

# EMPLOYMENT HORIZON SCANNER

For Ireland, France, Germany and Spain  
March 2025



MORE IMAGINATION MORE IMPACT



**FUTURE KEY LEGISLATION DEVELOPMENTS IN IRELAND, FRANCE, GERMANY AND SPAIN**

Jurisdiction	Act or Statutory Instrument	Summary and Impacts	Impact Date
Ireland	<b>Sick Leave Act 2022</b>	<p><b>Postponement of increase to statutory sick leave</b></p> <p>Statutory sick leave was introduced into Irish law in 2023. Under this Act it was intended that an employee's entitlement to sick leave would increase from 3 days in 2023 to 10 days in 2026. Employees were entitled to 5 days statutory sick leave in 2024 and this was due to increase to 7 days in 2025. However, the Government has decided to postpone this increase for 2025. This means that employees in Ireland continue to be entitled to 5 days statutory leave for the time being. The rate of statutory sick leave is paid at 70% of an employee's normal salary capped at €110.00 per day.</p>	No change in entitlement in 2025
Ireland	<b>Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024</b>	<p><b>Changes to Maternity Leave</b></p> <p>This Act came into force in November 2024 and introduced significant changes in the area of maternity leave but also in relation to the settlement of discrimination claims (see below).</p> <p>Employees who become seriously ill while on maternity leave and require treatment are now able to postpone taking all or part of their maternity leave for 5 to 52 weeks. Employees who need to postpone maternity leave must give two weeks' notice and provide a medical certificate.</p>	November 2024
Ireland	<b>Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024</b>	<p><b>Prohibition on NDAs in Discrimination, Harassment and Victimisation cases except where specific criteria are met</b></p> <p>The Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024 which came into force in November 2024 also introduced significant changes to the use of non-disclosure agreements or clauses (NDA's) in settlement agreements for discrimination, victimisation and harassment/ sexual harassment cases.</p> <p>The Act prohibits the use of NDA's in relation to 'allegations' or 'any action taken' by an employee relating to discrimination, harassment, sexual harassment or victimisation claims except where certain criteria are met. Criteria includes a requirement that the NDA is on the request of the employee, the NDA is clear and easy to understand, the employee receives independent legal advice on the NDA and the legal advice is paid for by the employer, the</p>	November 2024

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		agreement contains a 14 day cooling off period, the NDA cannot not prevent disclosure by the employee to certain individuals such as the Gardai, a solicitor or an Ombudsman. This change means that any settlement of discrimination, harassment or victimisation claims will need to be carefully considered by employers and their legal advisors.	
Ireland	<b>Rules of the Superior Courts (Digital) 2025</b>	<b>Introduction of digital process for civil proceedings</b> From 31 January 2025 the Rules of the Superior Courts have been amended by Statutory Instrument (S.I. No. 13/2025 - Rules of the Superior Courts (Digital) 2025) which introduces new digital procedures for civil cases including the filing of pleadings online, issuing documents digitally and serving documents electronically.	31 January 2025
Ireland	<b>Sectoral Employment Order (Construction Sector) 2024</b>	<b>Changes in rates of pay for the construction sector</b> The Sectoral Employment Order (Construction Sector) 2024 will come into effect on 1 August 2025 to reflect higher rates of pay for craft and general constructions workers. Pay will increase by 3.4% in August 2025 and again by 3.2% in August 2026. The details of this Sectoral Employment Order have been discussed by colleagues <a href="#">here</a> .	1 August 2025
Ireland	<b>The Automatic Enrolment Retirement Savings Systems Act 2024</b>	<b>Pension auto-enrolment</b> The Automatic Enrolment Retirement Savings Systems Act 2024 is due to come into law on 30 September 2025 with the introduction of an automatic pension enrolment system. Under the new system employees aged between 23-60, who are not currently part of a pension scheme and who earn €20,000 or more per year will be automatically enrolled in a pension scheme.  Under the new scheme the employer, employee and the Government will all be required to pay a certain amount into the pension fund. The employee and employer are required to contribute 1.5% of the employee's annual salary in the first year. The rates will increase on an annual basis up to 6% of the annual salary by year 10.	30 September 2025
Ireland	<b>Gender Pay Gap Reporting and the EU Pay</b>	<b>Expansion of gender pay gap reporting requirements and the EU Pay Transparency Directive</b>	For gender pay gap reporting, organisations who have 50 employees or more will be

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	<b>Transparency Directive</b>	<p>The obligation to carry out gender pay gap reporting extends to employers of 50 employees in 2025. Organisations who have 50 employees or more will be required to take a snapshot on a date in <b>June 2025</b> and report the corresponding data in <b>December 2025</b>.</p> <p>In addition to this change on reporting, Ireland will also be required to work towards implementing the EU Pay Transparency Directive by the deadline of 7 June 2026.</p> <p>The implementation of the directive may require significant changes to Ireland's current reporting regime including the reporting of pay gaps based on categories of employees and providing employees and potential new hires with an oversight in relation to information in relation to ensure transparency.</p>	<p>required to take a snapshot on a date in June 2025 and report the corresponding data in December 2025.</p> <p>EU Pay Transparency Directive to be implemented by 7 June 2026.</p>
<b>Ireland</b>	<b>National Minimum Wage and New Living Wage</b>	<p><b>National Minimum Wage and New Living Wage</b></p> <p>The living wage is set to be introduced in Ireland in 2026 which will replace the national minimum wage. It is intended that the living wage will be set at 60% of the median wage in any given year. The Living Wage Technical Group (the "Group") have suggested the living wage to be €14.75 per hour.</p>	2026
<b>Ireland</b>	<b>Employment Permits Act 2024</b>	<p><b>Introduction of a new seasonal employment permit from February 2025</b></p> <p>The Employment Permits Act 2024 was enacted in September 2024 and introduced a new seasonal employment permit. This is a short-term permit which allows non-EEA nationals to work in seasonal employment for up to seven months per year. From 19 February 2025 non-EEA national cans work from 14 April -14 November as 'horticulture operatives' in the fruit and vegetable industry.</p>	19 February 2025.
<b>France</b>	<b>Caps of social contributions and taxes for management packages</b>	<p><b>Tax Regime for Management Packages</b></p> <p>Each year, the Finance Act sets out the tax rules for the coming year. In 2025, it introduced a new tax regime for exit gains from "management packages". Gains will now be allocated in a specific way, separately from employment income (taxed as salaries and wages) or from capital gains on the sale of shares, ensuring a more consistent and transparent taxation approach.</p>	2025

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France	Profit-sharing scheme	<p><b>Profit-sharing scheme for employees</b></p> <p>The experimental Profit-sharing measure is being introduced from 1st January 2025 and will run until December 2028.</p> <p>French companies employing between 11 and 49 people, and whose net taxable profit is at least 1% of its turnover over the last 3 consecutive years, will have to put in place a Profit-sharing plan in 2025.</p>	Eligible employers will need to put a profit-sharing plan in place before 31 December 2025.
France	Gender Equality Index	<p><b>Reminder: publish the Gender Equality Index:</b></p> <p>Every year, companies with at least 50 employees must calculate and publish their Gender Equality Index results. This requirement aims to promote transparency and accountability in gender pay equality within organizations.</p>	Index results for year 2024 must be issued by 1 March 2025. If not, the company may face financial penalties.
France	Internal investigation guidelines.	<p><b>Recommendations of the Defender of Rights “Défenseure des droits” regarding internal investigations into discrimination and sexual harassment:</b></p> <p>On February 5, 2025, the Defender of Rights issued a framework decision with recommendations for employers highlighting the need for a rigorous, impartial, and confidential process. These guidelines aim to address inconsistencies in current practices and strengthen protections for victims.</p>	From 5 February 2025
Germany	Political Outlook	<p><b>Political Outlook</b></p> <p>Due to the federal elections in Germany on 23 February 2025, the future political agenda remains uncertain. Significant labour law reforms will likely depend on the coalition agreements of the new government. The formation of a government and the presentation of its legislative program are typically expected within 2–3 months after the elections, meaning more clarity could emerge by mid-2025.</p>	Mid-2025
Germany	Bureaucracy Relief Act IV (“ <i>Viertes Bürokratieentlastungsgesetz – BEG IV</i> ”)	<p><b>Implementation of the Bureaucracy Relief Act IV (“<i>Viertes Bürokratieentlastungsgesetz – BEG IV</i>”)</b></p> <p>Effective 1 January 2025, this act simplifies administrative processes by allowing essential employment terms to be provided in text form (Textform) rather than the previously required</p>	1 January 2025

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		written form (Schriftform). This change facilitates the use of emails or PDFs without the need for handwritten signatures. However, specific clauses still require handwritten signatures.	
Germany	<b>Statutory Minimum Wage</b>	<p><b>Increase in Statutory Minimum Wage</b></p> <p>As of 1 January 2025, the minimum wage in Germany has increased to EUR 12.82 gross per hour. This particularly affects the retail sector, where many employees are compensated at or near the minimum wage unless deviating minimum wages are regulated by collective agreements anyway.</p>	1 January 2025
Germany	<b>Short-Time Work Allowance</b>	<p><b>Extension of Short-Time Work Allowance</b></p> <p>In response to economic challenges, the maximum duration for short-time work allowance has been extended to 24 months, effective 1 January 2025. This measure provides employers with greater flexibility in workforce management during periods of reduced demand.</p>	1 January 2025
Germany	<b>Pay Transparency Act</b>	<p><b>Update of the Pay Transparency Act (<i>Entgeltgleichheitsgesetz</i>)</b></p> <p>Germany is preparing to update its Pay Transparency Act in line with the EU Pay Transparency Directive, aiming to enhance salary transparency and address wage disparities. While the exact implementation date is pending (expected in 2026), employers should proactively assess their remuneration systems to ensure alignment with forthcoming requirements.</p>	Expected 2026
Germany	<b>Federal Labour Court ruling (File no. 2 AZR 68/24)</b>	<p><b>New decision on delivery of termination notices</b></p> <p>A recent <a href="#">decision</a> by the German Federal Labour Court addresses how termination notices must be delivered in employment cases in Germany to ensure legal certainty, particularly so that employers can successfully prove receipt in court proceedings.</p> <p>The court has clarified that it is not sufficient for an employer to send a termination letter via registered mail with standard tracking. Instead, the employer must also provide evidence, such as witness testimony, that the letter was placed into the envelope and that the envelope was actually delivered into the recipient's mailbox.</p>	Judgment of 30 January 2025 and published on 17 March 2025

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		<p>Formal delivery requirements are not entirely new for German employers. In practice, we have always advised clients, especially in cases involving large-scale redundancies, to opt for personal delivery or a specialised courier service. This ruling has now clarified the evidential requirements and serves as a helpful reminder, particularly for multi-national employers not so familiar with the formal requirements in Germany, that this is the only legally secure approach.</p>	
Spain	<b>Working Time</b>	<p><b>Working Time</b></p> <p>The current Spanish Government is trying to impose a reduction in the working time of the employees so that employees will have to do a maximum of 37.5 hours per week instead of the current maximum of 40 hours per week. If the reduction is introduced, it will have significant implications for employers. Employers can expect to see an increase in the number of overtime hours (with associated increases in costs in terms of salary and social security contributions) and the potential need to recruit additional employees to cover the shortfall in working time which, again, will have cost implications for businesses. A final decision on this matter is expected in the first week of February.</p>	tba
Spain	<b>Tribunal consolidated doctrine on disciplinary dismissal</b>	<p><b>Tribunal consolidated doctrine on disciplinary dismissal</b></p> <p>The Spanish tribunals have recently changed their consolidated doctrine (from the 80`s) requiring employers to have a preliminary disciplinary file which must be given to the employee before notifying them of a disciplinary dismissal. Previously, an employer could notify the employee of their disciplinary dismissal by letter, effective the same date without the need for further explanation beyond the reason described in the letter.</p> <p>Following this change, an employer must communicate a statement of objections (pliego de cargos) to the employee explaining the reason for the dismissal. If the employee appeals against those objections, the employer will need to consider the employee's complaints to determine if the company continues with the dismissal.</p> <p>There is currently significant uncertainty for employers around these changes. For the time being, there are no regulations providing any details of how this process will work in practice or the consequences of failing to provide a preliminary disciplinary file. It is unclear whether a failure to have a preliminary disciplinary file could mean the dismissal is a null and void or</p>	Already effective

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		whether it would be unlawful which would have different consequences for the employer or whether it would give rise to compensation.	
Spain	Severance compensation	<p><b>Severance compensation for unfair dismissal</b></p> <p>In September 2024, there was a non-binding resolution of the European Committee of Social Rights ("ECSR") declaring that, in Spain, the legal protection of severance compensation for dismissal for an employee was insufficient. Although a recent resolution of the Spanish Supreme Court held that Spain's system of compensation for dismissal is adequate, it did not analyse the resolution of the ECSR because the dismissal took place before the resolution was issued. We wait to see how the Courts are going to act in future claims where the dismissal takes place after the resolution of the ECSR or whether the current Government is going to change severance compensation for dismissal in light of this resolution. If so, it is likely to increase the cost of dismissals for employers.</p>	tba
Spain	Court Practice and Procedure	<p><b>Court Practice and Procedure</b></p> <p>In April a new law will come into force which will make substantial changes in the labour procedure e.g. currently parties have to present the evidence at the trial, under the new law parties will have to present it before trial which will mean that the other side will be able to find out part of the company's defence in advance and possibly weakening the company's position in the process.</p>	April 2025



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