year before the redundancy) from 100 to 299 persons, if the number of layoffs reaches 10%



of the workforce; and

• Companies which have an average number of workers employed (during the past year before the redundancy) of at least 300 persons, if the number of layoffs reaches 30 workers.

Merchant navy personnel and civil servants are excluded from the legislation.

The national legislation requires the employers to justify planned redundancies by reporting directly to workers or to the workers' representatives.

## **Commentary**

Sectorial collective agreements might set lower thresholds than specified here.

National government

#### Additional metadata

Cost covered by Not available

Involved actors other

than national

government

Involvement (others) None

**Thresholds** Affected employees: 10

Company size: 20

Additional information: No, applicable in all circumstances

#### Sources

## Citation

Eurofound (2015), Belgium: Definition of collective dismissal, Restructuring legislation database, Dublin



## Bulgaria

# **Definition of collective dismissal**

Phase Labour Code

Native name Кодекс на труда

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

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### Article

Item 1 of §1, p. 9 of the Supplementary Provisions of the Labour Code

# **Description**

A collective redundancy refers to:

- at least 10 dismissals within 30 days or at least 20 dismissals within 90 days in companies with 20-99 employees.
- In companies employing between 100 and 299 employees,
   a collective redundancy refers to 10% of the workforce (within 30 days);
- in those with 300 or more employees, the figure is 30 dismissals (within 30 days).

Employers can justify redundancies on the grounds of a reduction in business activity or plant or branch closure.

# **Commentary**

The employer is obliged, before undertaking collective dismissal, to start consultations with employees' representatives. Besides consultations with trade unions, the employer is required to provide written information to employees with specified content on planned mass redundancies including:

· the reasons for the planned redundancies,



- · the number of employees who will be laid off,
- · basic economic activities,
- qualification groups and professions to which the dismissal corresponds.

Employer is also obliged to inform in written the National Employment Agency.

### Additional metadata

Cost covered by Not available

Involved actors other

than national government

Public employment service Trade union Works council

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 20

Additional information: No, applicable in all circumstances

#### **Sources**

# Citation

Eurofound (2015), Bulgaria: Definition of collective dismissal, Restructuring legislation database, Dublin



#### Croatia

# **Definition of collective dismissal**

**Phase** Labour Act 93/2014, 127/17, 98/19, 98/19, 151/22, 64/23

**Native name** Zakon o radu 93/2014, 127/17, 98/19, 151/22, 64/23

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

#### **Article**

Article 120, 127, 140

## **Description**

Collective redundancies occur when the employer dismisses at least 20 employees (within 90 days), out of whom at least five employees are to be dismissed due to business reasons. The remainder can be dismissed on various other grounds.

# **Commentary**

This definition is applicable to companies employing at least 20 employees, which means that companies employing fewer than 20 employees can dismiss all of them for various reasons within 90 days. The threshold is the same for the constitution of a works council in the company, pursuant to article 140. In general, an employer can terminate employment contracts within the legally prescribed termination period if they can justify the reasons to do so. Justifiable reasons include not being able to assign an alternative job to employees within the same company or provide training to employees for another job within the same company.

The Labor Act in Articles 127 and 128 specifies employer's mandatory consultation with the works council in order to reach an agreement how to eliminate or reduce the need for workers. The employer has to notify the Croatian Employment Service and provide it with information on the duration of the consultation with the works council, the results and the



conclusions of the conducted consultation. The employers has to attach a written declaration of the works council, if it has been delivered to him or her. The works council can send its remarks and proposals to the Croatian Employment Service and to the employer on the notification provided.

In the current Labor Law, the legal institution of collective dismissal has been significantly changed compared to the previous Labor Law (OG 149/09, 61/11, 73/13) in such a way that the entire procedure is simplified and accelerated. The employer's obligation to draw up a redundancy program has been abolished, and the duration of the collective redundancy procedure has been reduced in such a way that the 30-day period in which the employer is not allowed to cancel the employee's employment contract is not counted from the delivery of the redundancy program (because such the program does not even have to be prepared anymore) to the Croatian Employment Service. However such period is counted from the date of delivery of the notification to the Croatian Employment Service about the end of the need for the workers.

Even after such a change, this institute remained in line with the Collective Redundancies Directive 98/59/EC of 20 July, 1998, on the harmonization of the legal regulations of the Member States on the collective dismissal of redundant workers. Mentioned Directive is focused on the participation of workers' representatives in the entire procedure of collective dismissal in all its phases and enabling the application of active employment measures to reduce or prevent the adverse consequences of the cancellation of the employment contract. However, the procedure in Croatia has been simplified for employers, because they no longer have to create a program for taking care of redundant workers, which was usually extremely complex and required a lot of time and causes problems. Furthermore, the results in terms of actually solving workers' problems, such as new employment elsewhere, were negligible.

#### Additional metadata

Cost covered by None

**Involved actors other** Works council **than national** 

government

**Involvement (others)** None



**Thresholds** Affected employees: 20

Company size: 20

Additional information: No, applicable in all circumstances

**Sources** 

# Citation

Eurofound (2015), Croatia: Definition of collective dismissal, Restructuring legislation database, Dublin



### **Cyprus**

# **Definition of collective dismissal**

Phase Collective Dismissals Law of 2001 (Law 28(I)/2001); The

Collective Dismissals (Amendment) Law of 2018 (Law 161 (I) /

2018)

**Native name** N. 28(I)/2001 - Ο περί Ομαδικών Απολύσεων Νόμος του 2001;

Ν. 161/Ι/2018 - Ο ΠΕΡΙ ΟΜΑΔΙΚΩΝ ΑΠΟΛΥΣΕΩΝ

(ΤΡΟΠΟΠΟΙΗΤΙΚΟΣ) ΝΟΜΟΣ ΤΟΥ 2018

**Type** Definition of collective dismissal

Added to database 08 May 2015

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### Article

Articles 2 and 3 of the Collective Dismissals Law of 2001 (Law 28(I)/2001); All articles of The Collective Dismissals (Amendment) Law of 2018 (Law 161 (I) / 2018)

# **Description**

According to article 2 of the Collective Dismissals Law, 'collective dismissals' means dismissals effected by an employer, for one or more reasons not related to the individual workers concerned, where the number of dismissals over a period of 30 days is:

- At least 10 for companies employing 21 to 99 employees;
- At least 10% of total workforce for companies employing 100 to 299 employees;
- At least 30 for companies employing 300 or more employees.

The law does not cover collective dismissals of fixed-term employees, unless the dismissals take place before the expiration or the conclusion of the employment contract (article 3 (a)).

The law does not cover civil servants, employees of semi-governmental organisations, local authorities, legal entities covered by public law (article 3 (b)).



The Law on Collective Dismissals (Law 28/I/2001) has been amended in 2018 by Law 161/I/2018. The amendment presents a harmonisation of Cyprus legislation with Directive EU2015/1794 amending Directives 2008/94/EC, 2009/38/EC and 2002/14/EC and the Directives 98/59/EC and 2001/23/EC concerning seafarers. The amendment extends coverage of collective dismissals law to seafarers. The law amends also the definition of 'responsible authority' by adding as an alternative responsible authority, besides the Ministry of Labour Welfare and Social Insurance, the Deputy Ministry of Maritime.

## **Commentary**

Dismissals due to economic or technical reasons, such as declining profits, reorganisation of the company and technological advancement fall within the scope of the Collective Dismissals Law of 2001 and require the initiation by the employer of information and consultation procedures.

Trade unions reported involvement in negotiations over collective dismissals in organised enterprises. However, they do not have any information whether the definition of collective dismissals is sufficient, or if it is properly implemented in collective dismissals cases occurring in non-organised companies.

#### Additional metadata

Cost covered by None

**Involved actors other** 

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 21

Additional information: No, applicable in all circumstances

#### Sources

## Citation



Eurofound (2015), Cyprus: Definition of collective dismissal, Restructuring legislation database, Dublin



### **Czechia**

# **Definition of collective dismissal**

Phase Labour Code (Law No. 262/2006 Coll.)

**Native name** Zákoník práce, zákon č. 262/2006 Sb.

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

#### **Article**

62

# **Description**

A mass layoff is defined as the termination of work contracts by the employer in consequence of a business shut-down or relocation of the business or redundancy of the worker.

Within 30 days, an employer needs to be planning to dismiss or make redundant:

- at least 10 workers, if there are 20–100 employees in the company;
- at least 10%, if there are 101–300 employees in the company;
- at least 30 workers, if 301 or more are employed.

National legislation requires employers to justify planned redundancies by reporting directly or consult workers or workers' representatives. The employer shall inform in writing the regional branch of the Labour Office, too. In case that a trade union organisation or the work council is not established at the employer, the employer is obliged to fulfil the obligation to inform each employee who is subject of collective dismissal.

# **Commentary**



Information obligations on collective dismissal are normally met by employers.

## Additional metadata

Cost covered by None

**Involved actors other** 

than national government

Public employment service Trade union Works council

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 20

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Czechia: Definition of collective dismissal, Restructuring legislation database, Dublin



#### **Denmark**

# **Definition of collective dismissal**

**Phase** The Danish Act on Collective Redundancies (Consolidation Act

no. 291 of 22 March 2010)

**Native name** Bekendtgørelse af lov om varsling m.v. i forbindelse med

varsling af større afskedigelser (LBK nr 291 af 22/03/2010)

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

#### Article

1

# **Description**

To be covered by the national legislation on mass redundancies a company should employ more than 20 persons and the dismissals should affect:

- a minimum of 10 workers in companies which normally employ 21 99 persons;
- a minimum of 10% of the workforce in companies which normally employ 100 299 persons;
- a minimum of 30 workers in companies which normally employ a minimum of 300 persons.

Seamen are excluded from the legislation.

For a dismissal to be accepted as 'collective', it should take place within a 30 day period for a reason which is unrelated to the employees' performance.

The Collective Redundancies Act does not apply to dismissals resulting from an employer being wound up by court order.



The employer has an obligation to negotiate with the employees' representatives right after the announcement of restructuring with the aim to mitigate the effects of the collective dismissals.

## **Commentary**

The Danish Agency for Labour Market and Recruitment (Styrelsen for Arbejdsmarked og Rekruttering, STAR) informs that in 2016, 353 companies noticed 11,132 collective redundancies. This is a small increase in relation to the year before. In 2015, 242 companies noticed 9,057 redundancies.

#### Additional metadata

Cost covered by None

**Involved actors other** 

than national

government

National government

Involvement (others) None

**Thresholds** Affected employees: 10

Company size: 21

Additional information: No, applicable in all circumstances

#### Sources

## Citation

Eurofound (2015), Denmark: Definition of collective dismissal, Restructuring legislation database, Dublin



#### Estonia

# **Definition of collective dismissal**

**Phase** Employment Contracts Act

Native name Töölepingu seadus

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

#### Article

**Employment Contracts Act 90** 

## **Description**

An employer may extraordinarily terminate an employment contract if the continuation of the employment relationship on the agreed conditions becomes impossible due to a decrease in the work volume or reorganisation of work or other cessation of work (lay-off). Lay-off is also an extraordinary termination of an employment contract upon cessation of the activities of the employer or upon declaration of bankruptcy of the employer or termination of bankruptcy proceedings, without declaring bankruptcy, by abatement.

Collective termination of employment contracts (collective dismissal) means cancellation, within 30 calendar days due to lay-off, of the employment contract of no less than:

- 5 employees in an enterprise where the average number of employees is up to 19;
- 10 employees in an enterprise where the average number of employees is 20–99;
- 10 % of the employees in an enterprise where the average number of employees is 100 to 299;
- 30 employees in an enterprise where the average number of employees is at least 300.

Civil servants are excluded from the legislation.



# **Commentary**

No information available.

## Additional metadata

Cost covered by None

Involved actors other

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 5

Company size: 19

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Estonia: Definition of collective dismissal, Restructuring legislation database, Dublin



#### **Finland**

# **Definition of collective dismissal**

**Phase** Co-operation Act (1333/2021), Act on Cooperation within

Finnish and Community-wide Groups of Undertakings (335/2007), Act on Cooperation within Government Agencies and Institutions (1233/2013), Act on Cooperation [...] within

Municipalities (449/2007)

Native name Yhteistoimintalaki (1333/2021), Laki yhteistoiminnasta

suomalaisissa ja yhteisönlaajuisissa yritysryhmissä (335/2007),

Laki yhteistoiminnasta valtion virastoissa ja laitoksissa (1233/2013), Laki työnantajan ja henkilöstön välisestä

yhteistoiminnasta kunnissa (449/2007)

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

#### Article

1333/2021: sec. 9, 16, 17, 19, 20, 21, 25, 38, 44. Ch. 8. 335/2007: Ch. 3. 1233/2013: Ch. 5.

449/2007: Sec. 4, 5, 7-9

# **Description**

There is no official definition of 'collective dismissal'. The four acts referred to here define the terms of dismissal and other cooperation procedures in different types of organisations. The employer is obliged to negotiate with the employees whenever the employer considers measures which may lead to notice of terminations or lay-offs and affect one or several employees.

The employer must give notice before the start of the cooperation negotiations so as to allow the employee representatives to properly prepare for the negotiations. The negotiations are generally carried out between the employer and employee representatives, but also the concerned employee(s) may participate. The employer must



provide the employee representatives with:

- information regarding the grounds of the intended measures;
- initial estimates of numbers of employees affected;
- principles determining which employees will be affected; and
- a time estimate of the implementation of the measures.

The employer must also notify the public employment services (PES) of the intended measures, and in cooperation with the PES investigate available public services to support employment. At the end of the cooperation negotiations, the employer must present a report on its intended actions to the employee representatives.

There is no defined minimum for company size or minimum number of affected employees for a collective dismissal. However, in undertakings employing at least 20 employees, a cooperation procedure is necessary in order for a dismissal to be valid, while companies with fewer than 20 employees are not bound by this obligation. Procedures may differ somewhat with the type of organisation (company, state or local government), the size of the organisation and the number of affected employees. For instance, measures concerning 10 employees or more generally require a minimum negotiating period of six weeks, but in a company employing over 20 but fewer than 30 people, the minimum negotiating period is 14 days. In addition, procedural requirements regarding information provided by the employer to the worker's representatives also differ somewhat with the number of affected employees.

## **Commentary**

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### Additional metadata

Cost covered by None

Involved actors other than national

government

National government

Involvement (others)

None



**Thresholds** Affected employees: No, applicable in all circumstances

Company size: No, applicable in all circumstances

Additional information: No, applicable in all circumstances

**Sources** 

# Citation

Eurofound (2015), Finland: Definition of collective dismissal, Restructuring legislation database, Dublin



#### **France**

# **Definition of collective dismissal**

Phase Labour code

Native name Code du travail

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

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### Article

L.1233-3, L.1233-8 to L.1233-20, L.1233-21 to L.1233-57

## **Description**

According to article 1233-3, a collective dismissal on economic grounds (licenciement pour motif économique) is the dismissal by the employer for one or more reasons, which are not inherent to the employee and derive from the employment suppression or transformation or from the modification, rejected by the employee, of the employment contract.

There are four reasons that allow the employer to dismiss employees on economic grounds:

- Economic difficulties, depicted either by a sustained trend in at least one economic indicator (for instance, turnover) or by any other factor capable of justifying these difficulties;
- Technological change;
- Reorganisation of the company aimed at safeguarding its competitiveness;
- · Cessation of business.

An economic indicator presents a sustained trend, if the duration is, in comparison with the same period of the previous year, at least equal to:

• One quarter, for companies with a workforce of fewer than 11 employees;



- Two consecutive quarters, for companies with a workforce between 11 and 49 employees;
- Three consecutive quarters, for companies with a workforce between 50 and 299 employees;
- Four consecutive quarters, for companies with a workforce of 300 employees or more.

Job reductions, employment changes and employment contract modifications need to be assessed at the company level.

Economic difficulties, technological change and reorganisation of the company need to be assessed at the company level. If the company is part of a group, the scope of assessment for economic grounds is limited to companies within the group that refer to the same economic sector of activity and that are located in France, except in case of fraud. It follows that the scope cannot involve companies established outside the country for dismissal procedures initiated after 22 September 2017. The 'same economic sector of activity' can be defined by the nature of products and services produces, the customers targeted, the networks and the modes of distribution.

A collective dismissal requires the employer to inform and consult social partners and to adopt a Job-saving plan, when the company presents a workforce of at least 50 employees and it plans the redundancy of 10 employees or more over a 30-day period. In all other cases, the employer needs only to inform and consult the works council on the restructuring plan. Redundant employees might then benefit from specific support measures, especially the professional security contract in companies with fewer than 1,000 employees.

According to article L. 1233-26, a company is subject to restructuring legislation for any new dismissal on economic grounds for the subsequent three months, if it presents a workforce of at least 50 employees and it dismissed 10 employees or more in the preceding three months without dismissing 10 employees or more over a 30-day period.

According to article L. 1233-27, a company is subject to restructuring legislation for any new dismissal on economic grounds for the three months after the end of the calendar year, if it carries out more than 18 dismissals from 1 January to 31 December without presenting a Job-saving plan.

In companies with a workforce of fewer than 10 employees, there is a shorter redundancy procedure (six weeks) and no requirement for Job-saving plan. Employee representatives have to be consulted and their opinion is sent to the labour inspectorate.

## **Commentary**



Case law usually considered the scope of assessment for economic grounds to cover companies within the group that refer to the same economic sector of activity, regardless of their location. Ordinance 2017-1387 of 22 September 2017, eventually confirmed by article 11 of Law 2018-217 of 29 March 2018 that amends article L. 1233-3 of the labour code, transformed the previous situation in the current state of facts.

The aim of the new and narrower definition is to make dismissals on economic grounds easier to foster flexibility benefitting the competitiveness of companies. According to the latest data provided by DARES (2023), the number of unemployed registered by the public employment service after a dismissal on economic grounds reached decreased 118,500 people in 2021 (–23% in comparison to 2020).

### Additional metadata

Cost covered by None

Involved actors other

than national government

Works council

**Involvement (others)** None

**Thresholds** Affected employees: No, applicable in all circumstances

Company size: No, applicable in all circumstances

Additional information: No, applicable in all circumstances

#### Sources

## Citation

Eurofound (2015), France: Definition of collective dismissal, Restructuring legislation database, Dublin



### Germany

# **Definition of collective dismissal**

**Phase** Employment Protection Act

Native name Kündigungsschutzgesetz

**Type** Definition of collective dismissal

Added to database 08 May 2015

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#### **Article**

Article 17 - Obligation to report

## **Description**

The definition of collective dismissals is provided in the Employment Protection Act in the article stipulating that the employer has to announce the dismissal to the public authorities (federal employment agency) and to the company's works council.

To fall within the scope of national legislation, an employer (company or establishment) with more than 20 workers (includes trainees in vocational training; excludes contracted home workers and the self-employed) must plan to make redundant more than 5 people within 30 days. Certain employees are not considered as members of staff when calculating the size of the workforce, such as senior executives or managers, heads of businesses and CEOs.

The minimum number of redundancies is 6 in establishments with 21 to 59 employees, 10% of employees (or 26 employees) in companies with 60 to 499 employees, and 30 if there are 500 or more employees. By definition, the act applies to any economically independent or dependent establishment. At least, the employer has to inform the works council and the federal employment agency about the reasons for the planned layoffs, the number and professional groups of employees to be laid off, the number and professional groups of employees usually employed, the period in which the layoffs are to take place, the criteria envisaged for the selection of employees to be dismissed, the criteria provided for calculating any severance payments. The law foresees the opportunity for employers



and the works council to advise on ways to avoid or limit layoffs and mitigate their consequences.

The law does not specify eligible reasons for redundancies and operational difficulties are considered as a sufficient condition to justify collective redundancies, provided the works council has been informed and consulted.

## **Commentary**

It has proven successful in avoiding collective dismissals to have the economic reasons for planned dismissals audited by experts. In turn, the results of this are in many cases the basis for economically grounded suggestions to avoid dismissals. Workers in companies with works councils are in better position compared to those without one.

https://www.boeckler.de/pdf/impuls\_2009\_04\_4-5.pdf

### Additional metadata

**Cost covered by** Companies

Involved actors other

than national government

Works council Public employment service

Involvement (others) None

**Thresholds** Affected employees: 6

Company size: 21

Additional information: No, applicable in all circumstances

#### Sources

## Citation

Eurofound (2015), Germany: Definition of collective dismissal, Restructuring legislation database, Dublin



#### Greece

# **Definition of collective dismissal**

Phase Law 4554/2018: Insurance and pension regulations - Tackling

undeclared work - strengthening the employees' protection - Guardianship of unaccompanied minors and other provisions (OJHR A-130/18.07.2018); Law 4472/2017: on implementation measures for fiscal goals and reforms, medium-term financial

strategy framework 2018-2021 and other provisions

(Government Gazette 'A 74/19.05.2017); Law 1387/1983: on collective dismissals; Law 3863/2010: New social security system and related provisions. Regulation of labour relations

**Native name** Νόμος 4554/2018: Ασφαλιστικές και συνταξιοδοτικές

ρυθμίσεις - Αντιμετώπιση της αδήλωτης εργασίας - Ενίσχυση της προστασίας των εργαζομένων - Επιτροπεία ασυνόδευτων ανηλίκων και άλλες διατάξεις, ( ΦΕΚ Α΄ 130/18.07.2018); Νόμος

4472/2017: Συνταξιοδοτικές διατάξεις Δημοσίου και

τροποποίηση διατάξεων του ν. 4387/2016, μέτρα εφαρμογής των δημοσιονομικών στόχων και μεταρρυθμίσεων, μέτρα

κοινωνικής στήριξης και εργασιακές ρυθμίσεις,

Μεσοπρόθεσμο Πλαίσιο Δημοσιονομικής Στρατηγικής 2018-2021 και λοιπές διατάξεις ((ΦΕΚ Α' 74/19-5-2017 Ά 74/19.05.2017); Ν. 1387/1983: Έλεγχος ομαδικών απολύσεων και άλλες διατάξεις; Ν. 3863/2010: Νέο Ασφαλιστικό Σύστημα και συναφείς διατάξεις. Ρυθμίσεις στις Εργασιακές Σχέσεις

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

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#### Article

Article 6 of Law 4554/2018, paragraph 3 and 4; Article 17 of Law 4472/2017; Article1 of Law 1387/1983; 74, paragraph 1 of Law 3863/2010



## **Description**

Under Greek law (Law 3863/2010), dismissals are considered to be collective when they concern:

- more than six employees for an undertaking or establishment with 20 to 150 employees; and
- more than 5% of the staff and in any event more than 30 employees for an undertaking or establishment with more than 150 employees.

### **Commentary**

Under the previous legislative framework (Law 1387/1983), the requirement for dismissals to be classified as collective was wider. In particular, it provided that:

- for an undertaking or establishment with 20 to 200 employees, dismissals were considered to be collective when they concerned more than four employees; while
- for undertakings or establishments with more than 50 employees, dismissals were considered to be collective when they concerned 2-3% of the staff or more than 30 people.

There were thus more opportunities for employees to be covered by the favourable institutional framework that protected against collective dismissals.

Law 3863/2010, which narrowed the definition of collective dismissals, is part of a series of laws implementing commitments made by the Greek government to its creditors with the signing of successive Memorandums of Understanding in the framework of Greece's accession to the financial stability mechanism to bring about recovery from the economic crisis. From the outset, the revision of the broader legislative framework regarding collective dismissals has been a major and pressing issue in negotiations involving the Greek government and further developments are expected regarding this issue in the near future.

During the negotiations between the Greek government and the representatives of the European Commission, the IMF and the ECB in 2017, the IMF called for dismissals to be considered collective when they concern more than 8-10% (instead of 5%) of the staff in an undertaking or establishment with more than 150 employees. However, the Greek government succeeded in maintaining the threshold at 5%.

### Additional metadata



Cost covered by None

Involved actors other

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 7

Company size: 20

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Greece: Definition of collective dismissal, Restructuring legislation database, Dublin



## Hungary

# **Definition of collective dismissal**

**Phase** Act I of 2012 on the Labour Code

Native name 2012. évi I. törvény a Munka Törvénykönyvéről

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

### Article

Chapter 40 Article 71 (1)

## **Description**

Collective redundancy refers to a situation in which an employer, based on the average statistical workforce for the preceding six-month period, intends to terminate the employment relationship according to the following criteria:

- at least 10 workers, when employing more than 20 and fewer than 100 employees;
- 10% of the employees, when employing between 100 and 299 employees; and
- at least 30 workers, when employing 300 or more employees

within a period of 30 days, for reasons in connection with its operations (such as, for instance, a reorganisation, a layoff, or a termination of an organisational unit).

# **Commentary**

The provisions on collective redundancies shall not apply to the crews of sea-going vessels.

### Additional metadata

Cost covered by Not available



Involved actors other

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 21

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Hungary: Definition of collective dismissal, Restructuring legislation database, Dublin



#### **Ireland**

# **Definition of collective dismissal**

**Phase** Protection of Employment Act, 1977 (as amended by S.I. No.

370/1996 Protection of Employment Order 1996 and S.I. No. 488/2000 Protection of Employment Regulations 2000)

**Native name** Protection of Employment Act, 1977 (as amended by S.I. No.

370/1996 Protection of Employment Order 1996 and S.I. No. 488/2000 Protection of Employment Regulations 2000)

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

#### **Article**

6

# **Description**

The act requires the following criteria for a definition of collective redundancy: at least 5 redundancies in an establishment employing 21-49 employees; at least 10 redundancies in an establishment employing 50-99 employees; at least 10% of employees made redundant in an establishment employing 100 - 299 employees; and at least 30 redundancies in an establishment that employs 300 or more people.

For the purpose of calculating the number of redundancies where the number of dismissals is at least 10 in an establishment normally employing more than 20 and fewer than 100 employees, terminations of a contract of employment which occur to the individual workers concerned shall be assimilated to redundancies provided there are at least 5 redundancies.

The definition of 'establishment' means an employer or a company or a subsidiary company or a company within a group of companies which can independently effect redundancies.



Civil servants, seamen, and fixed-term employees dismissed due to the expiry of their designated fixed-term contract are excluded from the application of the act.

## **Commentary**

No information available.

### Additional metadata

Cost covered by None

Involved actors other

than national government

National government

Involvement (others) None

**Thresholds** Affected employees: 5

Company size: 21

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Ireland: Definition of collective dismissal, Restructuring legislation database, Dublin



## **Italy**

# **Definition of collective dismissal**

Phase Directive 98/59/CE; Law 23 July 1991, no. 223, Rules on the

Wage Guarantee Fund, redundancies, unemployment benefits, enforcement of European directives, job placement, and other labour market provisions; Legislative Decree 8 April 2004, no. 110, Modification and integrations to Law 23 July 1993, no. 223, concerning collective dismissals; Legislative Decree n. 149 14/09/2015 Provisions for the rationalisation and simplification of inspection work and social legislation, in implementation of the law of 10 December 2014, n. 183; Legislative Decree no.61 of 18 May 2018 (seafarers); Law No. 234 of 30 December 2021

**Native name** Direttiva 98/59/CE; Legge 23 luglio 1991, n. 223, Norme in

materia di cassa integrazione, mobilità, trattamenti di

disoccupazione, attuazione di direttive della Comunità europea, avviamento al lavoro ed altre disposizioni in materia di mercato del lavoro; Decreto Legislativo 8 aprile 1004, n. 110, Modifiche ed integrazioni alla legge 23 luglio 1991, n. 223, in materia di licenziamenti collettivi; Decreto legislativo n. 149 14/09/2015 Disposizioni per la razionalizzazione e la semplificazione dell'attività ispettiva in materia di lavoro e legislazione sociale, in attuazione della legge 10 dicembre 2014, n. 183; Decreto Legislativo n. 61 del 18 maggio 2018 (Marittimi), Legge 30 dicembre 2021, n. 234Directive 98/59/CEDirective 98/59/CE

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

#### Article

Directive 98/59/CE; Law no. 223/1991, article 24; Legislative Decree 8 April 2004, no. 110, article 1; Legislative Decree no. 149 14/09/2015 whole decree; Legislative Decree no. 61 of 18 May 2018 whole decree; Law No. 234 of 30 December 2021



## **Description**

The rules on collective dismissals apply to companies and private employers staffed with more than 15 people. To fall within the scope of the legislation, the dismissals must involve at least five workers within a time span of 120 days. Legislative Decree of 8 April 2004, no. 110 enlarged the scope of Law no. 223/1991 to employers who are not entrepreneurs, also pursuant to judgement of the Court of Justice of the European Union (CJEU) C-32/02 of 16 October 2003.

Rules on collective dismissals apply as well in case companies having activated the Extraordinary Wage Guarantee Fund (Cassa Integrazione Guadagni Straordinaria, <u>CIGS</u>) decide to proceed with one or more dismissals.

Collective dismissals are subject to a triple control mechanism (collective dismissal procedure or mobility procedure) implemented by union, administrative institutions, and judicial authorities. In detail, the unions and, whereas an agreement is not reached during the first negotiation phase, the Ministry of Labour and Social Policies or its local branch, the territorial labour inspectorates (Ispettorati Territoriali del Lavoro) take part in the collective dismissal procedure. In addition, the judicial authorities can be appealed after the conclusion of the procedure. The national legislation requires proposed collective dismissals to be justified in terms of a reduction, change, or cessation of activity.

According to Legislative Decree no. 61 of 18 May 2018, seafarers are covered by collective dismissals procedures.

The Law No. 234 of 30 December 2021 (2022 Budget Law) sets stringent rules for companies with over 250 employees, considering the previous year's average (referred to the number of employees), including apprentices and managers. If these companies plan to close departments or dismiss 50 or more employees, they must:

- Provide a 90-day advance written notice to various entities, including trade unions and governmental bodies.
- Within 60 days of this notification, deliver a plan to reduce job and economic losses, with the plan's duration capped at 12 months.

# Commentary

The freedom of the employer to proceed with a collective dismissal derives directly from the constitutional guarantee to exercise economic initiative (article 41 of the Italian constitution). This is the reason why the court does not scrutinise the choices made by the employer, while the prior checking is entrusted to the trade unions. The court can only



verify in the second instance whether the motivations for collective dismissals were unlawful.

### Additional metadata

Cost covered by Companies

**Involved actors other** 

than national government

Trade union Works council Other

Involvement (others) Ispettorati Territoriali del Lavoro

**Thresholds** Affected employees: 5

Company size: 16

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Italy: Definition of collective dismissal, Restructuring legislation database, Dublin



### Latvia

# **Definition of collective dismissal**

Phase Labour law

Native name Darba likums

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

### **Article**

105

## **Description**

Collective redundancy is a reduction in the number of employees where the number of employees to be made redundant within a 30-day period is:

- at least five employees if the employer normally employs more than 20 but fewer than 50 employees in the undertaking;
- at least 10 employees if the employer normally employs at least 50 but fewer than 100 employees in the undertaking;
- at least 10% of the number of employees if the employer normally employs at least 100 but fewer than 300 employees in the undertaking; or
- at least 30 employees if the employer normally employs 300 and more employees in the undertaking.

The calculation of the number of employees to be made redundant should take into account those cases of employment termination in which the employer has not given notice of termination of the employment contract but the employment relation has been terminated by the employer on grounds not related to the conduct or abilities of the employee.



The provisions of the labour law regarding collective redundancy do not apply to employees employed in state administrative institutions.

Following the amendments to labour law valid from 16 August 2017, crews of sea-going ships are included in the regulation on collective redundancy.

### **Commentary**

No information available.

### Additional metadata

Cost covered by Not available

Involved actors other

than national government

National government

Involvement (others) None

**Thresholds** Affected employees: 21

Company size: 5

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Latvia: Definition of collective dismissal, Restructuring legislation database, Dublin



### Lithuania

# **Definition of collective dismissal**

Phase Labour code No XII-2603

Native name Darbo kodeksas Nr. XII-2603

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

### Article

Labour code (63)

### **Description**

Collective redundancies are considered to be the termination of employment contracts when, within 30 calendar days, there are plans to dismiss employees at the initiative of the employer without any fault on the part of the employee, by agreement of the parties to the employment contract or due to employer bankruptcy. The following thresholds apply:

- 10 or more employees in a workplace where the average number of employees is between 20 and 99;
- at least 10% of the employees in a workplace where the average number of employees is from 100 to 299;
- 30 or more employees at a workplace where the average number of employees is 300 or more.

When calculating the number of employment contracts to be terminated, at least five employees need to be terminated for the calculation above. Collective redundancies do not cover cases where redundancies take place upon the expiry of the term of the employment contract (for instance, fixed-term and seasonal).

Labour relations on ships are regulated by Lithuanian labour law provisions if these ships sail under the flag of the Republic of Lithuania.



# **Commentary**

No information available.

### **Additional metadata**

Cost covered by Not available

**Involved actors other** 

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 20

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Lithuania: Definition of collective dismissal, Restructuring legislation database, Dublin



### Luxembourg

# **Definition of collective dismissal**

Phase Labour Code

Native name Code du travail

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

### Article

Art.L.166-1

## **Description**

Subject to rules applicable to collective dismissals as stipulated by the Labour Code, employers must dismiss 7 employees within 30 days, or 15 employees within 90 days, for reasons that are not related to the employee's behaviour, but for economic reasons or in the framework of recovery, reorganisation, restructuring measures resulting in job losses, liquidation, bankruptcy.

The layoffs must concern at least four dismissals for reasons not related to employees' behaviour. All other contract terminations by the employer (for reasons not related to employee's behaviour) on the initiative of the employer, such as voluntary departures, redeployment, early retirement, etc. are considered as redundancies in calculating the threshold.

Public sector employees are excluded from the regulation on collective dismissals.

## **Commentary**

No information available.

### Additional metadata



Cost covered by None

Involved actors other

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 7

Company size: 7

Additional information: Two company eligibility thresholds are applicable: - 7 employees within 30 days - 15 employees within

90 days

### **Sources**

# Citation

Eurofound (2015), Luxembourg: Definition of collective dismissal, Restructuring legislation database, Dublin



### Malta

# **Definition of collective dismissal**

**Phase** Subsidiary Legislation 452.80 - Collective Redundancies

(Protection of Employment) Regulations (Legal Notice 428 of 2002 as amended by Legal Notices 427 and 442 of 2004 and

L.N. 281 of 2017)

Native name Leģislazzjoni Sussidjarja 452.80 - Regolamenti dwar Sensji

Kollettivi (Harsien ta' l-Impjiegi) (Avviż Legali 428 tal-2002 kif emendat bl- Avviżi Legali 427 u 442 tal-2004 u Avviz Legali 281

of 2017)

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

### Article

Article 2 - Collective Redundancies (Protection of Employment) Regulations, 2002 as amended by L.N. 428 of 2002 as amended by L.N. 427 of 2004; LN 442 of 2004; L.N. 281 of 2017

# **Description**

'Collective redundancy' in the Collective Redundancies (Protection of Employment)
Regulations is defined as the termination of the employment by an employer on grounds of redundancy, over a period of 30 days, of:

- 10 or more employees in establishments normally employing more than 20 employees but less than 100 employees;
- 10% or more of the number of employees in establishments employing 100 or more but less than 300 employees; and
- 30 employees or more in establishments employing 30 employees or more.



Any planned collective redundancies shall only take effect 30 days after the employer notifies the Director General responsible for Employment and Industrial Relations (the national competent authority) and the employee representatives of the said redundancies, unless a shorter period of notification is granted by the Director General in exceptional circumstances. The Director General for Employment and Industrial Relations may also extend the period by a further 30 days. This extension is granted if the Director General considers that it would help the parties involved to find a solution that would be beneficial to the employees planned to be dismissed.

### Commentary

Labour legislation and related amendments are discussed at formulation stage in the tripartite Employment Relations Board (ERB). Members forming this board come from trade unions, employer associations and the government.

Excluded from regulations The Collective Redundancies (Protection of Employment) Regulations do not apply to terminations of employment effected under contracts of employment concluded for limited periods of time or for specific tasks, except where such terminations take place prior to the date of expiry or the completion of such tasks and the reason for such prior termination is the redundancy of the employees terminated.

#### Concern of trade unions

While the transposition of EU labour related directives into Maltese laws (including the one concerning collective redundancies) failed to generate any national debate (Rizzo, 2009), the matter that most concerned trade unions was the legal term 'employee representatives'. Their major concern was that it may lead to the establishment of representative bodies in which trade unions are absent which employers may recognise as proxy employee representatives. It was feared that such recognition might eventually undermine the legitimacy and activities of proper trade unions. Trade unions maintained that enforcement authorities should concentrate their efforts on non-unionised undertakings since the unionised ones are adequately dealt with by trade unions (Baldacchino, 2009). However, it appears that over the years, the legislation did not result in tangible setbacks to the trade union movement in Malta, as trade unions kept their vital role during cases of collective dismissals.

### Additional metadata

Cost covered by

None



Involved actors other

than national government

Employer organisation Trade union Other

**Involvement (others)** Employs

Employment Relations Board; Department of Industrial and

**Employment Relations** 

**Thresholds** Affected employees: 10

Company size: 21

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Malta: Definition of collective dismissal, Restructuring legislation database, Dublin



### **Netherlands**

# **Definition of collective dismissal**

**Phase** Collective Redundancy Notification Act

Native name Wet Melding Collectief Ontslag (WMCO)

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

#### Article

Article 3

## **Description**

A collective dismissal according to the Collective Redundancy Notification Act (Wet melding collectief ontslag, Wmco) occurs if an employer intends to dismiss/dismisses at least 20 employees in one or more locations of the same company within one and the same region of the public employment service (there are 6 such regions in the Netherlands) within a period of three months due to reorganisation for economic reasons.

The law dictates that the employer must inform the UWV (public employment service) in advance of any collective redundancies and consult the trade unions. In the event of dismissal without mutual consent, the UWV or the collective agreement committee (cao-commissie) will assess the dismissal. Since the introduction of the Work and Security Act (Wet Werk en Zekerheid – WWZ), it is no longer possible to request the subdistrict court to dissolve the employment contract due to reorganisation for economic reasons. The employer must first submit an application for dismissal to the UWV. If the UWV refuses the dismissal, then the employer can go to the subdistrict court to request the termination of the employment contract. This is seen as an appeal against the UWV's decision. If it turns out afterwards that the employer did not comply with the obligations of the Wmco, then the court can reverse the dismissal.

With effect from 1 March 2012, employees who reach a termination agreement with their employer about ending their term of service will be included in the count to qualify for the



threshold of 20.

For example, suppose there is a dismissal involving 15 employees that followed the usual procedure, for example the employer requested a dismissal permit from the public employment service or (if relevant) a collective labour agreement committee. On top of this, two dismissals through a court procedure occurred (relevant for temporary contracts without agreed possibility of contract termination) and three termination agreements were negotiated between the employer and the employee within a period of three months following the initial dismissals. Then according to the changes from 1 March 2012, all these dismissals would add up to 20 and therefore considered as a collective dismissal, i.e. above the threshold. All dismissals that are to be counted towards the 20 employee limit that is set for the definition of collective dismissal have to occur within three months of each other.

### **Commentary**

The definition of collective dismissal as is written in law is not politically salient in the current social dialogue. This means that in recent years there have not been any major changes to the definition or the legislation as a whole. There have not been any big issues regarding this particular WMCO act.

### Additional metadata

Cost covered by Not available

Involved actors other

than national

government

Public employment service

Involvement (others) None

**Thresholds** Affected employees: 20

Company size: 20

Additional information: No, applicable in all circumstances

#### Sources

### Citation



Eurofound (2015), Netherlands: Definition of collective dismissal, Restructuring legislation database, Dublin



### **Norway**

# **Definition of collective dismissal**

**Phase** Working Environment Act; Labour Market Act

**Native name** Arbeidsmiljøloven; Arbeidsmarkedsloven

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

### Article

1-2, 15-2, 15-7 (Working Environment Act); 8 (Labour Market Act)

## **Description**

If the employer is to fall under the scope of legislation on collective dismissal, at least 10 employees must be laid off within 30 days. The shipping, hunting and fishing, and military aviation sectors are excluded from the legislation, as well as civil servants.

Economic reasons for restructuring are accepted in legislation where dismissals need to be 'objectively justified', and the employer has to demonstrate that no suitable alternative work is available.

When deciding whether a dismissal is objectively justified by curtailed operations or rationalisation measures, the needs of the undertaking shall be weighed against the disadvantage caused by the dismissal for the individual employee.

# Commentary

A notice does not have to be given in order to meet the definition. A declaration of intent is enough.

The definition in the Working Environment Act is equal to the definition found in the Labour Market Act.



### Additional metadata

Cost covered by None

Involved actors other

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 10

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Norway: Definition of collective dismissal, Restructuring legislation database, Dublin



### **Poland**

# **Definition of collective dismissal**

**Phase** Act of 13.03.2003 on special principles of termination of

employment contracts with employees for reasons not related

to employees - 'Collective Dismissals Act'

**Native name** Ustawa z dnia 13.03.2003 r. o szczególnych zasadach

rozwiązywania z pracownikami stosunków pracy z przyczyn

niedotyczących pracowników

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

### Article

Article 1 and 11

## **Description**

The collective dismissal is legally defined as a situation whereby an employer plans to dismiss, within a maximum of 30 days, at least:

- 10 employees if the company employs 20 to 99 employees;
- 10% of the workforce if the company employs 100 to 299 employees;
- 30 employees if the company employs 300 employees or more.

Employees whose employment relationship is based on nomination are not cover by this regulation. This applies for example to employees in schools, high schools and public administration to some extent.

Collective dismissals can be justified on economic reason, business profile changes, liquidation of the workplace, or other valid reasons unrelated to the employees. Collective dismissals cannot be justified on the basis of work performance.



While it is necessary to provide the reasons for dismissal of employees on indefinite contracts, it is not mandatory to indicate the reason for dismissing employees on fixed-term contracts. Yet, according to the verdict of the supreme court employees on fixed-term contracts have a right to receive redundancy payment (SN 4 December 2008, II PK 13/08).

### **Commentary**

According to government data presented by media, the number of collective redundancies in 2016 amounted to 22,400 and was 54% higher than in the previous year. The largest number of collective dismissals in 2016 was recorded in the wholesale and retail trade (5,600), followed by manufacturing (4,700) and financial and insurance activities (3,600). These three sectors were most concerned by submissions of collective redundancies to local public employment offices.

According to experts quoted by media (Forsal, 2017), the financial sector (information on planned collective dismissals in banks: PKO BP and Alior in 2016) is an example that the increase in the number of layoffs results rather from restructuring problems in specific sectors than a situation affecting the entire economy.

### Additional metadata

Cost covered by Not available

**Involved actors other** 

than national government

Trade union Court

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 20

Additional information: No, applicable in all circumstances

### Sources

### Citation



Eurofound (2015), Poland: Definition of collective dismissal, Restructuring legislation database, Dublin



### **Portugal**

# **Definition of collective dismissal**

Phase Labour Code (Law 7/2009 of 12 February)

**Native name** Código do Trabalho (Lei 7/2009 de 12 de fevereiro)

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

### **Article**

359

## **Description**

Collective dismissal occurs as a result of termination of the employment contract by the employer operated simultaneously or successively within a three-month period of either:

- · At least two employees, if the company has fewer than 50 employees;
- At least five employees, it the company has 50 or more employees.

The grounds for collective dismissal which must be demonstrated by the employer are the following: \* market reasons - the reduction of business activity \* structural reasons - economic or financial unbalance, activity change, restructuring of productive organisation or replacement of dominant products \* technological reasons

## **Commentary**

No information available.

### Additional metadata

Cost covered by Not available



**Involved actors other** 

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 2

Company size: 2

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Portugal: Definition of collective dismissal, Restructuring legislation database, Dublin



### Romania

# **Definition of collective dismissal**

**Phase** Labour Code, Law no. 53/2003, republished in the Official

Gazette of Romania no. 345 dated 18 May 2011

Native name Codul muncii, Legea nr. 53/2003, republicată în Monitorul

Oficial nr. 345 din 18 mai 2011

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

### **Article**

Labour Code, Law no. 53/2003 [Codul muncii, Legea nr. 53/2003] - 60, 68 Law no. 283/2022 [LEGE nr. 283/2022] - 60

## Description

A collective redundancy refers to dismissals, within 30 days and for one or more reasons not related to the individual workers concerned, of: \* at least 10 employees, if the employer has more than 20 employees and fewer than 100 employees; \* at least 10% of the employees, if the employer has at least 100 employees and fewer than 300 employees; \* at least 30 employees, if the employer has at least 300 employees.

There are certain periods of the labour relation when dismissal (any dismissal, including collective dismissal) is not allowed: \* during the time of temporary incapacity to work, ascertained by medical certificate; \* during quarantine; \* during the period of pregnancy, as long as the employer is informed about this fact, prior to issuing the decision of dismissal; \* during maternity leave; \* during childrearing and care giving leave until the child reaches the age of two or, in the case of a disabled child, until he becomes three; \* during the care giving leave for a sick child up to the age of seven or, in the case of a disabled child, until he reaches the age of 18, due to recurrent episodes of illness; \* while on holiday; \* during maternal risk leave, as well as during the leave granted to those employees who have recently given birth or who are breastfeeding. The interdiction of



dismissal can be extended only once, for six months from the date the employee has returned to work within the enterprise.

In determining the actual number of redundant employees, workers whose contracts ceased because of the employer's initiative are also taken into account. The courts generally interpret this rule by also taking into account the workers whose contract was terminated by mutual consent, as long as this agreement was initiated by the employer. Significant amendments and additions were made to the Labour Code by Law No 283/2022. The main amendments concern: - the introduction of new rights, namely the right to career's leave, the possibility to be absent from work in unforeseen situations caused by a family emergency, as well as the introduction of specific provisions on paternity leave already regulated by Law No 210/1999; - new prohibitions on dismissal, i.e. the impossibility of dismissing the employee for the exercise of statutory rights, during carer's leave, paternal leave and during the period when the employee is absent from work for family emergencies; - the possibility of informing employees on the provisions of the internal rules, including by electronic means; - informing employees of certain additional stipulations, including the rights and conditions of vocational training offered by the employer, which should also be mentioned in the employment contract; -insurance of employees during their carer's leave in the social health insurance system without payment of contributions.

## Commentary

The Romanian legislation is in line with the Council Directive 98/59/EC.

The definition of collective redundancy covers all types of employment contracts, both open-ended and fixed-term contracts. These also include part-time workers.

<u>Law 127/17 June 2018</u> amended article 72 regarding the collective disissal by including specific ammendaments regarding the crews working on sea-going vessels.

### Additional metadata

Cost covered by None

Involved actors other than national

National government

government

**Involvement (others)** None



**Thresholds** Affected employees: 10

Company size: 21

Additional information: No, applicable in all circumstances

**Sources** 

# Citation

Eurofound (2015), Romania: Definition of collective dismissal, Restructuring legislation database, Dublin



### Slovakia

# **Definition of collective dismissal**

Phase Labour code

Native name Zákonník práce

**Type** Definition of collective dismissal

Added to database 08 May 2015

Access online Click here to access online

### **Article**

73

# **Description**

To fall within the scope of the legislation and qualify as collective dismissal, an employer must plan to dismiss within 30 days at least 10 employees in companies with 21-99 workers, or at least 10% of staff in companies with 100-299 workers, or at least 30 employees in companies with 300 or more workers.

Legal grounds must be that the organisation, or a part of it, is shutting down or relocating, or that the employer decided to make organisational or technical changes to increase efficiency. Employers are required to justify redundancies for reasons of closure, or for technical or organisational changes as specified by the Labour Code. According the Labour Code, only a closure or a transfer of business as well as technical or organisational reasons are legitimate reasons for carrying out collective dismissals.

Crew members of vessels flying the flag of the Slovak Republic and employees working under fixed-term contracts are excluded from the legislation.

## **Commentary**

Some employers avoid being subject to collective dismissal legislation by frequently dismissing fewer employees within 30 days than specified by the labour code



thresholds (10 employees, 10% of staff or 30 employees, depending on the size of the company).

### Additional metadata

Cost covered by None

Involved actors other

than national government

National government

Involvement (others) None

**Thresholds** Affected employees: 10

Company size: 21

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Slovakia: Definition of collective dismissal, Restructuring legislation database, Dublin



### Slovenia

# **Definition of collective dismissal**

**Phase** Employment Relationship Act (ZDR-1)

Native name Zakon o delovnih razmerjih (ZDR-1)

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

### **Article**

98

### **Description**

An employer falls within the scope of legislation on collective redundancies if the following number of workers will be made redundant within a period of 30 days:

- at least 10 workers employed by an employer employing more than 20 and fewer than 100 workers,
- at least 10% of workers employed by an employer employing at least 100 workers but fewer than 300 workers,
- at least 30 workers employed by an employer employing 300 workers or more.

Economic, organisational, technological, structural or similar reasons are considered valid reasons for collective dismissals.

## Commentary

The definition of a collective dismissal refers to a certain number of employees in comparison to all employees including full-time employees with open-ended employment contracts, fixed-term and part-time employees. The definition includes all employees who are going to become redundant within the period of 30 days (Supreme Court decision no. VIII Ips 90/2013). The number of redundant employees covers persons whose employment



contract is terminated as well as employees whose present contracts is terminated, but to whom the employer has offered a new employment contract under new conditions. Not included are the employees whose employment contracts are terminated by mutual agreement or who continue working for an employer under new conditions without termination of employment contract (Supreme Court decision no. VIII lps 178/2012).

### Additional metadata

Cost covered by Not available

Involved actors other

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: 10

Company size: 21

Additional information: No, applicable in all circumstances

### **Sources**

# Citation

Eurofound (2015), Slovenia: Definition of collective dismissal, Restructuring legislation database, Dublin



### **Spain**

# **Definition of collective dismissal**

**Phase** Statute of Workers' Rights; Law 3/2012 of 6 July on urgent

measures to reform the labour market; Royal Decree law 11/2013 of 2 August, for the protection of part-time workers

and other measures in the economic and social field

Native name Estatuto de los Trabajadores (ET); Ley 3/2012, de 6 de julio, de

medidas urgentes para la reforma del mercado laboral; Real Decreto 11/2013, de 2 de agosto, para la protección de los trabajadores a tiempo parcial y otras medidas urgentes en el

orden económico y social

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

### **Article**

Art. 51 modified by Art. 18.3 of Law 3/2012; Art. 41 modified by Royal Decree law 11/2013

## **Description**

To fall within the scope of legislation on collective dismissals, employers must plan to dismiss or make redundant between at least 10 and 30 employees (depending on the company size) within a period of 90 days.

The minimum thresholds for collective dismissals vary: \* at least 10 employees in companies with fewer than 100 employees; \* 10% of the workforce in companies employing between 100 and 299 employees; \* 30 employees in companies employing 300 or more employees.

The dismissal of the entire workforce also falls under the definition of collective dismissal provided that more than five employees are affected and this is due to the shut down of the business.



A collective dismissal must be based on economic, organisational, technical or production grounds. These must be justified by the employer.

The labour legislation reform implemented by means of Law 3/2012 eliminated the requirement of administrative authorisation for collective redundancies while maintaining the obligation of good-faith negotiations with employees' representatives. Royal Decree 11/2013 clarified how the negotiation commission must be established as well as the documentation that the employer has to provide to the legal employees' representative body (with a written copy submitted to the labour authority). This was made in order to reduce legal uncertainty regarding collective dismissal procedures.

The documentation that must be provided includes: \* Justification of the measure according to the concurrence of economic, technical, organisation-related or productive causes; \* Number and professional categories of the employees affected; \* Number and professional categories of the employees normally employed during the last year; \* Period foreseen for the execution of the dismissals; \* Full name of employees affected; \* Criteria taken into consideration for selection of dismissed workers; \* Information about the composition of the negotiation commission; \* In companies employing more than 50 employees, an accompanying social plan aiming to mitigate the consequences of the dismissals for the affected workers.

## **Commentary**

The definition of collective dismissal has not been modified in the last years. Moreover, it has not been debated or discussed at policy or social dialogue level. Most relevant debates promoted by the employer organisations and Spanish government were about the degree of rigidity/flexibility of the causes that allow companies to justify the dismissal and other elements protecting workers' rights, such as the requirement to be authorised by the labour authority. This requirement was eliminated in 2012. Trade unions opposed these reforms (Eurofound, EurWORK, 2012)

### Additional metadata

**Cost covered by** Not available

Involved actors other

Regional/local government Trade union Works council

than national government

**Involvement (others)** None



**Thresholds** Affected employees: 6

Company size: 6

Additional information: No, applicable in all circumstances

**Sources** 

# Citation

Eurofound (2015), Spain: Definition of collective dismissal, Restructuring legislation database, Dublin



### Sweden

# **Definition of collective dismissal**

**Phase** Employment protection act (1982:80)

Native name Lag (1982:80) om Anställningsskydd

**Type** Definition of collective dismissal

**Added to database** 08 May 2015

Access online Click here to access online

### Article

7

# **Description**

Collective dismissals are all dismissals that are not due to the characteristics or behaviour of the individual worker, but for business reasons (such as shut down or restructuring due to introduction of new technology). There are no numerical lower bounds. The definition of the business reasons is the prerogative of the employer.

# Commentary

It is in general easier for an employer to dismiss a worker for business reasons than for personal reasons. While the employer is obliged to state what the business reasons are, the labour court very rarely questions the financial assessments made by the employer.

The reform of the Employment protection act did not affect the definition of collective dismissal.

### Additional metadata

Cost covered by None



**Involved actors other** 

than national government

National government

**Involvement (others)** None

**Thresholds** Affected employees: No, applicable in all circumstances

Company size: No, applicable in all circumstances

Additional information: No, applicable in all circumstances

**Sources** 

# Citation

Eurofound (2015), Sweden: Definition of collective dismissal, Restructuring legislation database, Dublin