Deloitte Legal Perspectives

A comparative look at dismissal costs and issues across Europe
This is a study conducted by Deloitte in June 2012 and, consequently, reflects the legislation of the different countries at that particular time. The values used in the cost projection date of December 2011, therefore, do not take into account any changes in legislation of a later date. Although this study has been performed with the greatest care, the material in this guide is only for information purposes on general practices. This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional.
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Deloitte is proud to present the second edition of its European dismissal survey. This survey is a collaboration of the European practices of Deloitte Legal with specialists from Deloitte Tax practices from Europe. The study was led by a team from Laga, Deloitte Legal’s practice in Belgium. The survey covers dismissal legislation in 25 countries: Austria, Azerbaijan, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Norway, Poland, Romania, Russia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the Netherlands, and the United Kingdom.

The second Deloitte Legal European dismissal survey is more than a refresh of the first edition of 2009. In 2012 the number of participating countries has increased to 25 (the first edition was limited to 18 countries). In addition the survey provides a cost of dismissal comparison for 22 of the 25 participating countries based on four different scenarios, which are explained in detail on page 3 in this document. The costs of dismissal in Azerbaijan, Finland, and Russia were not included in this study since the information available for these jurisdictions did not allow a consistent comparison with the other participating jurisdictions (additional information on these three jurisdictions can be made available upon request).

The survey is focused on three main areas: i) statistical analysis of the dismissal cost; ii) summary of all country regulations; and iii) detailed reports on country regulations by country. It is compiled from an employer’s perspective and only covers dismissals initiated by the employer and not by the employee.

The study takes into account the average cost which an employer will incur in a particular country to dismiss an employee and reach a final settlement agreement without court interference.

Observations

The survey reveals that although all countries concerned have rules in place to protect employees from unfair and unjustified dismissal, there are a number of differences in their employment protection legislation. It also reveals that most of the European legislators generally take the view that dismissing employees should not be made easy, that existing jobs need to be protected to a certain extent, and job security should be maintained.

A predominant technique of the employment protection legislation in most countries is that dismissals need to be justified. The reason for dismissal must be stated in the actual notice or the employer has to submit the reason upon the employee’s request. The reasons should be fair and objective. In some countries, the legislation limits the reasons which an employer may use to justify a dismissal. If the employer cannot provide a valid reason for dismissal, then severance pay or another form of compensation, in some countries even reinstatement, can be ordered by the courts.

Nearly all countries provide for two kinds of dismissal. An ordinary dismissal, whereby a notice period is to be observed and an extraordinary or summary dismissal, which does not require a notice period. A common feature in the rules within the surveyed countries regarding extraordinary dismissal is that it is reserved for cases involving breach of trust or confidence, which makes even a temporary continuation of the employment contract impossible.

The 2012 study also reveals that some countries have made substantial changes to their dismissal legislation (e.g., Italy and Spain), either due to the current economic climate or other external factors. Such changes are mostly aimed at creating more flexibility in the labor market and have an impact on the actual dismissal cost and/or dismissal procedure.

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Unum nos
West-European countries face a substantially higher dismissal cost compared to Central-European countries.
In order to compare the employer’s dismissal cost in the various countries, Deloitte Legal used two practical examples which were approached by all participating countries, taking into account the respective local dismissal regulations.

The examples were compiled in a way to provide relevant information on the differences in the regulations in the participating countries. Amongst others, we aimed to determine the impact of the following elements on the dismissal cost: contracts of indefinite term, age (younger vs. older employee), level of salary (lower vs. higher salary), composition of the salary (which elements are taken into account?) and tenure with the company (short vs long). We excluded employees with lower salaries and/or lower seniority for a number of reasons, (i) in a number of countries such individuals are typically not employed through a contract of indefinite duration (i.e., short term contracts) and (ii) the underlying drivers, such as age, seniority and salary, which may substantially impact the figures, would to a much lesser extent be revealed when comparing the different jurisdictions.

The following sets of parameters have been used:

**Case 1:**
- Employee, **age 35**
- Legal adviser in an IT company
- 7 years service with the company
- Gross annual base salary: €60,000
- Gross variable salary per year: €5,000
- Benefits in kind per year (gross): €8,000

**Case 2:**
- Employee, **age 49**
- Legal adviser in an IT company
- 11 years service with the company
- Gross annual base salary: €120,000
- Gross variable salary per year: €10,000
- Benefits in kind per year (gross): €16,000

In both practical examples, the participating countries were requested to provide the dismissal cost, always considered from an employer’s perspective, in view of both a dismissal due to individual reasons (e.g., the employee’s behavior or ability) as well as a dismissal for economic reasons (e.g., shortage of work). Following this approach, the survey includes a comparison across four different scenarios mentioned below:

Scenario 1.1: Dismissal for individual reason in case 1
Scenario 1.2: Dismissal for economic reason in case 1
Scenario 2.1: Dismissal for individual reason in case 2
Scenario 2.2: Dismissal for economic reason in case 2

It should be noted that each country has calculated the cost in the four examples taking into account the local ‘best practice’ in reaching an agreement with an employee to settle a dismissal. Belgium remains the only country to differentiate blue collar and white collar workers when it comes to applying dismissal regulations. Based on this, it should be noted that in the framework of this survey, the term employee refers specifically to white collar employees. However, this distinction is under review following the 7 July 2011 judgment by the Constitutional Court, which explicitly stated that such distinction is no longer tenable and that lawmakers urgently need to take action, before 8 July 2013, to eliminate this discrimination.

The figures date from December 2011 and do not take into account any legislative changes from a later date notwithstanding the fact that such legislative changes have been covered as much as possible in the descriptive part of this survey (i.e., the report on country regulations).

Finally, the study focuses on dismissal costs in the framework of individual dismissals and excludes the rules and best practices in view of collective dismissals. Nevertheless, the underlying data collected in the framework of this survey clearly showed that nearly all countries have different rules specific to multiple and/or collective dismissals.
Results of the comparison of dismissal cost

Case 1: dismissal for individual reasons

Employee: 35 yr.; legal adviser (IT sector); 7 yr service with the company; base salary € 60,000 gross/yr + variable salary € 50,000 gross/yr + benefits in kind € 8,000

Case 1: dismissal for economic reasons

Employee: 35 yr.; legal adviser (IT sector); 7 yr service with the company; base salary € 60,000 gross/yr + variable salary € 5,000 gross/yr + benefits in kind € 8,000
Case 2: dismissal for individual reasons

Employee; 49 yr.; legal adviser (IT sector); 11 yr service with the company; base salary € 120.000 gross/yr + variable salary € 10.000 gross/yr + benefits in kind € 16.000

Case 2: dismissal for economic reasons

Employee; 49 yr.; legal advisor (IT sector); 11 yr service with the company; base salary € 120.000 gross/yr + variable salary € 10.000 gross/yr + benefits in kind € 16.000
Main conclusions

1. The survey shows that Italy is the most expensive place for dismissals. Please find below the 5 most expensive countries for each case:

   **Case 1, individual reason**
   1) Italy
   2) Belgium
   3) Norway
   4) Spain
   5) Sweden

   **Case 1, economic reason**
   1) Italy
   2) Belgium
   3) Norway
   4) Spain
   5) Sweden

   **Case 2, individual reason**
   1) Italy
   2) Belgium
   3) the Netherlands
   4) Spain
   5) Sweden

   **Case 2, economic reason**
   1) Italy
   2) Belgium
   3) Spain
   4) the Netherlands
   5) Sweden

2. West-European countries face a substantially higher dismissal cost compared to Central-European countries. On average, a dismissal in a West-European country is expected to be at least two times more expensive (namely 2.3 times higher in case 1 and 2.7 times higher in case 2) than in a Central European country.

3. Due to the economic climate in the euro zone, a number of countries have changed or are currently changing their dismissal regulations (e.g., Italy and Spain). This will in practice result in a lower dismissal cost for the employer, either immediately or in the foreseeable future (e.g., if the new legislation only applies to agreements which entered into force after the legislation’s introduction). This may have an impact on the current figures as they have been gathered in December 2011. Furthermore, due to the current economic climate some local tribunals are more easily inclined to rule that a dismissal for economic reasons is justified, which will in practice result in a lower termination payment and, therefore, a lower cost for the employer. This is the case in Spain and Sweden among others.

4. In 80 percent of the countries surveyed, there is no or little difference in cost between a dismissal for individual reasons and a dismissal for economic reasons. Only Bulgaria, Denmark, Poland, Slovakia, and the Czech Republic have significant differences between the scenarios with respect to dismissal cost.

5. In all surveyed countries, seniority within the company is the key factor in determining the level of dismissal cost. The cost increases as the employment period itself increases.

6. It is required in approximately half of the participating countries to pay an additional settlement amount, on top of the notice and/or the notice in lieu, to reach a final settlement with the dismissed employee (and as such to exclude tribunal interference as well as the related risk of increased costs).

7. Although the employer’s power to dismiss is restricted and subject to strict formalities in most countries, Belgium is one of the few where the employer has absolute dismissal power. There is — except in the case of a dismissal for serious cause or a collective dismissal — no requirement to mention any reason for the dismissal nor is there any need to comply with specific formalities which could influence dismissal cost.
Case 1

- Employee, age 35
- Legal adviser in an IT company
- 7 years service with the company
- Gross annual base salary: € 60,000
- Gross variable salary per year: € 5,000
- Benefits in kind per year (gross): € 8,000

* more than 40% of the cost in MEC*
* 20-40% of the cost in MEC
* less than 20% of the cost in MEC

* most expensive country (MEC) - the country with the highest dismissal cost

Case 2

- Employee, age 49
- Legal adviser in an IT company
- 11 years service with the company
- Gross annual base salary: € 120,000
- Gross variable salary per year: € 10,000
- Benefits in kind per year (gross): € 16,000
# Summary of country reports

<table>
<thead>
<tr>
<th>Kinds of dismissal</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>2) summary dismissal</td>
<td>1) ordinary dismissal</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Necessary reasons for dismissal</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal:</td>
<td>2) summary dismissal:</td>
<td>• liquidation of the entity</td>
</tr>
<tr>
<td>• dismissal needs to be &quot;socially justified&quot;</td>
<td>• good cause</td>
<td>• workforce reduction</td>
</tr>
<tr>
<td>2) summary dismissal:</td>
<td></td>
<td>• decision of attestation commission</td>
</tr>
<tr>
<td>• no notice period</td>
<td></td>
<td>• employee does not meet expectations</td>
</tr>
<tr>
<td></td>
<td>• declaration without undue delay</td>
<td>during probation period</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• employee does not fulfill his functions/obligations or is involved in gross misconduct</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notice periods</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>2) summary dismissal</td>
<td>• notice periods only apply in cases of staff reduction and alteration of working conditions</td>
</tr>
<tr>
<td>• by contract, collective bargaining agreement or law;</td>
<td>• by law: six weeks and increasing with the length of service</td>
<td>• stipulated in Labor Code</td>
</tr>
<tr>
<td>• by law: six weeks and increasing with the length of service</td>
<td></td>
<td>• no notice period in case of immediate termination</td>
</tr>
<tr>
<td>2) summary dismissal:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• no notice period</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• declaration without undue delay</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Form of dismissal</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• no determined form</td>
<td>• written form</td>
<td></td>
</tr>
<tr>
<td>• reasons need not to be stated in the notice</td>
<td>• notice or order of dismissal needs to include specific information (e.g., position of employee, grounds for termination, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Further requirements for a valid dismissal</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• information of the works council in advance</td>
<td>• offer suitable vacant position in certain cases</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• prior approval from trade union in certain cases</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special dismissal protection</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• during and after pregnancy</td>
<td>• during pregnancy</td>
<td></td>
</tr>
<tr>
<td>• persons with disabilities</td>
<td>• employees raising a child below school age whose</td>
<td></td>
</tr>
<tr>
<td>• during parental leave</td>
<td>• only income source is the employer</td>
<td></td>
</tr>
<tr>
<td>• for works council members and candidates</td>
<td>• during the temporary loss of ability to work</td>
<td></td>
</tr>
<tr>
<td>• during military service</td>
<td>• members of trade</td>
<td></td>
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<tr>
<td></td>
<td>• union/political party</td>
<td></td>
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<tr>
<td></td>
<td>• employees taking care of a person of poor health (less than 18 years old)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal means of the employees</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• claim of the employee within one or two weeks, depending, if the works council has agreed to the dismissal;</td>
<td>• claim of the employee within one calendar month/year (depending on the situation) from the day he/she became aware of the violation of his/her rights</td>
<td></td>
</tr>
<tr>
<td>• in certain cases claim of the works council within one week</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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8
<table>
<thead>
<tr>
<th>Belgium</th>
<th>Bulgaria</th>
<th>Croatia</th>
</tr>
</thead>
</table>
| 1) dismissal with notice  
2) summary dismissal | 1) dismissal with notice  
2) summary dismissal | 1) ordinary dismissal  
2) summary dismissal |
| Not necessary to give a reason, except in case of summary dismissal | Reason for dismissal must be stated  
1) closure of company  
2) staff reduction  
3) absence of qualification  
4) movement of company  
5) disciplinary dismissal  
6) administrative or court resolution | 1) ordinary dismissal:  
- business reasons  
- personal reasons  
- misconduct of the employee  
2) summary dismissal:  
- extremely serious violation of an employment obligation  
- highly important fact |
| 1) dismissal with a notice period  
- white collar employees: depending on seniority and annual gross income; 3 months/started period of 5 years seniority or agreed  
- blue collar employees: depending on seniority; 28 or 56 days  
- new notice requirements as of 1 January 2012  
2) summary dismissal  
- no notice period  
- dismissal within three working days after knowledge | 1) subject to agreement between employer and employee  
2) notice period between 30 days and 3 months  
3) notice period fixed-term employment contracts: 3 months | 1) ordinary dismissal  
- prescribed by law: depending on the duration of the employment relationship: two weeks up to three months  
- additional two weeks/month in case the employee worked for more than 20 years and is older than 50/55  
2) dismissal due to the employee’s behavior: notice periods are half the length |
| • written form  
• notified by registered mail or by writ | • documents (order, agreement, etc.) in writing;  
• reasons for dismissal to be stated in the paperwork. | • written form  
• reasons need to be explained |
| • special requirements in case of dismissal for “serious cause” | • staff reduction: employer is obliged to perform selection | • notification and consultation of works council |
| • during pregnancy, maternity or paternity leave  
• employee representatives in works council etc.  
• union delegates  
• after complaining for harassment  
• political mandate etc. | • during and after pregnancy (child of up to 3 years of age);  
• persons with disabilities and suffering certain illnesses;  
• during leave;  
• employee representatives;  
• trade union representatives;  
• works council members and other members of committees for employee representation, etc. | • pregnant women/maternity leave  
• disabled employees  
• works council members/candidates  
• employees above the age of 60  
• employee’s representatives |
| • claim against dismissal: statute of limitations of 1 year following the exit date (5 years for claims based on employers’ obligations that are criminally sanctioned) | • claim of the employee before court | • request the employer to change its decision  
• court procedure in case the employer refuses |
<table>
<thead>
<tr>
<th>Severance pay</th>
<th>Austria</th>
<th>Azerbaijan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• legal entitlement to severance pay or to payment by a special fund</td>
<td>• dismissal due to staff reduction or liquidation: 1 monthly salary</td>
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<tr>
<td></td>
<td></td>
<td>• dismissal due to alteration of working conditions, military service,</td>
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<tr>
<td></td>
<td></td>
<td>loss of working ability: 2 monthly salaries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• in case of death or dismissal due to a change of ownership of the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>company: 3 monthly salaries</td>
</tr>
<tr>
<td>Mentionable aspects/particularities</td>
<td>• special requirements in certain cases (e.g., collective dismissal)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
### Challenging times: Dismissal regulations across Europe

<table>
<thead>
<tr>
<th>Belgium</th>
<th>Bulgaria</th>
<th>Croatia</th>
</tr>
</thead>
</table>
| • no legal claim for severance pay | 1) dismissal with compensation: minimum 4 gross monthly salaries  
2) numerous severance payments regulated by law. Most common ones are:  
• for unused annual paid leave;  
• for non-observance of notice period;  
• for becoming unemployed, etc. | • entitlement for employees who worked for the employer for at least two years  
• no right to severance pay in case of dismissal due to the employee’s behavior |
|                        | • unfair dismissal  
• sales representatives  
• collective dismissal  
• outplacement            | N/A  |

Mentionable aspects/particularities

- special requirements in certain cases (e.g., collective dismissal)
<table>
<thead>
<tr>
<th>Kinds of dismissal</th>
<th>Czech Republic</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1) ordinary dismissal</td>
<td>1) ordinary dismissal</td>
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<tr>
<td></td>
<td>2) summary dismissal</td>
<td>2) summary dismissal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Necessary reasons for dismissal</th>
<th>Czech Republic</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>• operational reasons</td>
<td>• economic circumstances</td>
</tr>
<tr>
<td></td>
<td>• medical/person-related reasons; lack of suitability for the job</td>
<td>• employee-related conditions</td>
</tr>
<tr>
<td></td>
<td>• breach of duties</td>
<td>• gross negligence</td>
</tr>
<tr>
<td>2) extraordinary dismissal</td>
<td>• willful crime</td>
<td>• in connection with prior warning</td>
</tr>
<tr>
<td></td>
<td>• gross breach of duties</td>
<td></td>
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<table>
<thead>
<tr>
<th>Notice periods</th>
<th>Czech Republic</th>
<th>Denmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>• by law, employment contract</td>
<td>• depending on the employee’s seniority: one month up to six months</td>
</tr>
<tr>
<td></td>
<td>• at least two months</td>
<td>• different periods can be agreed in certain cases</td>
</tr>
<tr>
<td>2) summary dismissal</td>
<td>• no notice period</td>
<td>2) summary dismissal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• no notice period</td>
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<tr>
<th>Form of dismissal</th>
<th>Czech Republic</th>
<th>Denmark</th>
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<tbody>
<tr>
<td></td>
<td>• written form</td>
<td>• written form (no requirement for validity)</td>
</tr>
<tr>
<td></td>
<td>• delivery to the employee</td>
<td></td>
</tr>
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<td></td>
<td>• stipulating the reason for dismissal</td>
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<thead>
<tr>
<th>Further requirements for a valid dismissal</th>
<th>Czech Republic</th>
<th>Denmark</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>• specific deadlines apply in case of termination due to the breach of employee’s duties</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>• consulting with the trade union</td>
<td></td>
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<tr>
<td></td>
<td>• consent of the trade union in some cases</td>
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<thead>
<tr>
<th>Special dismissal protection</th>
<th>Czech Republic</th>
<th>Denmark</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>• during pregnancy, maternity leave</td>
<td>• protection against discrimination (race, skin color, religion etc.)</td>
</tr>
<tr>
<td></td>
<td>• during parental leave</td>
<td>• women during pregnancy</td>
</tr>
<tr>
<td></td>
<td>• during illness</td>
<td>• part-time and fixed-term employees</td>
</tr>
<tr>
<td></td>
<td>• during holding public office</td>
<td>• trade union members</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Legal means of the employees</th>
<th>Czech Republic</th>
<th>Denmark</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>• claim against dismissal within two months after the end of the notice period</td>
<td>claim against dismissal</td>
</tr>
<tr>
<td></td>
<td>• claim for compensation within two years after knowledge, at least within three years</td>
<td></td>
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</tbody>
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<thead>
<tr>
<th>Severance pay</th>
<th>Czech Republic</th>
<th>Denmark</th>
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<tbody>
<tr>
<td></td>
<td>• existence of a legal claim depending on the reason for dismissal</td>
<td>• after 12, 15 and 18 years of employment: 1, 2 or 3 months’ salary as severance pay (only in case of ordinary dismissal)</td>
</tr>
<tr>
<td></td>
<td>• at least one, two or three average monthly salaries (depending on employment duration) or at least twelve average monthly salaries (depending on the reason for dismissal)</td>
<td></td>
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<table>
<thead>
<tr>
<th>Mentionable aspects/particularities</th>
<th>Czech Republic</th>
<th>Denmark</th>
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<tbody>
<tr>
<td></td>
<td>N/A</td>
<td></td>
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</table>
### Finland

1) summary
2) summary dismissal

1) ordinary dismissal
   - reasons related to the employee’s person
   - financial and production related reasons
2) summary dismissal
   - extremely weighty cause

1) ordinary dismissal
2) summary dismissal
1) ordinary dismissal
   - reasons related to the employee’s person
   - financial and production related reasons
   - extremely weighty cause
2) summary dismissal
   - extremely weighty cause

1) principle: notice period
   - by contract, collective bargaining agreement or law; the longer period precedes
   - depending on seniority; one or two months
2) exception: no notice period in case
   - summary dismissal

1) principle: notice period
   - by contract, collective bargaining agreement or law; the longer period precedes
   - depending on seniority; one or two months
2) exception: no notice period in case
   - summary dismissal

- written form is recommended
- reasons need to be notified on the request of the employee

1) specific procedure
   - convocation letter
   - preliminary meeting
   - letter notifying the dismissal
   - compiling all justifications on a file

- warning of the employee
- co-operation procedure (employer employing more than 20 employees)
- proposal for commencement

- pregnancy and family leave
- shop steward and elected representative

1) Employment Contracts Acts
   - claim for compensation (3 months up to 24 months of salary)
2) Act on Co-operation within Undertakings

- no legal entitlement for severance pay

N/A

### France

1) dismissal based on a reason related to the employee’s person
2) dismissal based on economic reasons

1) dismissal based on a reason related to the employee’s person
   - gross or serious misconduct
   - professional insufficiency
2) dismissal based on economic reasons
   - economic difficulties or technological transfers
   - reorganization

1) principle: notice period
   - by contract, collective bargaining agreement or law; the longer period precedes
   - depending on seniority; one or two months
2) exception: no notice period in case
   - summary dismissal

- written form
- giving the reasons for dismissal
- by registered letter with acknowledgement of receipt

1) principle: notice period
   - by contract, collective bargaining agreement or law; the longer period precedes
   - depending on seniority; one or two months
2) exception: no notice period in case
   - summary dismissal

- written form
- reasons need not to be stated in the notice
- information of the works council

- warning of the employee
- again violation of his contractual duties

- former) staff representatives
- employees with other special functions within or outside the company
- during pregnancy
- disabled employees

1) claim against dismissal
2) compensation

- legal claim in case of seniority over one year: 1/5 month salary for each year of seniority plus 2/15 month salary for each year of seniority over 10 years
- by collective bargaining agreement or employment contract

- claim against the dismissal within three weeks after its notification

- special requirements in certain cases (collective dismissal)

### Germany

1) ordinary dismissal
2) summary dismissal

1) ordinary dismissal
   - operational reasons
   - person-related reasons
   - conduct-related reasons
2) summary dismissal: serious cause

1) ordinary dismissal:
   - by contract, collective bargaining agreement or law; the longer period precedes
   - by law: depending on the duration of the employment relationship: four weeks up to seven months
2) summary dismissal:
   - no notice period

- written form
- reasons need not to be stated in the notice
- information of the works council

- warning of the employee; again violation of his contractual duties

- during and after pregnancy
- persons with disabilities
- during parental leave
- works council members and other officers under the Work Constitution Act
<table>
<thead>
<tr>
<th><strong>Kinds of dismissal</strong></th>
<th>Hungary</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>1) ordinary dismissal</td>
<td>1) individual dismissal</td>
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<tr>
<td>2) summary dismissal</td>
<td>2) summary dismissal</td>
<td>2) summary dismissal</td>
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<tr>
<td></td>
<td></td>
<td>3) dismissal based on justified subjective ground</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Necessary reasons for dismissal</strong></th>
<th>Hungary</th>
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</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>1) ordinary dismissal:</td>
<td>1) individual dismissal objective grounds</td>
</tr>
<tr>
<td></td>
<td>• ability/behavior of employee</td>
<td>• production reasons</td>
</tr>
<tr>
<td></td>
<td>• reasons related to the employer (internal/</td>
<td>• business management reasons</td>
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<tr>
<td></td>
<td>external circumstances)</td>
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</tr>
<tr>
<td></td>
<td>• definite-term contracts: liquidation or bankruptcy</td>
<td>• severe misconduct</td>
</tr>
<tr>
<td>2) summary dismissal</td>
<td>2) summary dismissal</td>
<td>3) dismissal based on justified subjective ground</td>
</tr>
<tr>
<td></td>
<td>• serious violation of obligations</td>
<td>• breach of justified contractual duties</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Notice periods</strong></th>
<th>Hungary</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>1) principle: notice period</td>
<td>1) principle: notice period</td>
</tr>
<tr>
<td></td>
<td>• by law: 30-90 days (depending on seniority)</td>
<td>• regulated by the National collective labor Contracts’ provisions;</td>
</tr>
<tr>
<td></td>
<td>• agreement: maximum one year/six months</td>
<td>• depending on professional category, ranking, seniority, dismissal or resignation</td>
</tr>
<tr>
<td>2) summary dismissal</td>
<td>2) summary dismissal</td>
<td>2) exception: no notice period</td>
</tr>
<tr>
<td></td>
<td>• no notice period</td>
<td>in case of summary dismissal</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Form of dismissal</strong></th>
<th>Hungary</th>
<th>Italy</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>• written form</td>
<td>• written form</td>
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<thead>
<tr>
<th><strong>Further requirements for a valid dismissal</strong></th>
<th>Hungary</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) old legislation:</td>
<td>1) opportunity to argue the complaints</td>
<td>certain procedure:</td>
</tr>
<tr>
<td></td>
<td>• notification on the possibility of legal remedy</td>
<td>• Disciplinary Sanctions Code</td>
</tr>
<tr>
<td></td>
<td>• consent/consultation of works council/trade union</td>
<td>• disciplinary action/write contestation</td>
</tr>
<tr>
<td>2) new legislation (as of 1/7/2012)</td>
<td>2) not required to provide the opportunity to argue the complaints</td>
<td>• employee has the right to be heard and defend himself during disciplinary action</td>
</tr>
<tr>
<td></td>
<td>• limited protection of workers’ representatives</td>
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<table>
<thead>
<tr>
<th><strong>Special dismissal protection</strong></th>
<th>Hungary</th>
<th>Italy</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>• during pregnancy/parental leave</td>
<td>• during pregnancy and maternity leave</td>
</tr>
<tr>
<td></td>
<td>• military service</td>
<td>• during sickness leave</td>
</tr>
<tr>
<td></td>
<td>• persons receiving rehabilitation benefits</td>
<td>• during marriage leave</td>
</tr>
<tr>
<td></td>
<td>• during illness</td>
<td>• protection against discrimination</td>
</tr>
<tr>
<td></td>
<td>• during absence for the purpose of caring for an ill child</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• during non-paid leave</td>
<td></td>
</tr>
</tbody>
</table>
**Challenging times: Dismissal regulations across Europe**

<table>
<thead>
<tr>
<th>Latvia</th>
<th>Lithuania</th>
<th>Norway</th>
</tr>
</thead>
</table>
| 1) ordinary dismissal  
2) summary dismissal | 1) ordinary dismissal  
2) extraordinary dismissal | 1) ordinary dismissal  
2) summary dismissal |
| 1) ordinary dismissal:  
- circumstances related to the employees’ behavior and activities;  
- economical, organizational or technological measures taken by the company;  
- long term illness  
- other reasons decided by the court.  
2) summary dismissal  
- illegal acts, employee is under influence (alcohol, etc.) | 1) ordinary dismissal:  
- reasons related to the employee (qualification, professional skills or conduct)  
- reasons related to the employer (economic or technological reasons, restructuring)  
2) extraordinary dismissal  
- court decision  
- negligent performance of duties  
- gross breach of duties  
- etc. | 1) ordinary dismissal  
- circumstances related to the undertaking  
- conduct- or person-related reasons  
2) summary dismissal  
- gross breach of duties |
| 1) ordinary dismissal  
- by law, collective bargaining agreement or employment agreement  
- by law: 10 days up to 1 month  
2) summary dismissal  
- no notice period | 1) ordinary dismissal:  
- by law: 2 months (general rule) up to 4 months (certain cases)  
- employees are entitled to be absent for 10 percent of the working time to look for a new job  
2) extraordinary dismissal  
- no notice period | 1) ordinary dismissal  
- by law: depending upon the duration of the employment relationship and age: one month up to six months  
2) summary dismissal: no notice period |
| • written form  
• employer must request explanation from employee  
• notification of circumstances  
• dismissal within one month of detection of violation  
• other vacant position  
• trade union members | • written form  
• legal and factual grounds need to be stated  
• special form in case of dismissal for breach of duties  
• termination documents  
• settle all accounts  
• work certificate  
• inform State Social Insurance Fund Board/Lithuanian Work Exchange | • written form  
• specific formalities and information required  
• certain information must be given (e.g., employee’s rights in case of dismissal, time limits etc.)  
• grounds for the dismissal  
• hearing of the employee |
| • during and after pregnancy  
• disabled persons  
• during temporary incapacity  
• during temporary incapacity for a long term period (due to accident at work)  
• during trade union membership | • during sick leave  
• during vacation  
• temporary loss of capacity to work (due to injury at work or other reasons)  
• pregnant women  
• trade union members/employee representatives | • during sick leave  
• during pregnancy or maternity leave  
• during military service |
<table>
<thead>
<tr>
<th>Legal means of the employees</th>
<th>Hungary</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• claim within 30 days after having received the dismissal</td>
<td>• claim against the dismissal after contesting the dismissal to the employer within 60 days from the receipt of the communication of the dismissal</td>
<td></td>
</tr>
<tr>
<td>• sanction: reinstatement/salary/flat fee/compensation for damages</td>
<td>• claim against the dismissal after contesting the dismissal to the employer within 60 days from the receipt of the communication of the dismissal</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Severance pay</th>
<th>Hungary</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) ordinary dismissal</td>
<td>• minimum seniority of 3 years</td>
<td>legal claim to “end of service allowance” (year’s salary divided by 13.5 for every year of seniority)</td>
</tr>
<tr>
<td>• one month up to six months of salary (depending on seniority)</td>
<td>• no severance pay in case of dismissal due to the behavior or non-health related abilities of the employee</td>
<td></td>
</tr>
<tr>
<td>• no severance pay in case of dismissal due to the behavior or non-health related abilities of the employee</td>
<td>2) summary dismissal</td>
<td></td>
</tr>
<tr>
<td>2) summary dismissal</td>
<td>• no severance pay</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mentionable aspects/particularities</th>
<th>Hungary</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>• special requirements for collective dismissals</td>
<td>• special requirements in certain cases (e.g., collective dismissal)</td>
<td></td>
</tr>
</tbody>
</table>
### Latvia
- claim against the dismissal
- sanction for unlawful dismissal: reinstatement, payment of compensation or non-pecuniary damages

### Lithuania
- claim against the dismissal within one month after its delivery
- sanction for unlawful dismissal: reinstatement/severance pay

### Norway
- negotiations with the employer within two weeks after notice
- legal proceedings against the dismissal within eight weeks
- claim of economical indemnification within six months

### Severance Pay

#### 1) Ordinary Dismissal/Dismissal Upon Employer’s Liquidation
- minimum seniority of 3 years
- one month up to six months of salary (depending on seniority)
- no severance pay in case of dismissal due to the behavior or non-health related abilities of the employee

#### 2) Summary Dismissal
- no severance pay

#### 1) Ordinary Dismissal/Dismissal Upon Employer’s Liquidation
- 1-6 months’ salary (depending on seniority)
- 2 months’ salary

#### 2) Other Cases (No Fault of Employee)
- special rules regarding dismissal of the head of the company

### N/A
- special rules regarding dismissal of the head of the company
- no legal claim
- top management: severance payment can be agreed in the employment contract
<table>
<thead>
<tr>
<th>Poland</th>
<th>Romania</th>
</tr>
</thead>
</table>
| **Kinds of dismissal** | 1) ordinary dismissal  
2) summary dismissal |
| **Necessary reasons for dismissal** | 1) dismissal for reasons related to the employee  
2) dismissal for reasons not related to the employee |
| 1) ordinary dismissal | • real and concrete reasons  
• employer-related reasons (e.g., operational reasons)  
• employee-related reasons |
| 2) summary dismissal | • gross breach of duties  
• committing an offence  
• loss of important qualifications  
• incapacity to work due to illness or other reasons under certain requirements |
| **Notice periods** | • by law or contract  
• depending on duration of the employment and kind of contract of employment: two weeks up to three months  
• no notice period  
• within one month |
| **Form of dismissal** | written form  
• in case of an indefinite employment contract or an instant dismissal: reasons for the dismissal must be given |
| **Further requirements for a valid dismissal** | • information about the right to appeal  
• in case of an indefinite employment contract or instant dismissal: information of the establishment’s trade union organization |
| **Special dismissal protection** | • protection against discrimination (gender, age, nationality, family status or responsibilities etc)  
• during temporary work incapacity  
• during quarantine leave  
• during pregnancy, maternity leave, leave for raising a child, leave for looking after a sick child  
• one’s exercise of an eligible position in a trade union body  
• during rest leave |
### Challenging times: Dismissal regulations across Europe

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</table>

- **Reason for dismissal required, such as:**
  - operational reasons
  - person-related reasons
  - conduct-related reasons

<table>
<thead>
<tr>
<th>Russia</th>
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<th>Slovenia</th>
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</thead>
</table>
| 1) ordinary dismissal<br>2) summary dismissal | 1) ordinary dismissal<br>2) summary dismissal | 1) ordinary dismissal

- **depending on the reason for the dismissal**
  - e.g., dismissal for operational reasons: two months

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- **written form**
  - employee acquainted with the dismissal against his/her signature

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</table>

- **depending on the reason for the dismissal; e.g.,**
  - offer suitable vacant position
  - confirmation of a special committee

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</table>

- **during sick leave and vacation**
  - during pregnancy
  - people with a certain family situation
  - employees under 18 years old
  - people with an accident at work or an occupational disease
  - during on-the-job professional development
  - war invalids

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</tbody>
</table>

- **during inability to work due to medical reasons or accident**
  - during extraordinary military service
  - during pregnancy, maternity leave, parental leave
  - during taking care for a child under the age of 3 (unmarried employee)
  - during release for a long-term public function
  - disabled employees

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</table>

- **during pregnancy**
  - during parental leave
  - workers’ representatives
  - disabled persons
  - during sick leave

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- **imprisonment**
  - by law: 30-120 days depending on duration of the employment relationship
  - culpability of worker: 1 month

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- **schedule of termination**

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- **information about the right to appeal**

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- **written form**
  - delivery
  - reason for dismissal must be defined

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- **specification of reasons for termination as well as legal actions and rights**

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</table>

- **inform trade union of intended termination**
  - termination needs to be served in person

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</tr>
<tr>
<td>Legal means of the employees</td>
<td>Poland</td>
<td>Romania</td>
</tr>
<tr>
<td>-----------------------------</td>
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</tr>
<tr>
<td>• claim within seven days from the delivery of the notice</td>
<td></td>
<td>• challenge of the dismissal decision with the court of competent jurisdiction, within 30 calendar days from the communication of the dismissal decision to the employee</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Severance pay</th>
<th>Poland</th>
<th>Romania</th>
</tr>
</thead>
<tbody>
<tr>
<td>• certain legal requirements</td>
<td></td>
<td>• legal entitlement to severance payments in certain cases of dismissal, in accordance with the applicable individual and collective bargaining agreements or law</td>
</tr>
<tr>
<td>• amount depending on the duration of the employment relationship</td>
<td></td>
<td></td>
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</tbody>
</table>

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<th>Mentionable aspects/particularities</th>
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<tr>
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<td>N/A</td>
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<td>Slovenia</td>
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<tr>
<td>-----------------------------------------------------------------------</td>
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</tr>
<tr>
<td>• claim within one month from the date of dismissal</td>
<td>• claim within two months from the end of the employment relationship</td>
<td>• suspension of effect of termination</td>
</tr>
<tr>
<td></td>
<td>• legal claim of at least one, two or three month salaries (depending on the duration of the employment relationship)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• in case of dismissal because of working injury, occupational illness or risk of such illness at least ten month salaries</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• special regulations for the dismissal of executives</td>
<td>• request for judicial protection within 30 days from the day of termination/day on which the employee learned of the violation of his rights</td>
</tr>
<tr>
<td></td>
<td>• special requirements for collective dismissals</td>
<td>• entitlement for employee who is at no fault</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• minimum seniority of 1 year required</td>
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<tr>
<td></td>
<td></td>
<td>• amounting to 1/5-1/3 of the basis for each year of employment (depending on period of employment)</td>
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<tr>
<td></td>
<td></td>
<td>• maximum 10 times basic amount</td>
</tr>
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<td></td>
<td></td>
<td>• courts tend to rule in favour of employees</td>
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<td></td>
<td></td>
<td>• ordinary termination: check suitable vacant position</td>
</tr>
<tr>
<td>Kind of dismissal</td>
<td>Spain</td>
<td>Sweden</td>
</tr>
<tr>
<td>---------------------------</td>
<td>--------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>1) objective dismissal</td>
<td>1) objective dismissal</td>
<td>1) ordinary dismissal</td>
</tr>
<tr>
<td>2) disciplinary dismissal</td>
<td>2) disciplinary dismissal</td>
<td>2) summary dismissal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Necessary reasons for dismissal</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) objective dismissal</td>
<td>1) objective dismissal</td>
<td>1) ordinary dismissal</td>
</tr>
<tr>
<td>• operational reasons (e.g., economical, organizational, technical reasons)</td>
<td>• objective ground</td>
<td>• circumstances relating to the employee personally</td>
</tr>
<tr>
<td>• ineptness, failure to adapt to technological changes or absences of the employee</td>
<td>• other circumstances; in particular</td>
<td>&quot;shortage of work&quot;</td>
</tr>
<tr>
<td>2) disciplinary dismissal</td>
<td>2) disciplinary dismissal</td>
<td>2) summary dismissal</td>
</tr>
<tr>
<td>• breach of contract</td>
<td>• serious violation of employment obligations</td>
<td>gross negligence of duties</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notice periods</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) objective dismissal:</td>
<td>1) objective dismissal:</td>
<td>1) ordinary dismissal</td>
</tr>
<tr>
<td>• 15 days</td>
<td>• no notice period</td>
<td>• by law or collective bargaining agreement</td>
</tr>
<tr>
<td>2) disciplinary dismissal</td>
<td>• no notice period</td>
<td>• depending on the duration of the employment relationship: two weeks up to six months</td>
</tr>
<tr>
<td>• no notice period</td>
<td>2) summary dismissal</td>
<td>• within a two months period after knowledge of the facts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Form of dismissal</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>• written form</td>
<td>• written form</td>
<td>• communication of circumstances upon request</td>
</tr>
<tr>
<td>• under specification of the cause of the dismissal and the date of its effect</td>
<td>• information about the employee’s rights (claim; reassignment)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Further requirements for a valid dismissal</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>• objective dismissal: offering of severance payment</td>
<td>• warning in case of ordinary dismissal for reasons relating to the employee personally</td>
<td></td>
</tr>
<tr>
<td>• information of works council or union representatives</td>
<td>• lack of proper warning: dismissal risks becoming nullified</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Special dismissal protection</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>• no dismissal because of discriminatory reasons</td>
<td>• disabled employees</td>
<td></td>
</tr>
<tr>
<td>• in all circumstances related to maternity</td>
<td>• union representatives</td>
<td></td>
</tr>
<tr>
<td>• legal and union representatives</td>
<td>• during parental leave/pregnancy</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>The Netherlands</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------</td>
<td>---------------</td>
</tr>
</tbody>
</table>
| 1) ordinary dismissal  
2) summary dismissal | 1) ordinary dismissal  
2) summary dismissal | 1) fair dismissal  
2) unfair dismissal  
3) wrongful dismissal |
| 1) ordinary dismissal  
• no special reason necessary  
• dismissal must not be abusive  
2) summary dismissal  
• valid reason required | 1) ordinary dismissal  
• economic grounds  
• grounds related to non-economic reasons (e.g., performance of the employee or insurmountable problems between employer and employee)  
2) summary dismissal  
• urgent cause or reason: behavior after which none of the parties can reasonably be required to continue the employment contract | 1) five reasons for a fair dismissal  
• redundancy  
• conduct  
• capability  
• illegality  
• some other substantial reason |
| 1) ordinary dismissal  
• by contract, collective bargaining agreement or law  
• by law: one month up to three months notice  
2) summary dismissal  
• no notice period | 1) ordinary dismissal  
• by contract, collective bargaining agreement or law  
• depending on seniority  
• by law: one month up to four months  
2) summary dismissal  
• no notice period | 1) fair/unfair dismissal  
• as required by the contract of employment; or  
• statutory minimum notice—one week for each year of employment capped at 12 weeks notice after 12 years of employment or more  
2) wrongful dismissal  
• in breach of contractual or statutory notice period |
| • no particular form  
• stating the reasons upon the request of the other party | • no certain form required  
• if requested, duty to inform the employee in writing about the reason(s) for dismissal | • usually in writing by either party  
• appropriate consultation |
| • in case of dismissal without notice because of less serious behavior: prior warning | • ordinary dismissal: obtaining prior written permit from the governmental agency before giving notice | 1) in writing if required by contract  
2) with prior notification to the Department for Business Innovation and Skills in case of collective redundancies |
| • during, four weeks prior to and after military service  
• during inability to work because of illness or accident for certain periods  
• during pregnancy and the 16 following weeks  
• during foreign aid service assignment | • during illness, in general during the first 104 weeks  
• during pregnancy, maternity or paternity leave  
• during military service  
• during works council membership  
• in view of trade union-membership and/or activities | • during pregnancy or maternity leave  
• trade union representatives  
• military service  
• during long term illness |
<table>
<thead>
<tr>
<th>Legal means of the employees</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>• claim for reconciliation</td>
<td>• notifying the employer within two weeks after having received the notice of dismissal</td>
<td></td>
</tr>
<tr>
<td>• claim against dismissal at the Labor Court within 20 working days after dismissal</td>
<td>• claim two weeks after expiration of the notification period</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Severance pay</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>• fair disciplinary dismissal: no compensation</td>
<td>• no legal claim for severance pay; only by agreement of the parties</td>
<td></td>
</tr>
<tr>
<td>• fair objective dismissal: up to 12 monthly payments</td>
<td>• 6 to 15 monthly salaries are not uncommon</td>
<td></td>
</tr>
<tr>
<td>• unfair disciplinary or objective dismissal: regulation differs depending on date of employment contract (before or after 12 February 2012)</td>
<td>• summary dismissal: severance payments up to six month salaries in case of unjustified dismissal</td>
<td></td>
</tr>
<tr>
<td>• null objective or disciplinary dismissal: reinstatement and payment of salaries accrued</td>
<td>• can be awarded by the District court</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• ordinary dismissal: no legal claim</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• redundancy payment</td>
<td>• severance pay for unfair dismissal</td>
</tr>
<tr>
<td></td>
<td>• damages for wrongful dismissal</td>
<td>• new dismissal regulation expected</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mentionable aspects/particularities</th>
<th>Spain</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td>• special procedure for collective dismissals</td>
<td>• special procedure for collective dismissals</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>The Netherlands</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------</td>
<td>---------------</td>
</tr>
</tbody>
</table>
| • written objection within the notice period  
  • claim for indemnity within 180 days after the end of the employment relationship | • launch court proceedings against the employer | • claim against dismissal in the employment tribunal within 3 months of dismissal date  
  • wrongful dismissal: apply to civil courts for damages |
| • ordinary dismissal: no legal claim  
  • in case of abusive dismissal: indemnity  
  • summary dismissal: severance payments up to six month salaries in case of unjustified dismissal | • can be awarded by the District court  
  • no statutory criteria; depending on seniority, gross income, special circumstances | • redundancy payment  
  • severance pay for unfair dismissal  
  • damages for wrongful dismissal |
| • particular requirements in case of collective dismissal | • possibility of requesting the District court to dissolve the employment agreement for serious reasons  
  • special requirements for collective dismissals  
  • new dismissal regulation expected | • special procedure for collective dismissals |

Mentionable aspects/particularities:

- special procedure for collective dismissals
- particular requirements in case of collective dismissal
- possibility of requesting the District court to dissolve the employment agreement for serious reasons
- special requirements for collective dismissals
- new dismissal regulation expected
Although the employer's power to dismiss is subject to strict formalities in most countries, Belgium is one of the few countries where the employer has absolute dismissal power.
Austria

1. Kinds of dismissal
There are two kinds of dismissals: ordinary dismissals (Kündigung) and summary dismissals (Entlassung). These two kinds differ in reason for dismissal, dismissal period, and dismissal protection.

2. Necessity of reasons for dismissal
An ordinary dismissal in principle does not require any cause but is subject to notice periods. This principle, however, is mostly restricted in practice. In any company facility with five or more employees and after duration of the employment for longer than six months, a dismissal has to be “socially justified”; otherwise - following an appeal by the works council and/or the employee - the labor court could set aside the dismissal (see below).

Summary dismissal: The employment agreement can be terminated by either party for “good cause” with immediate effect where that party cannot reasonably be expected to continue employment under the circumstances. The reasons why an employer may terminate the employment for cause are provided in a binding but not exhaustive way by § 27 of the Austrian Employees Act. The employer may immediately terminate the employment particularly, in the following cases:
• if the employee is disloyal in his service, accepts bonuses in connection with his service from third parties without informing the employer, or commits acts that make him unworthy of the employer’s trust (e.g., theft, falsification of any employment or company records, disclosure of business and trade secrets);
• if the employee is incapable of performing the agreed services or for any reason cannot perform such services for a longer period of time;
• if the employee violates his duty of non-competition;
• if the employee does not perform the agreed services for a considerable period of time (except due to illness or accident) or refuses to comply with orders of the employer.
3. Notice periods
An ordinary dismissal is subject to notice periods stipulated by the Employees Act, the applicable collective bargaining agreement, and the employment contract. Pursuant to the Employees Act, the minimum period of notice to be given by the employer is six weeks and increases with the length of service (after two working years: two months; after five working years: three months, and so on). The applicable collective bargaining agreement may contain additional requirements and may provide, for example, for longer notice periods.

The Employees Act allows, as a general rule, terminations by employers only to be effective at the end of each calendar quarter. However, this rule can be changed by individual agreement so that employment may end on the fifteenth or at the last of each calendar month.

A summary dismissal does not have a notice period. As the dismissal is only possible if the continuation of the employment relationship is unacceptable for the employer, the employment contract ends as soon as the employer has explained the dismissal (and the employee has received the notice of dismissal). It is particularly important that, once a cause for a summary dismissal arises, the dismissal must be declared immediately without undue delay (which normally means only one or two days). Otherwise, the employer is deemed to have waived his right to immediately terminate the employment for cause.

4. Form of dismissal
Basically, there is no specific form required. The dismissal may be declared in written form or orally. Only a few laws contain special regulations stipulating that dismissals have to be in written form. The reasons for the dismissal need not be stated in the notice.

5. Further requirements for a valid dismissal
In all plants in which at least five employees are regularly employed, all employees are entitled to some protection against dismissal. The legal provisions on protection against dismissal include procedural rules and provide for the mandatory involvement of the works council. If no works council has been elected, the rules involving the works council do not apply, but the remaining provisions are still applicable.

If a works council is established, the employer must notify the works council of the intended dismissal in advance. The works council may then comment on the ordinary dismissal, within five working days. After that period the employer may proceed with the ordinary dismissal. A violation of the pre-notification requirement makes the ordinary dismissal void. If it explicitly agrees to the dismissal it cannot be challenged later on the grounds of social unfairness. Generally speaking, a dismissal is held socially unfair if the employees interests are seriously affected, unless it can be proven that either the employee as a person has had a negative impact on the business (either person or conduct related reasons) or commercial reasons make it difficult not to dismiss the employee (e.g., reorganization or stopping of production, measures of rationalization, drop in orders). Any dismissal of an employee declared in contravention of said information duties vis-à-vis the works council is void.

6. Special dismissal protection
Several groups of employees enjoy special protection against ordinary as well as summary dismissal. The exact scope of the protection varies; however, essentially for all of these employees, even ordinary dismissal requires some good cause, the labor court or an administrative agency must usually approve the termination. The protected groups are in particular members of and candidates for the works council, pregnant employees until four months after birth, employees during parental leave, employees doing their military service, and persons with disabilities.
7. Legal means of the employees
In general, the works council or the employee may contest the dismissal by way of filing a complaint with the labor court.
- If the works council has objected to the dismissal vis-à-vis the employer, it may, upon request by the employee, appeal against the dismissal within one week. If the works council does not comply with the employee’s request within one week, the employee may file an action himself within an additional week.
- If the works council did not comment on the dismissal within the 5 days period, the employee may file an action within one week after receipt of the notice of dismissal.
- If the works council explicitly agreed to the dismissal, it cannot be challenged later on the grounds of social unfairness. The employee may appeal against the dismissal within one week after receipt only on grounds of an unlawful motive.

The dismissal may be set aside by the court on one of the following two grounds. Either the dismissal was based on an unlawful motive (e.g., membership in a trade union) or the dismissal is socially unjustified, which means that it infringes substantially upon the interests of the employee and, in a balance-of-interests test, is not sufficiently justified by the employer (see above). If the dismissal is set aside, the employment agreement continues and the employee is entitled to back pay.

8. Severance pay
Upon ordinary dismissal, the employee may—apart from the application of a notice period (see above)—be entitled to receive a severance payment (Abfertigung). For all employment relationships beginning on or after 1 January 2003, the new severance pay regime applies, according to which the employer has to pay on a monthly basis 1.53 percent of each employee’s gross salary to a special fund (Mitarbeitervorsorgekasse). On termination, the employee has the option to either have the accrued amounts paid out by this fund as severance pay (provided that the employee was employed for more than 3 years) or to leave the amounts in the fund, into which any new employer will continue to contribute monthly payments. No employer liability for severance payment arises upon termination of employment. Employment relationships that date back longer may still be subject to the previous statutory regime. Under the old regime, an employee having been employed for more than 3 years is entitled to a mandatory severance payment when the employment ends. The amount of the severance payment depends on the duration of the employment and ranges between 2 and 12 monthly salaries. The basis of the calculation is the most recent monthly salary of the employee including all regularly granted payments (pro rated bonuses etc.). With regards to such older employment contracts.

9. Mentionable aspects/particularities
Special rules apply to collective dismissals.
Azerbaijan

1. Kinds of dismissal
In accordance with the Labor Code of the Republic of Azerbaijan ("Labor Code") an employment contract can be terminated at the employer’s initiative.

2. Necessary reasons for dismissal
Under the Labor Code, an employment contract can be terminated by the employer on the following grounds:
   i. liquidation of the entity;
   ii. workforce reduction is carried out in an enterprise;
   iii. there is a relevant decision of the attestation commission - composed of experienced and highly skilled employees of the entity and representatives of trade unions—that the employee does not possess necessary professional skills for the job held;
   iv. an employee does not meet the expectations during the probation period;
   v. an employee does not fulfill his functions and obligations under the contract or is involved in gross misconduct. The Labor Code precisely defines the following (exhaustive) cases which shall be regarded as gross misconduct entitling the employer to immediately dismiss an employee:
      • absence at work for a whole day without an excusable reason;
      • appearance at work under alcoholic, narcotic, or other means of intoxication;
      • material damage to the owner due to the culpable acts of an employee;
      • infringement of labor protection rules resulting in damages to the health of fellow employees due to the culpable acts of an employee;
      • failure to fulfill his obligations with regard to confidentiality of production, commercial, and state secret;
      • serious damage to the employer’s, enterprise’s, or owner’s lawful interests resulting from an employee’s gross mistakes or breaches of law during the employment activity;
      • repeated failure by an employee to perform his duties without good cause provided that such employee has been disciplined during the last six month;
      • committing administrative or criminal offenses during work time in the workplace.

3. Notice periods
There is no notice period when an employment contract is terminated immediately. Notice periods apply only in cases of staff reduction and alteration of working conditions.

The notice periods are stipulated in the Labor Code.
   i. In the event an employment contract is terminated due to staff reduction, the employees must be personally notified of such termination not less than two months prior to the actual termination date.
   ii. In case of any alteration of working conditions, the employee must be provided with one month notice.

Upon the employee’s written consent, the employer can terminate the employment contract for the foregoing reasons without the said notification provided that the employee is paid additional compensation in the amount of his average salary for two months.

4. Form of dismissal
In practice, the notice of dismissal of an employee is made in written form which is signed and confirmed by the employer, and the employee signs for receipt. The notice or order of dismissal must include the following information:
   • Name and legal address of the entity, the number of the notice, date of the document, full name of the employer who signs the notice;
   • Employee’s full name;
   • Position of the employee specified in the labor contract;
   • Grounds of terminating the labor contract;
   • Reference to the Article of the Labor Code where such grounds are specified;
   • Date of termination of the labor contract;
   • Documents serving as a ground for termination.
5. Further requirements for a valid dismissal
There are some additional legislative requirements providing for additional obligations for the employer regarding the order of dismissal. Some of them are stated below.
• In case of staff reduction or cases related to a change of owner of an enterprise (for the management of the enterprise) the employer shall offer the employee another position relevant to the employee's qualifications (should there be any suitable vacant positions);
• In cases of dismissals of employees, members of trade union because of staff reduction or breach of labor obligations, the employment contract can be terminated only after prior approval of the termination from the trade union of the enterprise.

6. Special dismissal protection
It is forbidden to dismiss certain employees under certain circumstances:
• pregnant women and women taking care of a child younger than three years old;
• employees raising a child below the school age whose only income source is the company (s)he is working for;
• employees who have temporarily lost the ability to work;
• employees afflicted with diabetes;
• for being members of trade union or any political party;
• employee taking care of a person of poor health younger than 18 years old.

The employment agreement may not be terminated at the initiative of the employer while the employee is on vacation or secondment, or is involved in collective negotiations.

7. Legal means of the employees
In general, an employee may appeal to the court for resolution of an individual labor dispute within one calendar month from the day when he became aware that his rights have been violated. The Labor Code further entitles an employee to appeal to the court within one year from the day when he became aware that his rights have been violated provided the appeal is related to money and other property claims, as well as to labor disputes emerged as a result of caused damages.

8. Severance pays
Under the Labor Code, an employer has to pay severance pay amounting to:
• One time the employee's average monthly salary in case of dismissal at the initiative of the employer due to staff reduction or liquidation of the organization. Moreover, in these cases of dismissal, the employer is also obliged to pay to the employee his average monthly salary for the period of his new job-seeking, but not exceeding 2 months;
• Two times the employee’s average monthly salary in case of dismissal due to alteration of working conditions, mandatory commencement of military or alternative service and if an employee cannot fulfill his/her functions due to complete loss of working ability for continuous period of more than six months.
• Three times the employee's average monthly salary is paid to the employee's heirs in case of his/her death;
• Three times the employee’s average monthly salary in case of dismissal due to change of the owner of the entity.

9. Mentionable aspects/ particularities
None.
Belgium

1. Kinds of dismissal
An employment contract for an indefinite period can be terminated by the employer at any time by serving notice (in which case specific formalities must be complied with) or with immediate effect (in which case the employee does not work any notice period and the employer pay a lump sum compensation instead of notice).

An employer can also terminate an employment contract without notice and without the payment of a lump sum compensation instead of notice, where there is ‘serious cause’ (summary dismissal).

2. Necessity of reasons for dismissal
In general it is not necessary to give a reason for the termination nor to obtain any administrative or judicial approval, except where there is summary dismissal. In the latter case the employer must give written notice with the reasons for the summary dismissal. A summary dismissal is based on a serious breach that immediately and definitively makes any further cooperation between the employer and the employee impossible (examples: theft, competition, aggression etc.).

3. Notice periods
Belgian law operates a distinction between blue and white collar workers and that distinction has a significant impact on an employee’s termination rights. While white collar workers mainly perform intellectual work, blue collar workers mainly perform manual work. It is expected that the legislator will take action to harmonize the status of blue and white collar workers by July 2013. This harmonization is required due to the judgment of the Belgian Constitutional Court on 7 July 2011 in which the Belgian Constitutional Court ruled that the unequal treatment of blue and white collar workers (especially regarding the duration of the notice period) violates the constitutional principles of equal treatment and non-discrimination. Although the Constitutional Court decided that the current legal provisions temporarily retain their validity, the Court has set a final deadline to adopt new legislation by 8 July 2013.

For white collar workers who started working before 1 January 2012, the notice requirements are as follows:
A distinction must be made between white collar workers whose gross annual remuneration (including benefits) does not currently exceed 31,467,00 EUR (amount in 2012) and those earning more than that amount. This threshold is subject to annual revision to reflect the rise in the cost of living:

<table>
<thead>
<tr>
<th>Notice by employer</th>
<th>Notice period begins</th>
</tr>
</thead>
<tbody>
<tr>
<td>White collar</td>
<td></td>
</tr>
<tr>
<td>Up to 5 years’ service</td>
<td>3 months</td>
</tr>
<tr>
<td>For every further period of 5 years’ service started</td>
<td>A further 3 months</td>
</tr>
<tr>
<td>Highly paid white collar</td>
<td>reasonable notice</td>
</tr>
<tr>
<td>more than 31,467,00 EUR</td>
<td>Same as above</td>
</tr>
</tbody>
</table>

For white collar workers whose gross annual remuneration (including benefits) does not currently exceed 31,467,00 EUR (amount in 2012) and those earning more than that amount. This threshold is subject to annual revision to reflect the rise in the cost of living:
A white collar employee earning 31.467,00 or less a year is entitled to three months’ notice for each five-year period of employment commenced before the effective date of termination. This notice requirement is generally referred to as ‘the statutory minimum.’

A white collar employee earning more than 31.467,00 EUR a year is entitled to “reasonable” notice. The notice period cannot be shorter than the statutory minimum of three months for each five-year period of employment, but is not otherwise defined by any clear rule of law.

The parties cannot validly agree the notice period before notice is given. The length of the notice period for these employees should be determined by the parties after termination. If the parties do not agree, the employee may ask the Labor Court to decide. In determining “reasonable notice,” the Labor Court takes into account several factors, such as the employee’s length of service, remuneration, age, the difficulty of finding a similar job, and other particular circumstances of each case.

To guide parties in out-of-court settlements, a number of formulas have been devised. By statistically analyzing past court decisions, these formulas try to predict the likely court award in any given termination case. The best known and most widely used formula is the “Claeys Formula” (the most recent version dates from 2011).

Although not legally binding, this formula usually gives a good indication of what a court would award an employee.

Note that when an employee is hired after 30 March 1994, the notice period due by the employer may be fixed in advance, i.e., provided (i) the employee’s annual remuneration is over 62,934,00 EUR (2012), (ii) the agreed notice is not less than the statutory minimum notice, and (iii) the agreement is made no later than the employee’s starting date.

For white collar workers who reach retirement age (65 years), the notice period is 6 months where the employee has more than 5 years continuous service and 3 months in other cases.

Blue collar employees are entitled to a statutory notice of 28 days if they have been employed for less than 20 years. They are entitled to 56 days’ notice if they have been employed for 20 years and more:

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Notice by employer</th>
<th>Notice period begins</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Blue collar</strong></td>
<td></td>
<td>Monday following notice</td>
</tr>
<tr>
<td>• up to 20 years’ service</td>
<td>28 days</td>
<td></td>
</tr>
<tr>
<td>• over 20 years’ service</td>
<td>56 days</td>
<td></td>
</tr>
</tbody>
</table>
Since 1 January 2000, these statutory notice periods have been extended by a nation-wide Collective Bargaining Agreement (CBA) No.75, dated 20 December 1999. This CBA applies only if no specific industry-level CBA exists (note that specific CBA’s exist in most industries):

<table>
<thead>
<tr>
<th>Seniority</th>
<th>Notice by employer</th>
<th>Notice by employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 6 months</td>
<td>28 days</td>
<td>14 days</td>
</tr>
<tr>
<td>Between 6 months and 5 years</td>
<td>35 days</td>
<td>14 days</td>
</tr>
<tr>
<td>Between 5 and 10 years</td>
<td>42 days</td>
<td>14 days</td>
</tr>
<tr>
<td>Between 10 and 15 years</td>
<td>56 days</td>
<td>14 days</td>
</tr>
<tr>
<td>Between 15 and 20 years</td>
<td>84 days</td>
<td>14 days</td>
</tr>
<tr>
<td>20 years or more</td>
<td>112 days</td>
<td>14 days</td>
</tr>
</tbody>
</table>

Note that for each employer it should be checked whether an industry or plant specific collective bargaining agreement has been concluded that deviates from the general rules.

New notice requirements as of 1 January 2012.
As of 1 January 2012, the notice periods of blue collar and white collar workers that started working on 1 January 2012 or later, will be determined on the basis of the Act of 12 April 2011.

On the basis of this new legislation, the notice entitlements of white collar workers whose annual remuneration exceeds 31,467.00 EUR will be as follows:

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Notice period to be observed by employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>more than or equal to 3 years</td>
<td>91 days</td>
</tr>
<tr>
<td>more than or equal to 3 years and less than 4 years</td>
<td>120 days</td>
</tr>
<tr>
<td>more than or equal to 4 years and less than 5 years</td>
<td>150 days</td>
</tr>
<tr>
<td>more than or equal to 5 years and less than 6 years</td>
<td>182 days</td>
</tr>
</tbody>
</table>

White collar workers with at least six years of seniority are entitled to 30-day notice per commenced year of service.

As from 1 January 2014, white collar workers who started working on 1 January 2012 or later and whose contract is terminated on or after 1 January 2014, are entitled to the following notice periods:

<table>
<thead>
<tr>
<th>Years of service</th>
<th>Notice period to be observed by employer</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 3 years</td>
<td>91 days</td>
</tr>
<tr>
<td>more than or equal to 3 years and less than 4 years</td>
<td>116 days</td>
</tr>
<tr>
<td>more than or equal to 4 years and less than 5 years</td>
<td>145 days</td>
</tr>
<tr>
<td>more than or equal to 5 years and less than 6 years</td>
<td>182 days</td>
</tr>
</tbody>
</table>
Derogatory notice periods set by Royal Decree, at the request of Joint Committees, before 1 January 2012, remain applicable for the time being. However, the Joint Committees must examine, before 1 January 2013 whether or not these notice periods should be adapted in the same proportion (increase by a 1.15 factor) as the newly introduced regulation. If no such proposal is made, these notice periods will be increased as of 1 January 2013, without exceeding the newly introduced notice periods for blue collar workers.

### 4. Form of dismissal

Notice must be in writing and comply with the mandatory language requirements applicable in Belgium. It must state the start date and the duration of the notice period. Failure to comply with these requirements makes the notice void (but the dismissal remains valid!). Notice begins on the first day of the month following the effective serving of notice. In addition, if notice is served by registered letter, it takes effect three working days after posting. For a notice period to start on the first day of the following month, notice must thus be served at least three working days before the end of the preceding month. Notice may also be served by writ, in which case it takes effect on the first day of the month following the effective serving of the writ.

If the employer does not want to give notice but decides to terminate an employment contract with immediate effect (giving rise to the payment of a lump sum compensation instead of notice), there are no specific formalities for terminating the employee’s contract but for evidence purposes, it is recommended to terminate the contract in writing. If the letter is written in English; however, its legal effect may be challenged.

### 5. Further requirements for a valid dismissal

In case of summary dismissal, the contract must be terminated within three working days after the day on which the act constituting the serious cause came to the employer’s knowledge. Summary dismissal should preferably be notified by registered letter. To avoid an invalid summary dismissal, the employee must also be given written notice with the reasons for the termination, ultimately within three working days after the summary dismissal and by registered mail. The termination must be made by the person authorized to dismiss the employee under the employer’s articles of association.

### 6. Special dismissal protection

Some categories of employees enjoy special statutory protection against dismissal and are entitled to additional compensation if dismissed, e.g., employees that filed a harassment or discrimination complaint, employees with a political mandate, employees on special leave (career break, parental, maternity, palliative care, educational leave), and prevention advisers.

These categories of protected workers must not be dismissed for reasons related to the ground on which they are protected. In most cases the employee can claim damages equal to 6 months’ remuneration on top of normal notice requirements, that is if the employer is unable to prove that the reasons for the termination are unrelated to the ground for the protection.

In case of a discrimination claim, the employee can also claim his or her reinstatement but this cannot be enforced by the employee.
Employees who are members, deputies, or candidates for election to the company’s Works Council or Committee for the prevention and protection at work and union delegates are particularly well protected against dismissal. If the specific legal requirements for the termination of their contract are not met, they could be entitled to termination payments equal to 1 to 8 years’ remuneration.

7. Legal means of the employees
The statute of limitations for claims made by an employee on the basis of the execution or the termination of his or her employment contract is one year following his or her exit date.

For claims based on employers’ obligations that are criminally sanctioned, a statute of limitations of five years applies. This statute of limitations would, e.g., apply in case an employee would claim arrears of remuneration but not in case an employee claims compensation instead of notice (in that case the statute of limitations of one year applies).

8. Severance pay
No lump sum compensation instead of notice or any severance pay is due if the employer served notice in accordance with the legal requirements or if the employment contract was summarily dismissed.

If the employer terminates the employment contract without notice, the employee is entitled to a lump sum compensation instead of notice equal to the current annual remuneration (including benefits) divided by twelve and multiplied with the number of months’ notice that should have been given.

9. Mentionable aspects/ particularities
The termination of an employment contract of a blue collar worker will be considered ‘unfair’ if it is unrelated to the employee’s behavior or capabilities or unrelated to the functioning of the employer’s business. The blue collar worker will be entitled to an additional six months’ salary on top of normal notice requirements in case of unfair dismissal. The burden of proof with respect to the reasons for the dismissal lies with the employer.

In exceptional circumstances a white collar worker can also be awarded compensation for unfair dismissal. The employee must prove that the employer committed a wrongful act (e.g., acted maliciously or with the intention to harm him or her), and that he or she suffered specific damage as a result. For white collar workers, the burden of proof with regard to the unfair dismissal lies with the white collar workers. Courts are extremely reluctant to award damages and the court awards rarely exceed 2,500,00 EUR.

A sales representative, i.e., an employee whose main task is to visit existing clients and prospect for new ones with a view to agreeing contracts, who is dismissed after at least one year of employment, is entitled to special compensation if he has brought new customers to the company. Compensation is equal to 3 months’ remuneration for the first 5-year seniority period, increased by one month of remuneration for each 5-year seniority period beginning after that.

Special information and consultation procedures apply in case of collective dismissal or plant closure, before any dismissal can be executed.

Employees over 45 years of age whose employment contract is terminated by the employer are entitled to career transition services (to equal outplacement) paid by the employer.

Aged employees can be entitled to an additional monthly pre-pension allowance payable by the employer (until the employee reaches the legal pension age of 65 years).
Bulgaria

1. Kinds of dismissal
According to the Bulgarian law, an employment contract can be terminated at the initiative of the employer (e.g., due to staff reduction, etc.)—either with or without notice depending on the legal ground.

2. Necessity of reasons for dismissal
By general rule, a reason for dismissal must be stated. The reasons are defined by law; the list is exhaustive and binding for the parties. These reasons could be:
1. dismissal with notice: closure of the company or a part of it, staff reduction, absence of required qualification, movement of the company to another town where the employee does not agree to follow the enterprise, etc.
2. summary dismissal: disciplinary dismissal (i.e., due to breach of the working discipline), the employee is deprived of performing the exact profession by means of administrative or court resolution, etc.

3. Notice periods
The notice period is subject to agreement by the employer and the employee. It is always equal for both parties. The duration of the notice period may vary between 30 days and 3 months. However, the notice period upon fixed-term employment contracts is determined to 3 months (not exceeding the remainder of the fixed term) and the parties are not allowed to disregard this term.

4. Form of dismissal
Irrespective of the reason, the dismissal must be given in writing. Also, the employer is always obliged to issue an order stating the fact of dismissal. The reasons for dismissal must be clearly indentified and stated in the documents. In certain cases (e.g. staff reduction), the employer is required to perform preliminary paperwork.

5. Further requirements for a valid dismissal
Upon staff reduction and in some other cases, the employer is obliged to perform selection. Absence of selection causes inconformity with the law and thus invalidity of the dismissal.
6. **Special dismissal protection**
Some employees enjoy a special protection against dismissal. The protection applies in exhaustively determined cases, such as staff reduction, termination due to decrease of the intensity of the work of the company, dismissal due to breach of working discipline, etc.

The protected categories of employees are, amongst others, mothers of children less than 3 years old, employees with disabilities who work under special working conditions, employees suffering specific illnesses (exhaustively listed by law), each employee while using any type of leave, employee representatives, trade union representatives, etc.

The protection itself could consist of one of the following: prior consent of the labor authorities required, valid dismissal only in specific cases (e.g., dissolution of the whole company), etc.

7. **Legal means of the employees**
The employees are entitled to challenge the dismissal before court. This right could be performed within 3 years following the dismissal. Basically, the employee may claim recognition of the dismissal as unlawful and its cancelation or, alternatively, recognition of the dismissal as unlawful and reinstatement of the employee to the before-dismissal-occupied job position. In all cases, the employee may claim for compensation for being unemployed within certain limits. When challenging the dismissal the employee is not required to pay any court fees.

8. **Severance pay**
Upon dismissal with compensation, the employee is entitled to a severance payment amounting to minimum four gross monthly salaries.

Furthermore, there exist numerous severance payments regulated by law. The major ones, amongst others, are compensation for unused annual paid leave, compensation for non-observed notice period (if applicable), compensation for becoming unemployed (applicable only in specific cases), etc.

9. **Mentionable aspects/particularities**
The termination of an employment contract especially where initiated by the employer, is quite formal and requires a lot of paperwork. In addition, the court practice is employee protective.
Croatia

1. Kinds of dismissal
   In accordance with the Labor Act, there are two kinds of dismissals: ordinary dismissal and summary dismissal.

2. Necessity of reasons for dismissal
   In case of an ordinary dismissal an employer may cancel the employment contract in case there is a legitimate reason to do so:
   1. In case there is no need for performing certain work due to economic, technological, or organizational reasons (cancelation due to business reason);
   2. In case the employee is not capable of fulfilling his or her employment related duties because of his/her permanent characteristics or abilities (cancelation due to personal reason);
   3. In case the employee violates his/her employment obligations (cancelation due to the employee’s misconduct). Prior to the regular notice due to the employee’s misconduct, the employer has to warn the employee, in writing, about the possibility of cancelation of employment if further violation occurs bearing in mind his/her employment obligations, unless circumstances exist due to which the employer cannot be reasonably expected to do so.

   Cancelation due to the business and personal reasons is allowed only if the employer cannot allocate the employee to an alternative job position; or if an employee cannot be trained or educated for the work on another position or, if circumstances are such that it is not reasonable to expect from the employer to train or qualify the employee for the work on another position. Prescribed terms for cancelation due to the business and personal reasons do not apply if the employer employs less than 20 employees. In case of cancelation due to the business reason, an employer cannot hire another person for the same job position within the next six months.

   Summary dismissal is the case if the employer has justified reasons to terminate the employment contract without respecting a notice period if, due to an extremely grave violation of an employment obligation or due to another highly important fact, while respecting all circumstances or interests of both contracting parties, continuation of the employment contract is no longer possible. The employment contract can only be terminated by summary dismissal within fifteen days from the day when facts based on which the termination is sought have occurred. The employer has the right to claim compensation for damages, from the employee, for non-performance of obligations arising from the employment contract.
4. Notice periods
The notice period starts on the day on which the written notice of cancellation is delivered to the employee. The following minimum duration of notice periods are prescribed by the law:
- Two weeks, if the employee has continuously worked for the employer for less than one year;
- One month, if the employee has continuously worked for the same employer for at least one year;
- One month and two weeks, if the employee has continuously worked for the employer for at least two years;
- Two months, if the employee has continuously worked for the employer for at least five years;
- Two months and two weeks, if the employee has continuously worked for the employer for at least ten years;
- Three months, if the employee has continuously worked for the employer for at least twenty years.

For the employee who has continuously worked for the employer for more than twenty years, the notice period is increased with two weeks if the employee is above the age of fifty, and with a month if the employee is above the age of fifty five.

If the cancelation is caused by the employee’s behavior i.e., violation of employment duties, then the above listed notice periods are half the length of each of the above described ones. A maximum notice period is not prescribed.

5. Form of dismissal
A dismissal by the employer has to be in written form. The employer has to explain the reasons for dismissal in writing and the notification of the dismissal has to be provided to the employee.

6. Further requirements for a valid dismissal
If a works council is established within the company, the employer must notify the works council and consult it with regard to the intended dismissal.

7. Special dismissal protection
For certain categories of employees a specific protection exists against dismissal:
- pregnant women on maternity leave
- employees who are disabled due to work related injuries or professional disease
- member of a works council
- candidate for works council member
- employee above the age of sixty
- employee’s representative
8. **Legal means of the employees**

If an employee believes that his/her dismissal was unlawful, he/she can request the employer to change its decision on the dismissal accordingly. Such request has to be done within a period of 15 days starting from the day of delivery of the notice on dismissal. If the employer does not adopt such request in the next period of 15 days, starting from the day of delivery of the employee’s request to the employer, the employee has the right to initiate a court procedure.

9. **Severance pay**

Entitlement to the severance pay—paid on top and after the expiration of the notice period—is prescribed for the employee who has worked for the employer for at least two years, unless the notice is caused by the behavior of the employee whereas no right to severance pay exists. Severance pay cannot be agreed in the amount lower than one-third of the average monthly salary earned by the employee in a period of three months prior to the termination of the employment contract for each year in service with the same employer. Unless otherwise specified by the law, collective bargaining agreement, employment regulations (Croatian: ‘Pravilnik o radu’) or employment contract, the total amount of severance pay may not exceed six average monthly salaries earned by the employee in a period of three months preceding the termination of the employment contract.

The non-taxable amount of the severance pay is HRK 6,400 for each year of service with the same employer. To the years of service with the same employer, the years spent with the previous employer are also added if the employment contract has been transferred to the new employer (i.e., due to the change of the legal form of the employer or merger of two companies or, for some other similar reasons where the employer has not effectively changed).

This amount is non-taxable only if paid in case of termination due to business reason and termination due to personal reasons. Otherwise, the severance pay is taxable in its full amount.

10. **Mentionable aspects/ particularities**

None.
Czech Republic

1. Kinds of dismissal
According to Czech law, we distinguish three types of dismissal: i) notice of termination (can be also understood as ordinary dismissal), ii) immediate cancellation (can be also understood as summary dismissal), and iii) termination during the probation period (usually 3 months; 6 months in case of managerial employees).

2. Necessity of reasons for dismissal
The employer may give notice of termination to his/her employee but only for limited reasons as set in the Labor Code. The reasons are the following:
1. if the employer’s undertaking, or its part, is closed down;
2. if the employer’s undertaking, or its part, relocates;
3. if the employee becomes redundant because of a decision of the employer or its competent organ, to change the enterprise’s activities or its technology, to reduce the number of employees for the purpose of increasing labor efficiency, or to make other organizational changes;
4. if, according to a medical certificate, the employee is not allowed to perform his current work anymore due to industrial injury or occupational disease, or due to threat of occupational disease, or if the employee’s workplace is subjected to a maximum permissible level of harmful exposure;
5. if, according to a medical certificate, the employee has lost (in a long-term perspective), his capability to perform his current work due to his state of health;
6. if the employee does not meet the prerequisites prescribed by statutory provisions for performance of the agreed work, or if, through no fault of the employer, he/she does not meet the requirements for proper performance of such work; if the employee’s failure to fulfill these requirements is reflected in his unsatisfactory work performance results, the notice of termination may be given only provided that the employer called upon him in writing during the last 12 months to rectify the employee’s failure, and the employee has not done so within a reasonable period of time;
7. if there are reasons due to which the employer could immediately terminate the employment relationship (please see reasons below), or if the employee has seriously breached his/her working duties. In some cases of ongoing (by ongoing it is usually understood at least three times) but less serious breaches of the working duties the employee may be given notice of termination by his employer provided that at least 6 months earlier the employer warned the employee of this possibility in writing;
8. if the employee commits a particularly gross breach of any other of his/her duties during the first 21 calendar days of duration of temporary unfitness to work, i.e., to observe the regime of an insured person who is temporarily unfit to work, in respect of the obligation to stay at his/her place of residence and comply with the time and scope of permitted absence from home pursuant to the Sickness Insurance Act at the time of temporary unfitness to work.
The employer may summarily terminate the employment relationship with its employee ONLY for the reasons set in the Labor Code. Please note that immediate dismissal is considered to be an exceptional way of dismissal. The reasons are as follows:

1. if an employee has been sentenced, under a final verdict, for a willful criminal offence to a term of unconditional imprisonment of over one year, or if an employee has been sentenced, under a final verdict, for a willful criminal offence committed during performance of his working tasks, or in direct connection therewith, to an unconditional imprisonment of no less than 6 months; or

2. if an employee has breached his/her working duties in an especially gross manner (The definition of especially gross breach is not stipulated by any legal regulation, it depends on consideration of breach in each individual case. By practice of the courts, especially gross manner was found in the case where an employee directly assaulted the employer, where an employee caused significant damage to the employer and there was threat of further damage’s occurrence, etc.).

During the probation period, the employer may terminate the employment without stating any reason. The employer cannot terminate the employment during the probation period within the first 21 days of the employee’s temporary illness or quarantine.

Moreover, with regard to the ordinary dismissal or the summary dismissal, where the reason for termination consists in the employee breaching his or her duties, the employer is only entitled to summarily dismiss the employee within a certain time period starting from the breach of duties or gaining knowledge thereof. After lapse of this time period, the employment cannot be terminated due to this particular breach of duties.

3. Notice periods
Where ordinary dismissal was given, the employment relationship terminates upon the expiry of the notice period. The notice period has to be at least 2 months. A longer notice period may be agreed in the employment contract. The notice period shall start on the first day of the calendar month following the month, in which the notice of termination was delivered to the employee.

Please note that there are some exemptions with respect to notice period duration, e.g., the notice period does not run during the “protection period” where the employer has given notice before the beginning of the “protection period.”

Where reason for summary dismissal is given, the employer can terminate the employment contract with immediate effect.

During the probation period the employment contract may be terminated effective as of the day of delivery of the respective notice, unless a later date is stipulated in the notice.

4. Form of dismissal
The ordinary dismissal and summary dismissal must be (i) given in writing, (ii) have to be delivered to the employee, and (iii) must stipulate the reason for termination. Otherwise the notice or immediate cancellation will be null and void. Termination during the probation period also has to be in writing and delivered to the employee.

5. Further requirements for a valid dismissal
The reason of the ordinary dismissal and summary dismissal must be fulfilled and explicitly specified (in the respective notice or notification about immediate cancellation) so that it cannot be confused with another reason.

Specific deadlines apply when the employer wants to dismiss an employee by giving notice or summarily terminate the employment for the reason consisting in the breach of the employee’s duties. In this case, termination must be done within 2 months as of the day the employer learns about such reason, or, if the breach was committed abroad, within 2 months of the employee’s arrival (but no later than 1 year after the cause). The employer may give notice to the employee based on grounds of particularly gross breach of his/her duties during the first 21 calendar days of duration of temporary unfitness to work only within 1 month from the day the employer became aware of the grounds for such notice, but not later than 1 year from the date when such grounds for giving notice arose.

Moreover, the employer is obliged to consult the trade union, if it exists, in advance. In some cases the consent of the trade union must be given.
6. Special dismissal protection
The employer cannot terminate the employment during the probation period within the first 21 days of the employee’s temporary illness or quarantine.

There are some special means of protection with respect to the dismissal of certain groups of employees during their so-called “protection period”. The protection period applies to cases of pregnancy of the employee, maternity leave, illness or holding public office, etc.

Also, the employer cannot summarily dismiss pregnant woman, woman on maternity leave or an employee on parental leave.

7. Legal means of the employees
Where the employer has terminated an employment relationship in a manner, which is void and
1. the employee concerned has informed the employer in writing that he insists on being further employed by this employer, the employment relationship will continue and the employer shall pay a compensatory salary to this employee from the day of such information until the day when the employer allows the employee to work or until the day the employment relationship is terminated validly; if the period for payment of the compensatory salary exceeds 6 months, the employer may request the court to reduce it;
2. the employee concerned does not insist on continuation of employment, it is applied that the employment terminates by agreement. If the employment has been cancelled immediately or terminated in the probation period and this act-in-law is void, the employee is entitled to remuneration in the amount of the average earnings for the notice period.

Please note that void termination and rights said above must be claimed before the competent court. The period for such petition is two months from the day when the employment relationship in question ought to have come to an end as a result of such termination.

Moreover, if damage arises to the employee from a void act-in-law, the employer is obliged to compensate it. Right to compensation of damage shall expire in two years from the day when the employee learnt of the damage, nevertheless, at the latest in three years.

8. Severance pays
The entitlement to severance pay arises when the employee was ordinarily dismissed or concluded an agreement on termination for the reason indicated under 2. a) to c). He/she is entitled to severance pay amounting to at least one (in case of an employment duration of less than 1 year), two (in case of an employment duration of at least 1 year, but less than 2 years), or three (in case of an employment duration of 2 years and more) times the average monthly earnings. Where the employee is ordinarily dismissed or conclude an agreement on termination for reason of continued incapacity to work, the employee is entitled to a severance pay amounting to at least twelve times the average monthly earnings. However, in case of industrial injury or occupational disease, where the employer is entirely relieved from his liability, the entitlement to the severance pay does not arise.

9. Mentionable aspects/ particularities
None.
1. Kinds of dismissal
In Danish labor law, there are two kinds of dismissals, ordinary and summary dismissals. This distinction is of particular interest regarding the reasons for dismissal, the dismissal period, and severance pay.

2. Necessity of reasons for dismissal
After 1 year of employment, the dismissal must have reasonable justification, which means there has to be a valid reason for the dismissal. Valid reasons should always be related to the employee or related to the company.

If a dismissal is considered unfair, the employee can claim compensation of 1-6 months’ salary depending on seniority and circumstances of the matter.

Ordinary dismissal
Usually scaling-down due to economic circumstances will be regarded as a valid reason for dismissal. Employee-related factors can also be regarded as a valid reason for dismissal, e.g., bad behavior, non-performance, breach of internal policies, etc. Prior to dismissal reasoned in employee related factors, it is a requirement that the employee receives a prior written warning to justify the termination as valid.

Summary dismissal
In the event of gross negligence by the employee, the summary dismissal will be considered as just. Gross negligence can for example be financial crimes, gross dereliction of duty, gross disloyal acts and offence against the employer.

In addition, a summary dismissal can also take place in connection with a prior warning, if the violation is a serious matter. The dismissal will be regarded as valid if the employee violates his duties again in the same way after such a warning.
3. Notice periods

Ordinary dismissal
The notice periods for ordinary dismissals are regulated by the Danish Act on Salaried Employees and depend on the employees’ seniority. The notice periods are the following:

- 0-6 months employment: 1 month
- 6 months- 3 years: 3 months
- 3-6 years employment: 4 months
- 6-9 years employment: 5 months
- more than 9 years employment: 6 months

During a probationary period of maximum 3 months the notice period is 14 days.

According to the Act, the parties may agree upon a shorter notice period (1 month) in the event of the employee having received his salary during periods of illness for a total period of 120 days during any period of twelve consecutive months.

Longer notice periods can be agreed upon in the individual employment contract subject to certain requirements.

Summary dismissal
A summary dismissal does not imply a notice period. The working contract terminates immediately and without notice.

4. Form of dismissal
Dismissals have to be in written form. Although this is not a requirement for validity, it is for reasons of proof, recommended that terminations are made in writing.

5. Further requirements for a valid dismissal
None.

6. Special dismissal protection

In Danish labor law different kinds of non-discrimination legislation—mostly based on EU-legislation—provide protection for certain groups of employees.

The Danish Act on Prohibition against Discrimination in Respect of Employment prevents discrimination including dismissal due to race, skin color, religion, political orientation, sexual preferences, age handicap, nationality or social or ethnical origin. The Act also protects employees from being dismissed because of his/her membership to a trade union.

The principles of equal treatment of men and woman within the labor market are laid down in the Danish Act on Equal Treatment of Men and Women as regards Access to Employment. Consequently, an employer cannot for instance dismiss a woman during pregnancy.
The Danish Act on Part-time Employment and the Danish Act on “fixed term” employment protect the part-time and the fixed term employee from being discriminated or dismissed due to the fact that he/she is requesting to be employed on a part-time or fixed term basis.

If an employee is dismissed, regardless of the above regulations, the employer must pay compensation to the employee. The size of such compensation varies in the different areas of discrimination.

7. Legal means of the employees
In cases where the court finds that the dismissal is not reasonably justified, the employee may be entitled to compensation.
In most cases, the court cannot grant the employee the right to return to his working place. However, in case of discrimination, the court can find the dismissal invalid. Generally, the legal outcome in these cases is also compensation.

8. Severance pay
Ordinary dismissal
After 12, 15 and 18 years of employment, the salaried employee has a right to be paid respectively 1, 2 or 3 months’ salary as severance pay in connection with dismissal. This only applies in the case of ordinary dismissals.

9. Mentionable aspects/particularities
The questionnaire was answered in relation to salaried employees (white collar employees). The answers do not concern conditions for public employees, non-salaried employees (blue collar employees) or employees covered by collective bargaining agreements. The answers might need modification especially for non-salaried employees covered by collective bargaining agreements.
Finland

1. Kinds of dismissal
In accordance with the Finnish Employment Contracts Act two kinds of dismissal exist - Ordinary dismissal and Summary dismissal
The distinction between the ordinary dismissal and summary dismissal include a) grounds for termination b) notice period and c) notice protection.

2. Necessity of reasons for dismissal
Principal rule
The employer shall not terminate an indefinitely valid employment contract without proper and weighty reason.

Grounds for termination
1. Termination related to the employee’s person
   Serious breach or negligence of obligations arising from the employment contract or the law, having essential impact on the employment relationship as well as essential changes in the conditions necessary for working related to the employee’s person.

2. Financial and production related grounds
   If the work to be offered has diminished substantially and permanently for financial or production related reasons or for reasons arising from reorganization of the employer’s obligations.

3. Summary dismissal
   Only upon extremely weighty cause (e.g., when a breach or negligence is made in such a manner that it is unreasonable to expect that the employer should continue the contractual relationship even for the period of notice).
3. Notice periods
The employer shall inform the employee of the termination of the employment contract without delay by giving notice.

Notice periods are stipulated in contracts, applicable collective bargaining agreements or the law; the longer period precedes. However, pursuant to the Finnish Employment Contracts Act the agreed notice period may not exceed six months.

Notice periods for terminations by the employer set forth in the law are dependent on the duration of the employment relationship as follows:

**Termination by employer**
1. Fourteen days, if the employment relationship has continued for up to one year;
2. One month, if the employment relationship has continued for more than one year, but no more than four years;
3. Two months, if the employment relationship has continued for more than four years, but no more than eight years;
4. Four months, if the employment relationship has continued for more than eight years, but no more than 12 years;
5. Six months, if the employment relationship has continued for more than 12 years.

4. Form of dismissal
The form of dismissal is not stipulated in the Employment Contracts Act. For reasons of proof, a written form is highly recommended. Termination grounds must be notified on the employee’s request.

5. Further requirements for a valid dismissal
**Warning**
Employees who have neglected their duties arising from the employment relationship or committed a breach thereof shall not be given notice before they have been warned and given a chance to amend their conduct.

**Act on Co-operation within Undertakings**
In case the employer employs normally at least 20 persons, the Act on Co-operation within Undertakings shall be applied in order to conduct a valid dismissal. The co-operation procedure may lead to either a single dismissal, a collective dismissal or temporary layoffs of one or several employees.

The objective is to collectively develop operations of an undertaking and the employees’ opportunities to exercise influence in the decisions made within the undertaking relating to their work, their working conditions and their position in the undertaking.

**Parties**
The parties to the co-operation are the employer and the personnel of the undertaking (either employee, whom the matter handled concerns and his supervisor or the representatives of the personnel group).

**Proposal for commencement**
The employer shall issue a written proposal for negotiations in order to commence the co-operation negotiations and employment measures at the latest five days prior the commencement of the negotiations.
6. Special dismissal protection

Pregnancy and family leave

The employer shall not terminate an employment contract on the basis of the employee’s pregnancy or because the employee is exercising his or her right to family leave.

Shop steward and elected representative

The employer shall be entitled to terminate the employment contract of a shop steward elected on the basis of a collective agreement or of an elected representative only if a majority of the employees whom the shop steward or the elected representative represents agree. The employer shall be entitled to terminate the employment contract of a shop steward or an elected representative on financial and production-related grounds or if termination is in connection with a reorganization procedure or if the employer is declared bankrupt. The employer shall be entitled to terminate the employment contract of a shop steward or an elected representative on the aforementioned grounds, if the work of the shop steward or the elected representative ceases completely and the employer is unable to arrange work that corresponds to the person’s professional skills or is otherwise suitable, or to train the person for some other work.

7. Legal means of the employees

1. Employment Contracts Act

Hearing the employee and the employer

Before the employer terminates/cancels an employment contract the employer shall provide the employee with an opportunity to be heard concerning the grounds for termination.

Employer’s duty to explain

Before the employer terminates an employment contract on the financial and production related grounds or on reorganization procedure grounds, the employer must as early as possible explain to the employee to be given notice the grounds for and alternatives to termination, and the employment services available from the employment office.

If the employer intentionally or through negligence commits a breach against obligations arising from the employment relationship or the Employment Contracts Act, he shall be liable for the loss thus caused to the employee. If the employer has terminated an employment contract contrary to the grounds laid down in the Employment Contracts Act, he is liable to pay compensation for unjustified termination of the employment contract. The exclusive compensation must be equivalent to the pay due for a minimum of three months or a maximum of 24 months (a maximum of 30 months to shop stewards).

2. Act on Co-operation within Undertakings

An employer who has deliberately or negligently failed to observe the co-operation provisions in respect of an employee whose contract has been terminated or reduced to a part-time contract, or who has been laid off, shall be liable to pay to the employee a maximum indemnification amount of 30,000 euros.

8. Severance pay

There is no severance pay in Finland (stipulated by law or collective bargaining agreements) in addition to the salary and other employment benefits payable during the duration of the notice period described above in clause 3). Pursuant to the Finnish Employment Contracts Act, the employment shall continue throughout the dismissal period. Thus, the employee is entitled to the employment benefits established during the course of employment.

9. Mentionable aspects/ particularities

None.
1. Kinds of dismissal
There are two kinds of dismissal in France:
• Dismissal based on a reason related to the employee’s person (“licenciement personnel”) which is, for example, a dismissal for misconduct or professional insufficiency;
• Dismissal based on economic reasons, defined in the French Labor Code (Article L.1233-3) as a dismissal for reasons, not related to the person, that result from a termination, a transformation or a substantial change in the employment contracts, due, in particular to economic difficulties or technological transfers.

2. Necessity of reasons for dismissal
Principle
Any kind of dismissal has to be based on a real and serious ground.

In order to be considered as based on a real and serious ground, the facts raised by the employer have to be exact, precise, objective and serious.

Examples of admissible reasons:
• Dismissal based on a reason related to the employee’s person
French case law notably considers as admissible, dismissals based on gross or serious misconduct or professional insufficiency.

For information, a serious misconduct (“faute grave”) is constituted when the termination of the employment contract must occur immediately considering that the employee cannot remain within the company. A gross misconduct (“faute lourde”) is constituted when the employee behaved maliciously.

• Dismissal based on economic reasons
A dismissal based on economic reasons has real and serious grounds if the breach of the contract results from a termination, transformation or a substantial change in the employment contract, due, in particular to economic difficulties or technological transfers.

French case law also allows the employer to dismiss employees for economic reasons when, in the absence of financial difficulties, the dismissals are motivated by the reorganization necessary to save the group’s competitive position in its business area.
3. Notice periods

Existence of a notice period:
As a principle, if a permanent employment contract is breached, a notice period must be observed.

However, as an exception, French law provides that no notice period is to be observed when a dismissal is based on a gross or a serious misconduct (summary dismissal).

Duration of notice periods:
French law provides that:
- 1 month notice period must be applied shall the employee have between 6 months and 2 years of seniority;
- 2 month notice period must be applied shall the employee have at least two years of seniority.

Different notice period durations can also be provided by a Collective Bargaining Agreement, the employee’s contract of employment, or the company’s custom. For information, the duration of notice periods provided by Collective Bargaining Agreements usually depends on the employee’s status (executive level status or employee level status) and the employee’s seniority.

The duration provided by the law is then the one to be applied, unless another of the sources listed above provides for duration more favorable to the employee.

4. Form of dismissal

All dismissals have to be in written form to be valid.

The dismissal letter must expose on which grounds the dismissal is based and must be notified to the employee by registered letter with acknowledgement of receipt.

5. Further requirements for a valid dismissal

A specific procedure must be observed in order to dismiss an employee.

For information, the procedure to dismiss an employee based on reasons related to the employee’s person is the following:

The employee to be dismissed has to be invited by the employer to a preliminary meeting. A period of 5 working days has to be respected between the receipt of the letter sent by registered letter with return receipt requested to the employee or the date the employee takes the letter in hand and the date of the meeting.

The convocation letter must inform the employee that he/she can be assisted by an employee of the company during the preliminary meeting. Shall the company not have any staff representatives, the employee can also be assisted by a person of his/her choice registered in a specific list established in this purpose by the “Préfet”.

During the preliminary meeting, the employer must clearly inform the employee that his/her dismissal is considered.

The dismissal must then be notified to the employee by registered letter with acknowledgement of receipt. A period of time of 2 working days has to be respected between the preliminary meeting and the sending of the letter notifying the dismissal.

All justifications of the grounds on which the dismissal is based must be compiled on a file, in order, for the employer, to be able to demonstrate that the dismissal is based on a real and serious ground.
6. Special dismissal protection  
According to French law, a specific dismissal protection is mainly provided for the following employee (main examples, but more cases exist):

- Staff representatives
- Former staff representatives
- Former candidates to the last staff representatives’ elections
- Employees appointed by a trade union to negotiate a Company Collective Bargaining Agreement
- Employees appointed out of the company (judges to the Labor Court, Assistants of employees to preliminary meetings prior to dismissals, social security organizations administrators)
- Pregnant women
- Disabled employees
- Employees elected to local, national or EU elections

7. Legal means of the employees  
Should an employee consider that his/her dismissal to be not valid, French law provides that a judge can only annul a dismissal in the situations expressly provided by the law or if a fundamental freedom ("liberté fondamentale") is breached.

A dismissal can notably be annulled should it be based on the employee’s pregnancy, the employee’s status of staff representative, the employee’s participation to a strike or a discriminatory decision.

Should the employee’s dismissal be considered as null and void, the employee can be reintegrated. If the employee’s reintegration within the company is not possible or if the employee does not wish to return to his/her working place, he/she is entitled to an important indemnity, in order to compensate the harm suffered.

8. Severance pay  
Existence of a severance pay:  
As a principle, and according to a recent French law dated 25 June 2008, a minimum severance pay is due by law, to employees who have at least one year of seniority. A severance pay can also be provided by a Collective Bargaining Agreement or the employee’s contract of employment.

However, as an exception, French law provides that no severance pay is due for employees dismissed based on gross or serious misconduct.

Amount of a severance pay:  
The law provides that severance pay amounts 1/5 month of salary for each year of seniority, to which must be added 2/15 month of salary for each year of seniority over 10 years.

If a different severance pay is stipulated by the applicable Collective Bargaining agreement or the employment contract, the one to be paid is the most favorable to the employee.

However, the provisions of the law (recently modified) are most of the time the most favorable one to the employee.

9. Mentionable aspects/ particularities  
None.
Germany

1. Kinds of dismissal
In German labor law, there are two kinds of dismissals, ordinary dismissals and summary dismissals. These two kinds differ in reason for dismissal, dismissal period and dismissal protection.

2. Necessity of reasons for dismissal
A summary dismissal can be declared if there is a “good cause” for terminating the employment agreement. A good cause means that circumstances are present which, taking the entire situation of the individual case into account and weighing the interests of both parties, render it unacceptable to expect the terminating party to continue the employment relationship until the termination period has elapsed or—in fixed term relationships—until the term has ended. Such good cause may be constituted e.g., by repeated tardiness, persistent refusal to work, concrete perturbation of the order in the works, offences against the employer or superiors.

An ordinary dismissal basically is valid if a certain dismissal period is observed. This principle however is mostly restricted in practice. In works with more than ten employees and after duration of the employment for longer than six months, a dismissal has to be “socially justified”, which means there has to be a specific reason for the dismissal. It has to be declared for operational, for person-related or for conduct-related reasons.

Urgent operational reasons that can justify a dismissal exist if the employer is not able or does not want to continue his company in the previous way and if jobs cease to exist because of this development. Internal (e.g., reorganization or termination of production, measures of rationalization) or external circumstances (e.g., drop in orders because of macroeconomic recession) can be admissible reasons therefore. The underlying entrepreneurial decision, as a consequence of which the different labor requirements apply, is free from legal restrictions as long as it is not apparently un-objective or arbitrary. Operational requirements must have caused a dilemma for the employer that has made the dismissal inescapable. For example, the employee concerned may not be transferred to another workplace in the company (not only the works!) or the employee concerned may not be employed on a free workplace after a reasonable advanced training or re-training.
Person-related reasons can justify a dismissal if they make it impossible for the employee to perform the work as owed. It is irrelevant if the employee is responsible for the inability or not. The employer has to take all possible and reasonable measures to prevent the dismissal before he may declare it. For example, he has to try to transfer the employee to another workplace in the works or company, to offer the necessary advanced training or re-training or to create a workplace adjusted to the employee’s physical restrictions if applicable. Possible reasons for a person-related dismissal include a long-standing illness (but only under three quite strict prerequisites: a negative prognosis, a serious detriment to business interests and weighing of interests in favor of the employee), frequent short-term illnesses, loss of efficiency due to illness, alcoholism, custody.

A conduct-related dismissal is possible if the employee breaches his contractual duties and this behavior makes, weighing both sides’ interests, the dismissal appears justified and appropriate. But also in this case a dismissal is only allowed if the employer cannot take measures impacting the employee less, such as a transfer or the employment under different conditions, and the employee has to receive at least one prior warning. Possible reasons for a conduct-related dismissal are for example repeated absence without excuse, repeated delays, unauthorized abandoning of the workplace, bad or missing work performance.

3. Notice periods
A valid summary dismissal takes immediate effect without a notice period.

For ordinary dismissal, minimum notice periods are regulated by law and increase in favor of the employee with increasing seniority. Many collective bargaining agreements and individual contracts contain longer notice periods. Notice periods shorter than the statutory ones may only be agreed in collective bargaining agreements or—severely restricted—in individual contracts. During the optional but customary probation period of (usually) six months the statutory dismissal notice period is two weeks. Up to a seniority of two years the dismissal period is four weeks counting back from the 15th or the last day of a calendar month. It increases in irregular intervals up to seven months for 20 years’ seniority. If these periods are longer than those agreed upon in the employment contract, they prevail.

4. Form of dismissal
All dismissals have to be in written form to be valid. The reasons for the dismissal need not be stated in the notice.

If a works council exists, it has to be informed and may give a statement before the employee is dismissed. If the works council is not informed properly the dismissal is invalid.

5. Further requirements for a valid dismissal
An important requirement for the validity of a summary or an ordinary conduct-related dismissal is that the employee has been warned because of his behavior and that he has offended against his duties again in similar fashion (exception: offences affecting the mutual trust between employer and employee, especially criminal offences against the employer’s assets (person-related dismissals as well as cases of operational reasons for dismissal). The warning must make the employee’s deviance clear to him, show him how to conduct properly in future and what consequences the employer envisages otherwise. The dismissal is only valid if the employee violates his duties again in the same way after such a warning.

Furthermore, a summary dismissal has to be declared within a two weeks period after the employer has obtained knowledge of the facts relevant to the dismissal. Otherwise the dismissal is invalid.
6. Special dismissal protection
Besides the particularities mentioned above, certain groups of employees enjoy special protection against dismissal. The dismissal of women during a pregnancy, of persons with disabilities, of employees during parental leave, works council members or other officers under the Work Constitution Act is difficult or even impossible.

7. Legal means of the employees
The employee may appeal against the dismissal at court within three weeks after its notification and claim that the dismissal is not valid. In this case, the employer has to demonstrate and prove that the applicable requirements of the dismissal were fulfilled upon its delivery. The labor court has to decide whether the prerequisites for an effective dismissal were fulfilled. If this was not the case the employment agreement continues and the employee has the right to return to his working place.

8. Severance pay
The court procedures concerning the validity of a dismissal often last for a long time and the outcome is tricky to predict due to various imponderabilities. Therefore the vast majority of cases end with a court settlement terminating the employment agreement against payment of a severance pay. In practice, the severance pay mostly is calculated by the formula: half a monthly pay for every year of seniority. The conclusion of such a court settlement is voluntary for both sides. As the underlying principle of German dismissal protection law is “in or out,” the judge can only terminate the court procedure by a judgment over a severance pay under special circumstances, especially when a continuation of the employment is unacceptable for the employee.

9. Mentionable aspects/particularities
There are special requirements for collective dismissals.
Hungary

1. Kinds of dismissal

*Old legislation:* According to Hungarian labor law, there are two kinds of dismissal: ordinary dismissal (*rendes felmondás*) and summary dismissal (*rendkívüli felmondás*). These two kinds differ in the reason for dismissal as well as the dismissal period. Besides, the parties of the employment agreement are free to terminate the employment at any time by mutual consent (*közös megegyezés*).

*New legislation:* On 1 July 2012, a new Labor Code entered into force who renamed the two kinds of dismissal to dismissal (*felmondás*) and summary dismissal (*azonnali hatályú felmondás*). The parties of the employment agreement are free to terminate the employment at any time by mutual consent (*közös megegyezés*). Furthermore, they may agree that for a period of up to one year the employment relationship may not be terminated by dismissal of either party.

2. Necessity of reasons for dismissal

*Old legislation:* In accordance with the Hungarian Labor Code, the employer must justify the ordinary dismissal and the justification shall clearly indicate the cause thereof. The cause shall be in connection with the employee’s ability, his or her behavior in relation to the employment relationship or with the employer’s operation. The reasons arising from the employer’s operation can be internal (e.g., measures of rationalization) or external circumstances (e.g., decrease of orders because of economic crisis), but always have to result in the cease of the concerned employee’s job. Accordingly there has to be a reasonable connection between the operational changes and the dismissal. In the event of a dispute, the employer must prove the authenticity and substantiality of the reason for dismissal.

*New legislation:* Further to applying the rules of the old legislation for the justification of dismissals, the new Labor Code opens the opportunity to terminate definite-term employment contracts by dismissal for the reason of ongoing liquidation or bankruptcy procedures, due to the abilities of the employee, or because the sustainment of the employment is impossible for the employer due to an unavoidable external reason.

*Old/new legislation:* The employment relationship may be terminated by summary dismissal in the event that the employee, on purpose or by gross negligence, commits a serious violation of any substantive obligations arising from the employment relationship, or otherwise the employee’s behavior renders the employment relationship impossible. The rules on justification and possible causes of dismissal shall also apply to summary dismissal.

Challenging times: Dismissal regulations across Europe
3. Notice periods

Old legislation: The statutory notice period for ordinary dismissal shall be at least 30 days and its maximum is 90 days, depending on the length of the terminated employment (seniority of the employee). The employer and the employee may agree in a longer notice period not exceeding one year. There is no statutory notice period stipulated by the Labor Code for extraordinary dismissal.

New legislation: The notice period remains 30-90 days in the new Labor Code with regard to dismissal by the employer but the extension thereof based on the seniority of the employee does not apply in case of dismissal by the employee. The mutually agreed longer notice period may last up to six months instead of one year.

4. Form of dismissal

Old/new legislation: Pursuant to the Hungarian Labor Code, employers shall provide the dismissal in a written form, executed by the person duly authorized to exercise the employer’s rights. The right of summary dismissal shall be exercised within a period of 15 days starting on the day on which the employer takes knowledge of the grounds thereof, but not later than within 1 year of the occurrence of such grounds, or in the event of a criminal offense, up to the statute of limitation.

5. Further requirements for a valid dismissal

Old legislation: Prior to both ordinary and summary dismissal, the employee must be given the opportunity to argue the complaints raised regarding his or her abilities or behavior, unless this cannot be expected from the employer in view of all the applicable circumstances. This rule does not apply in case the reason of the dismissal arises in connection with the employer’s operation. Furthermore, the dismissal shall contain the notification on the possibility of legal remedy against it.

New legislation: The new Labor Code does not require the employer to warn the employee and to provide him with the opportunity to argue against the complaints.

Old legislation: An employee being member of a works council or trade union, can be dismissed by ordinary dismissal with the prior consent of the concerned employee’s direct principal in the trade union/works council, or, in case of extraordinary dismissal, after having obtained the opinion thereof.

New legislation: The new Labor Code limits the protection of workers’ representatives in case of a dismissal to two categories of persons: i) the president of the works council and ii) an elected official of the trade union. No opinion of the respective organization is required.
6. Special dismissal protection

Old legislation: It is not possible to terminate the employment (by ordinary or extraordinary dismissal) of employees belonging to protected groups. The protected groups are, among others: pregnant employees, employees during parental leave until the third year of the child (in case of being on non-paid leave), employees doing their military service and persons receiving rehabilitation benefits.

New legislation: While prohibiting the termination of the employment of employees belonging to protected groups, the new Labor Code allows that a dismissal is notified to the employee but prevents the notice period from commencing during the period of inability to work due to illness or due to absence for the purpose of caring for an ill child, or during the non-paid leave taken for home-care of a close relative. Restrictions on the legitimate reasons or an obligation to offer an adequate job function exist with regard to employees in a protected period (i.e., five years before the age of retirement, mothers returning to work before the child turns three years old or persons receiving rehabilitation benefits).

7. Legal means of the employees

Old legislation: The employee may file an action at the court against the dismissal within 30 days after having received the dismissal. If the court finds that the employer has unlawfully terminated the employment relationship, the employer may be obliged to:

- reinstate the employee at work, or terminate the work with the effective date of the related court decision, and
- pay salary for the period until the date of the binding order of the court, and
- pay a flat fee compensation equal to 2-12 months’ average salary of the employee, and
- pay salary for the ordinary notice period and severance payment, and
- pay compensation for other damages of the employee.

New legislation: According to the new Labor Code, the termination date is the date of the dismissal notice and instead of the above consequences of an unlawful termination of employment, the only remaining sanction is the compensation of the employee’s damages with a maximum amount of 12 months’ absence pay.

8. Severance pay

Old legislation: In the event of ordinary dismissal, the employee is entitled to a severance payment (végkielégítés), if the employment relationship exceeded 3 years before the termination of the employment. The amount of severance payment is between 1 and 6 months’ average salary of the employee, depending on the length of the terminated employment. In case of a dismissal executed within 5 years of entitlement to pension, the amount of the severance payment increases with 3 months’ average salary. The severance payment does not need to be paid in case of summary dismissal.

New legislation: In addition to the rules of the old legislation, neither is severance payment required if the grounds for dismissal were the behavior or non-health related abilities of the employee.

9. Mentionable aspects/ particularities

Should the employer wish to dismiss a larger number of employees (collective dismissal—csoportos létszámleépítés), the employer shall fulfill strict informing and consulting obligations towards the employees and authorities.
Italy

1. Kinds of dismissal/Necessity of reasons for dismissal
According to the Italian Labor Law, there are various kinds of dismissal, depending on the different prerequisites requested by the Law. More in particular:
1. Individual dismissal or individual plural-dismissals for justified objective grounds, based on objective grounds linked to the employer’s activity (e.g., production reasons or business management reasons);
2. Summary dismissal, i.e., based on subjective grounds linked to the employee’s behavior/conduct. In case the misconduct of the employee is so severe/serious that it cannot consent to continue the employment relationship; the employee can be dismissed without notice, provided that the employer is able to demonstrate the existence of a justified ground depending on the employee’s conduct;
3. Individual dismissal based on a justified subjective ground, i.e., due to a considerable breach of the contractual duties of the employee, but not serious enough to justify a summary dismissal. In this case the employer is obliged to respect a notice period and has to demonstrate the existence and what kind of breach the employee has made.

2. Notice periods
Generally speaking, the withdrawing party has to observe a notice period, as provided by Article 2118 of the Italian Civil Code (except, e.g.,, the termination by mutual consent or, as said above, when the dismissal of the employee or his resignation takes place for just cause).

The Italian Law assigns the duration of the notice period to the National Collective Labor Contracts’ provisions; in fact in the majority of cases the minimum duration of the notice period is fixed by the National Collective Labor Contracts (hereinafter “NCLA”) and could be different depending on the professional category of the employees (blue collar workers, white collar workers, cadre or managers), the ranking, the seniority, and depending if we are dealing with a case of dismissal or resignation. During the notice period the parties of the employment relationship maintain all the duties and the rights rising from the contract.
3. Form of dismissal
The employer has to communicate the dismissal in writing, on pain of ineffectiveness, by means of a dismissal letter (to be delivered by hand or by registered mail), jointly indicating the reasons of dismissal.

In case of dismissal for justified objective grounds and if the employer employs more than 15 employees, the dismissal must be preceded by a communication to the employee and to the Local Labor Office, that starts a settlement procedure. In case of failure of the settlement procedure, the employer can dismiss the employee and the dismissal is effective from the preliminary communication of the employer and the period from said communication to the dismissal is considered as notice period.

4. Further requirements for a valid dismissal
Under Italian Labor Law, in case of individual dismissal based on justified subjective ground (as described above) or summary dismissal, the employer has to follow a particular procedure to dismiss the employee.

To comply with the Law’s provisions, the employer is obliged to observe several duties, among which the following are the most relevant:

1. to predispose a Disciplinary Sanctions Code with the list and description of the breaches of duties and the relevant sanctions for the employees (usually a summary extracted from the NCLA applicable to the sector of the employer’s activity);
2. to make the Disciplinary Code public to the employees, by means of/through the billposting of the said Code in accessible places for all the employees;
3. to communicate the disciplinary action to the employee who breached his duties with a written contestation. The letter of contestation has to be immediate (i.e., the breach of the Disciplinary Code has to be contested to the employee as soon as the breach has been ascertained, and in any event within the terms possibly provided for by the NCLA), and has to specify the facts considered as breaches to consent the right of defence to the employee. The breaches contested in the written contestation are unchangeable subsequently to the start of the disciplinary action.

During the disciplinary action the employer, if asked, is obliged to consent to the employee to exercise the right to be heard to defend himself. The employee could not be dismissed before five days starting from the receipt of the letter of contestation. The dismissal is, in every case, effective from the date of the written contestation and, in case of dismissal for subjective reasons, the period from contestation to dismissal is considered as notice period.

5. Special dismissal protection
According to the Italian Labor Law, every agreement and pact carried out by the employer which discriminates employees (male or female), e.g., for religious or sexual or health conditions’ reasons, is unlawful and void. Under Italian Labor Law there are some mandatory provisions that prohibit the dismissal in case of (i) pregnancy and maternity leave, (ii) sickness leave, (iii) and marriage leave.

If the employee is dismissed as in the above mentioned cases, the dismissal shall be considered void and in breach of law.

Moreover, it has to be considered that settlements and waivers regarding employment relationships in Italy are regulated by particular and statutory rules.

The Italian Civil Code provides that waivers and settlements regarding the rights of an employee arising from mandatory provisions of the law and from the NCLA concerning the employment relationships are not valid. The action challenging such waivers and settlement can be sued within 6 months from the date of the termination of employment or from the date of the waiver or settlement, if these occurred after the termination of the employment.

The waivers and settlement above mentioned can be challenged by the employee through a written document to make his intent known.
The provisions of the above are not applied to an agreement reached under the terms of Articles 185, 410 and 411 of the Civil Procedure Code (settlements undersigned before a Labor Court, the Local Labor Office or Trade Unions). Substantially, the law provides that the employees may dispose of their rights only within the limits and the formalities stated in these provisions: otherwise, they can challenge their renunciations.

6. Legal means of the employees
From a general point of view, if the employee considers his dismissal to be unfair, he can claim against the dismissal assuming (i) the lack of just cause or justified grounds, (ii) the breach of the disciplinary procedure, and (iii) the discriminatory or unlawful grounds (e.g., dismissal in case of marriage or maternity leave), ask for reinstatement and damages compensation.

As a first step, the employee has to contest in writing to the employer the dismissal within 60 days from the receipt of the communication of dismissal. Following, the employee can file the claim before the Labor Court.

After filing the employee’s claim before the Court, and in case the employer is not able to prove that the dismissal was based on lawful grounds, the laws established in the past state that a Judge could condemn him (a) to reinstate the employee in his job or, at employer’s option, to pay to the employee a compensation indemnity with a minimum of 2,5 up to a maximum of 6 monthly salaries, if the employer employs up to 15 employees (so-called “mandatory protection”); or (b) to reinstate the employee or, at employee’s option, to pay to him an indemnity in lieu of the re-instatement equal to 15 monthly salaries and a compensation indemnity that could not be lower than 5 monthly salaries, if the employer employs more than 15 employees (so-called “material protection”).
Very recently, the sanction system has been deeply reformed, adding different effects of unjustified dismissals to the above-mentioned ones, such as: (c) in case of disciplinary dismissal, if the Court establishes that the fact charged to the employee does not exist or should have been punished with a lower (conservative) sanction, condemns the employer to the reinstatement of the employee and the payment of an indemnity up to 12 monthly salaries; (d) in case of disciplinary dismissal, if the Court establishes, for other reasons, the non-existence of the requisites of the disciplinary dismissal, condemns the employer to the payment of an indemnity between 12 and 24 monthly salaries, but not to the reinstatement; (e) if the Court ascertains the infringement of the legal formal procedure for disciplinary dismissal or the lack of indication of the reasons of dismissal for objective reasons, condemns the employer to the payment of an indemnity between 6 and 12 monthly salaries; (f) in case of dismissal for objective reasons, if the Court establishes the evident lack of the facts grounding the dismissal, condemns the employer to the reinstatement of the employee and the payment of an indemnity up to 12 monthly salaries; (g) in case of dismissal for objective reasons, in any other case where the Court establishes the non-existence of the relevant requisites, condemns the employer to the payment of an indemnity between 12 and 24 monthly salaries, but not to the reinstatement of the employee.

7. Severance pay
In every case of termination of an employment relationship, the employee who has been dismissed is entitled to receive: 1) the end of service allowance (so-called “TFR”) which is equivalent to one year’s salary divided by 13.5 for every year of employee’s service, plus the monetary revaluation; 2) the indemnity in lieu of notice, whose amount depends on the employee’s level and seniority, except for the dismissal due to misconduct of the employee as described above and when the worked notice period has been granted to the employee. This amount is always subject both to taxation and social security charges.
Moreover, the employee is entitled to receive: 1) the amount relating to his possible not enjoyed annual holidays (payment in lieu of holidays); 2) a quota of additional monthly salaries, depending on which month of the year the employee is dismissed.

8. Mentionable aspects/ particularities
Collective dismissal, based on redundancy of the employees due to the reduction, transformation or discontinuance of the employer’s business, takes place if the employer employs more than 15 employees and intends to dismiss at least 5 employees in 120 days. If there is a lack of one of the said prerequisites, it shall be a case of individual plural-dismissals regulated by the discipline concerning individual dismissals for justified objective grounds.

The Italian Law provides a particular procedure for collective redundancies regulated by the Law 223/1991 in several compulsory steps.
Latvia

1. Kinds of dismissal
According to Latvian Labor law, an Employee may be dismissed:
1. Due to circumstances related to his/her behavior and activities;
2. Due to economical, organizational or technological measures taken by the company; or due to long term illness of the Employee;
3. Due to other reasons decided by the court.

2. Necessity of reasons for dismissal
The Employer has the right to dismiss the Employee only in case there is a specific reason for it.

According to the Latvian Employment law, the reasons for dismissal are the following:

1. the Employee has (without any justified cause) significantly violated the employment contract or the specified working procedures;
2. the Employee, when performing work, has acted illegally and therefore has lost the trust of the Employer;
3. the Employee, when performing work, has acted contrary to moral principles and such action is incompatible with the continuation of professional relationships;
4. the Employee, when performing work, is under the influence of alcohol, narcotic or toxic substances;
5. the Employee has grossly violated labor protection regulations and has jeopardized the safety and health of other persons;
6. the Employee lacks adequate occupational competence for performance of the contracted work;
7. the Employee is unable to perform the contracted work due to his or her state of health and such state is certified with a doctor’s opinion;
8. the Employee who previously performed the relevant work has been reinstated at work;
9. the number of Employees is being reduced;
10. the Employer—legal person or partnership—is being liquidated; or
11. the Employee does not perform work due to illness: 1) continuously more than six months; or 2) one year during a term of three years. Prenatal and maternity leave as well as a period of incapacity due to an accident at work or occupational disease is excluded from the period.

On an exceptional basis, the Employer has the right within a one-month period to bring an action for termination of employment legal relationships in court in cases not referred to above if he or she has a good cause (summary dismissal).
3. Notice periods
The notice period for the Employer is subject to the Latvian Labor Law. However, Parties may also agree on other dismissal periods by concluding an Employment Agreement or Collective Agreement.

According to the Latvian Labor Law, the duration of the notice period may vary from 10 days to 1 month. However if the Employee, when performing work, has acted illegally or, is under the influence of alcohol, narcotic or toxic substances, the Employer may have rights to dismiss the Employee immediately (summary dismissal).

During the probation time of maximum 3 months the notice period is 3 days.

4. Form of dismissal
According to the Labor Law, the dismissal of the Employee has to be in a written form. This is a requirement for validity. For reasons of proof, termination arrangements should always be made in writing.

5. Further requirements for a valid dismissal
According to Labor law, dismissal is valid in case the Employer has requested the explanation from the Employee before dismissal.

When giving a notice of termination of an Employment Contract, the Employer has a duty to notify the Employee in writing regarding the circumstances that constitute the basis for the notice of termination of the Employment Contract.

In case the Employee was dismissed due to the circumstances related to the Employee’s behavior and activities, the Employer has the right to dismiss the Employee not later than within a one-month period from the date of detecting a violation.

It is permitted to give notice of termination of an Employment Contract due to economic, organizational, technological reasons or due to long term illness of the Employee, if the Employer can not employ the Employee with his or her consent in other work in the same or another undertaking.

Prior to giving a notice of termination of an Employment Contract, the Employer has a duty to ascertain whether the Employee is a member of an employee trade union.
6. Special dismissal protection
Latvian Labor law prevents discrimination including dismissal due to race, skin color, religion, political orientation, sexual preferences, age, handicap, nationality, social, ethnical origin or due to other reasons.

The Employer is prohibited to terminate an Employment Contract of a pregnant woman, as well as the Employment Contract of a woman following the period after birth up to one year. In case a woman is breastfeeding, this prohibition lasts during the whole period of breastfeeding, except in cases where termination is planned due to the circumstances related to employees’ behavior and activities.

The Employer is prohibited to terminate an Employment Contract of an Employee who is declared to be a disabled person, except in cases where termination is planned due to the circumstances related to employees’ behavior and activities.

The Employer is prohibited to terminate an employment contract of an Employee during a period of temporary incapacity of the Employee.

In case the Employee does not perform work due to temporary incapacity for a long time period (specified above) and the reason for incapacity is an accident at work or occupational disease, the Employer is prohibited from termination of the Employment Contract with the Employee until its recovery or determination of disability. Membership in trade union protects an Employee from being dismissed because of his/her membership of a trade union. The Employee may be dismissed only in case the trade union has accepted the dismissal. Exceptions: the Employee is dismissed: a) during probation time; b) due to use alcohol, drugs, toxic substances; c) due to liquidation of the Employer; d) due to return of the Employee who previously performed the relevant work.

7. Legal means of the employees
In cases where the court finds that the dismissal is contrary to law, it may provide obligation to the Employer:
• to reinstate a dismissed Employee;
• to pay compensation to an Employee for absence from work or for performance of work of lower pay;
• to pay the non-pecuniary damages.

8. Severance pay
In case the Employee was dismissed due to the economic, organizational, technological measures or due to long term illness of the Employee, the company is obliged to pay the severance pay to the Employee in the following amounts:
• in case the Employee has been employed in the company for less than 5 years, the severance pay shall be paid in the amount of average earnings for one month (salary and other benefits the Employee has received within the time period of the last 6 months).
• In case the Employee has been employed in the company for a time period of 5-10 years, the severance pay shall be paid in the amount of average earnings for two months.
• In case the Employee has been employed in the company for a time period of 10-20 years, the severance pay shall be paid in the amount of average earnings for three months.
• In case the Employee has been employed in the company for a time period of more than 20 years, the severance pay shall be paid in the amount of average earnings for four months.

9. Mentionable aspects/ particularities
None.
Lithuania

1. Kinds of dismissal
Following Lithuanian labor law, the dismissals can be divided in two types: dismissal on the initiative of the employer with a notice of termination (ordinary dismissal) and dismissal without notice of termination. These two types of dismissal differ with regard to the reasons for dismissal, the dismissal period, protection and legal means the employees have against the dismissal.

2. Necessity of reasons for dismissal
In all cases the reasons have to be real and concrete. In case of ordinary dismissal, the reasons justifying termination of contract may be related to:

- the employee—the reasons may be related to the qualification, professional skills or conduct of an employee;
- the employer—in the latter case, these are the economic or technological reasons, or due to the restructuring of the workplace, as well as the other similar valid reasons.

It should be noted that a legitimate reason to terminate employment cannot be:
1. membership in a trade union or involvement in the activities of a trade union beyond the working time or, with the consent of the employer, also during working time;
2. performance of the functions of an employee’s representative at present or in the past;
3. participation in the proceedings against the employer charged with violations of laws, other regulatory acts or the collective agreement, as well as application to administrative bodies;
4. gender, sexual orientation, race, nationality, language, origin, citizenship and social status, belief, marital and family status, convictions or views, membership in political parties and public organizations;
5. age;
6. absence from work when an employee is performing military or other duties and obligations of the citizen of the Republic of Lithuania in the cases established by laws.

Dismissal without notice of termination is allowed:
1. upon an effective court decision or in cases when a court judgment whereby an employee is imposed a sentence, which prevents him from continuing his work, becomes effective;
2. when an employee is deprived of special rights to perform certain work in accordance with the procedure prescribed by laws;
3. upon the demand of bodies or officials authorized by laws;
4. when an employee is unable to perform his duties or work according to a medical conclusion or a conclusion of the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labor;
5. when an employee of fourteen to sixteen years old, one of his parents, or the child’s statutory representative, or his attending paediatrician, or the child’s school demand that the employment contract is terminated;
6. upon the liquidation of an employer, if under laws his labor obligations were not placed on another person;
7. upon an employee’s incapacity to work due to illness if he is absent from work due to temporary loss of functional capacity for 120 or more successive days or for 140 or more days within the last 12 months;
8. when the employee performs his duties negligently or commits other violations of labor discipline provided that disciplinary sanctions were imposed on him at least once during the last 12 months;
9. when the employee commits single gross breach of
duties, in particular:
• absence from work throughout the working day
  without valid reasons;
• appearance at work under alcoholic, narcotic or
  other toxic intoxication;
• disclosure of state, professional, commercial or
  technological secrets or communication of them to
  a rival enterprise;
• involvement in activities which, pursuant to the
  provisions of laws, other regulatory acts, work
  regulations, collective agreements or employment
  contracts, are incompatible with job functions;
• abuse of one’s position seeking to receive illegal
  income for oneself or other persons or for any
  other personal reasons, also self-willed behavior or
  bureaucracy, etc.

Dismissal without notice of termination is conducted on
the basis of the order of employer which also should
state the reasons for the dismissal.

It should be noted that the dismissal without notice of
termination on the grounds indicated above in 8) and 9)
must be executed following the procedure of imposing
the disciplinary sanctions.

3. Notice periods
A valid dismissal without notice of termination takes
immediate effect without a notice period. In case the
dismissal is executed following the rules of imposing
disciplinary sanctions, before imposing a disciplinary
sanction the employer must request the employee in
writing to provide an explanation in writing about the
breach of labor duties, within the period set by the
employer (usually, not exceeding several working days).
After the expiry of said period, the employer is entitled
to impose a disciplinary sanction by an order/Instruction
of the employer or the administration, and the employee
must be served a notice of it against his signature. The
dismissal; however, has to be declared within a month
period after the employer has obtained knowledge of
the facts relevant to the dismissal, but not later than 6
months from the date of the breach of his duties by the
employee. Otherwise the dismissal is invalid.

In case of ordinary dismissal an appropriate notice
period has to be complied with. Notice periods are
regulated by law and they depend on the status of
employee. The employer must inform the employee
about the termination of the employment contract
within 2 months (as a general rule) or 4 months (in
 certain cases) in advance in writing. The termination
notice with the longer (4 months) term must be
 delivered to the employees who will be entitled to
the full old-age pension in not more than five years,
persons under eighteen years of age, disabled persons
and employees raising children under fourteen years of
age. During the termination notice period the dismissed
employees are entitled to be absent up to 10 percent of
their working time from the work schedule in order to
look for a new job without affecting their entitlement to
salary and other rights. The period of notice is extended
for the period of the employee’s sickness or vacations.

In case of collective redundancies, prior to giving
notification of the termination of the employment
contract to the employees, an employer must notify a
local labor exchange office in writing of any projected
redundancies, and only after having organized the
consultations with employees’ representatives.

4. Form of dismissal
All dismissals have to be in written form to be valid.
The dismissal decision (i.e., order of the employer or
the administration) should be communicated to the
employee in writing against his/her signature, and
should contain: the legal and factual grounds of the
dismissal, the date the dismissal takes effect. In case of
dismissal for breach of duties—the dismissal decision
also should contain (i) the description of the employee’s
disciplinary departure(s); (ii) the provisions of the laws,
the employer’s internal regulation, collective agreement
or other similar documents in relation to which the
employee’s non-compliance or breach was established;
(iii) the reasons for which the employee’s defense during
the prior disciplinary investigation was overruled; and
(iv) the legal reasons based on which the disciplinary
sanction has been established.
5. **Further requirements for a valid dismissal**

At least on the last day of employment (if not agreed in written otherwise by the parties or established by laws) the employer must prepare and sign documents related to termination of the employment contract as well as settle all accounts with the employee in full, including the compensation for the unused vacation and, if applicable, the severance pay. At the request of the employee the employer must issue him a certificate about his work indicating his functions (duties), the dates of its commencement and end, and the amount of his wage and performance assessment (character reference). The employer shall inform the State Social Insurance Fund Board on the termination of employment within 3 days after the date of termination of employment contract. The employer shall also inform the Lithuanian Work Exchange on the termination of employment with the citizen of non-EU country within 3 working days after the date of termination of employment contract.

6. **Special dismissal protection**

The dismissal at the employer’s initiative (ordinary dismissal) is not allowed (except for the case of the liquidation of the company) during the period of the employee’s temporary disability (sick leave) and during the period of the employee’s vacation. Employees, who have lost their capacity to work as a result of injury at work or occupational disease, shall retain their position and duties until they recover their capacity to work or a disability is established. Employees, who have temporarily lost their functional capacity for other reasons, shall retain their position and duties if they are absent from work due to temporary loss of functional capacity for not more than 120 successive days or for not more than 140 days within the last 12 months.

In case of ordinary dismissals, the dismissal of an employee is only allowed if the employee cannot, with his consent, be transferred by the employer to another work. Besides the particularities mentioned above, a special protection against dismissal exists for certain groups of employees. In the event of staff reduction due to economic or technological reasons the following equally skilled employees shall have the priority right to retain employment:

- those who sustained an injury or contracted an occupational disease at that workplace;
- who are alone raising children (adopted children) under sixteen years old, or care for other family members who have been established a severe or moderate disability level or whose capacity to work has been rated below 55 percent or family members who have reached old-age retirement age, who have been assessed in accordance with the procedure established by legal acts as having high or moderate special needs;
- whose continuous length of service at that workplace is at least ten years, with the exception of employees, who have become entitled to the full old age pension or are in receipt thereof;
- who will be entitled to the old-age pension in not more than three years;
- to whom such a right is granted in the collective agreement;
- who are elected to the employee representative bodies.

Employment contracts with pregnant women cannot be terminated in any cases other than the ones as listed above for dismissal without a notice of termination (though, except for cases of breach of labor duties) and in case of expiry of the short-term employment contract term. Employment contracts with women having children under 3 years old cannot be terminated at the employer’s initiative (ordinary dismissal).

The employer who wishes to dismiss at employer’s initiative (ordinary dismissal) the employee who is elected to the bodies of a trade union organization is obliged to obtain a prior written consent from such trade union organization prior to making the final decision regarding dismissal. The collective agreements may establish that such procedure should be implemented for the ordinary dismissal of other employees as well.
7. Legal means of the employees
The employee may appeal against the dismissal at court within 1 month after its delivery and claim that the dismissal is not valid. In this case, the employer has to substantiate and prove that he duly observed and fulfilled the order for a particular case of dismissal and obligatory prerequisites (i.e., notification period) as well as the legal and factual grounds for the dismissal. The court has to decide whether the prerequisites for an effective dismissal were fulfilled and the legal and factual grounds for the dismissal are sound. If this was not the case the employment agreement continues and the employee has the right to return to his working place and is entitled to receive his average monthly salary for the period of forced absence at work.

Alternatively, where the court establishes that the employee may not be reinstated in his previous work due to economic, technological, organizational or similar reasons, or because he may be put in unfavorable conditions for work, it may take a decision to recognize the termination of the employment contract as unlawful and award him a severance pay in amounts corresponding his employment seniority following Lithuanian labor law as well as his average monthly salary for the period of forced absence at work.

8. Severance pay
Upon ordinary dismissal and dismissal upon employer’s liquidation (when a notice of termination is not required), the dismissed employee is entitled to receive a severance pay which depends on the length of his service in the company, i.e.,:

1. up to 12 months—1 monthly average salaries
2. 12 to 36 months—2 monthly average salaries
3. 36 to 60 months—3 monthly average salaries
4. 60 to 120 months—4 monthly average salaries
5. 120 to 240 months—5 monthly average salaries
6. over 240 months—6 monthly average salaries.

In other cases (e.g., dismissal due to employee’s illness or disability, termination initiated by the employee due to employer’s fault, etc.) when there is no fault on the part of the employee, an employee shall be paid a severance pay in the amount of 2 monthly average salaries unless otherwise provided for in the laws or collective agreements.

9. Mentionable aspects/ particularities
As it regards the dismissal of the head of the company, Lithuanian labor law and Lithuanian company law establish the right for the governing body in the company, which has the right to appoint the Managing Director of the company, to revoke him from this position at any time. Such dismissal is not subject to any substantiation and/or prior written notification thereabout. The dismissed Managing Director is entitled to compensation amounting up to 2 of his average monthly salaries.
Norway

1. Kinds of dismissal
In accordance with the Norwegian Labor law there are two kinds of dismissals; ordinary dismissal and summary dismissal. These two kinds differ substantially, both in relation to the reason for dismissal, the dismissal period and the dismissal protection for the employee.

2. Necessity of reasons for dismissal
An objective reason is required, and fundamental, to dismiss an employee in Norway.

An ordinary dismissal may be objectively justified if it is based on circumstances related to the undertaking, the employer or the employee. An objective reason could be the financial situation in the undertaking and restructuring of the company. An employee's underperformance or disloyalty etc. may also be considered as valid and justified reasons for dismissal.

The employer may summarily dismiss an employee with immediate effect if he or she is guilty of a gross breach of duty or other serious breaches of the contract of employment.

3. Notice periods
For ordinary dismissal, the minimum notice period regulated by the Working Environment Act (WEA) is one month. The notice period may be longer based on seniority and age; the notice period is 2 months for an employee with 5 years seniority, and 3 months after 10 years seniority. An employee with 10 years seniority is entitled to minimum 4 months’ notice if the employee is at the age of 50 or older, 5 months’ notice if at the age of 55 or older and 6 months’ notice if after the age of 60.

The notice period runs from the first day of the subsequently month after the notice is given.

During a probation period of (usually) six months, if such probation period is agreed in writing, the notice period may be set to 14 days.

During the notice period the employee is entitled to ordinary remuneration. Furthermore, the employee is entitled to perform work through the notice period. If the employer refuses the employee to perform work, the dismissal may be seen as a summary dismissal which requires serious misconduct from the employee in order to be approved as legal.

A summary dismissal does not call for a notice period, due to the extraordinary situation constituting the grounds for the dismissal.

4. Form of dismissal
Any dismissal has to be in writing, and shall include specific formalities and information. A dismissal which not fulfils the specific requirements and formalities is not valid and can be considered as never given.

5. Further requirements for a valid dismissal
There are several requirements needed for a dismissal to be valid. Some of these requirements are listed in the following:

- A dismissal shall be given in writing (cf. above).
- A dismissal given by an employer shall be delivered to the employee in person or be forwarded by registered mail to the employee’s (home) address. The notice shall be deemed to have been given when it is received by the employee. The notice shall inform of:
  - The employee’s right to demand negotiations and to institute legal proceedings,
  - The employee’s right to remain in his post during any negotiation or dispute,
  - The time limits applicable for requesting negotiations, instituting legal proceedings and remaining in the post, and
  - The name of the employer and the appropriate defendant in the event of legal proceedings.
- If the employee has been dismissed owing to circumstances relating to the undertaking, the notice shall also contain information concerning preferential rights of new employment in the same undertaking.
The employee is entitled to require that the employer states the grounds for the dismissal. The employee may demand that such information is given in writing. A dismissal shall always be discussed with the employee before a final decision is made by the employer, and the dismissal can be claimed as not valid if the employer has not fulfilled the obligations to discuss with the employee and an employee’s representative.

6. Special dismissal protection
A dismissal during the trial period shall be based on the employee’s lack of suitability for the work, or lack of proficiency or reliability, if the shorter notice period shall apply.

A special protection against dismissal exists for certain groups of employees such as:
- during sick leave
- during pregnancy or maternity leave
- during military service etc.

7. Legal means of the employees
An employee who wishes to claim that a dismissal with notice or a summary dismissal is unlawful may require negotiations with the employer. An employee who requires negotiations must notify the employer in writing within two weeks after the notice is given.

The employee can institute legal proceedings in disputes concerning a dismissal and claim the dismissal unfair and not valid within eight weeks. The employee may limit the claim to include economical indemnification. A claim of economical indemnification must be raised within six months after the dismissal is given.

In the event of a dispute concerning whether an employment has been legally terminated, an employee may remain in his post as long as the negotiations are in progress.

8. Severance pay
The employee is entitled to ordinary remuneration during the period of notice. If legal proceedings are instituted within the time limits set out above, an employee has as a general rule the right to remain in his post and receive remuneration until the court has made a decision. A legal proceeding may take up to 10 months, and the employer is as a general rule obliged to remunerate the employee during the whole period. The employee’s right to remain in his post shall not apply to disputes concerning a summary dismissal, a dismissal during a probation period or for contract workers or temporary employees.

The Managing Director or equivalent (the top management) may agree to be exempted from the protection clauses in the Working Environment Act (WEA) against a defined amount of severance pay. Such agreement settled in the employment contract is binding both for the employer and the employee. Without the settlement in the employment contract, any discussions about severance pay is optional both for the employer and employee.
Poland

1. Kinds of dismissal
According to Polish labor law, there are two kinds of dismissal, ordinary dismissal (i.e., with notice of termination) and summary dismissal (i.e., without notice of termination). These two kinds differ as regards to reasons for dismissal, dismissal period, protection and legal means the employees have against the dismissal.

2. Necessity of reasons for dismissal
Ordinary dismissal is allowed only in case of a contract of employment: for a trial period, for an indefinite period and for a definite period longer than 6 months (in the latter case on the condition that parties included an appropriate stipulation about the possibility of termination in the contract).

Reasons for ordinary dismissal must be given only in case of terminating the contract concluded for an indefinite period. The reasons have to be real and concrete. The requirements regarding the reasons for dismissals are less stringent in case of an employee fulfilling managerial functions (e.g., the reason may be the loss of confidence in the employee).

Reasons justifying termination of contract may be related to the employee or the employer (in the latter case, for instance, economical, technological, organizational or operational reasons).

Summary dismissal is allowed when:
- the employee seriously violates his basic duties or within the period of validity of the contract of employment commits an offence, which is making his further employment on the occupied post impossible (the offence must be evident or established by a valid judgment), or
- the employee - due to his own fault - loses qualifications necessary for the performance of duties connected to his post.

Additional reasons justifying the summary dismissal are:
- the employee’s incapacity to work due to illness if:
  1. the incapacity lasted for more than 3 months (if the employee has been employed for less than 6 months), or
  2. the incapacity lasted longer than the combined period of receiving remuneration and welfare benefits (for the case of illness) and the period of receiving rehabilitation benefits (the latter period is limited to the first 3 months of receiving the rehabilitation benefits), (if the employee has been employed for at least 6 months or if the incapacity to work was caused by an accident at work or by an occupational disease),
- justified absence of the employee from work due to reasons other than those enumerated above lasting for a period longer than 1 month.

Dismissal without notice of termination must be accompanied by a statement of reasons.
3. Notice periods
In case of ordinary dismissal an appropriate notice period has to be complied with. Notice periods are regulated by law and they depend on the duration of contract of employment and kind of contract of employment.

The notice period in case of a contract of employment for indefinite period of time is:
- 2 weeks (if the employee was employed for less than 6 months),
- 1 month (if the employee was employed for at least 6 months) and
- 3 months (if the employee was employed for at least 3 years). In some circumstances it is possible to reduce the 3-month notice period to 1 month with employee’s right to compensation for reduction.

Where a contract of employment is concluded for a definite period of time longer than 6 months, the parties may provide an earlier termination of this contract within a 2-week period of notice.

The notice period in case of contract of employment made for a trial period shall be:
- 3 working days (if the trial period does not exceed 2 weeks),
- 1 week (if the trial period is longer than 2 weeks) or
- 2 weeks (if the trial period is 3 months).

In case of summary dismissal, there is no notice period. However, in order to dismiss the employee, a certain procedure has to be followed (described in the preceding and following paragraphs).

4. Form of dismissal
All dismissals have to be in written form. In case of dismissal of an employee who was employed on the basis of a contract of employment concluded for an indefinite period of time and in case of a summary dismissal, the employer is obliged to state the reason for the dismissal.

5. Further requirements for a valid dismissal
Additional requirement for the validity of dismissal is that the information on the employee’s right to appeal to a labor court must be included in the document dismissing the employee.

In case of termination of a contract of employment concluded for an indefinite period of time, the employer shall inform in writing the trade union organization representing the employee about his intention to dismiss the employee together with the underlying reasons.

In case of summary dismissal, the employer has the right to dismiss the employee without notice due to the fault of this employee, within 1 month from the moment on which the employer obtains information about the circumstances justifying the summary dismissal.

In addition, the employer who wishes to dismiss the employee without notice of termination due to the employee’s fault is obliged to obtain an opinion from the establishment’s trade union organization representing the employee, prior to making the final decision regarding dismissal.

6. Special dismissal protection
In accordance with Polish labor law, special protection against dismissal is granted to certain groups of employees. The justification for such special regime lays either in the specific situation of such employees or in special functions that they fulfill.

The first group of protected employees covers in particular those who will reach retirement age in no more than 4 years, if the period of employment allows them to acquire the right to retirement pension upon reaching such age, employees during leave or during justified absence from work (unless the absence exceeded statutory limits allowing the employer to dismiss the employee without notice, cp. point 2), female employees during pregnancy and maternity leave, and employees during parental leave.
The second group covers, for instance, employees conscripted into military service or employees who are members of a trade union existing in employer’s establishment entitled to represent employees’ interests or members of the employees’ council.

In general, the dismissal of the aforementioned groups of employees is very difficult (i.e., allowed only in very specific circumstances or after following specific procedure).

7. Legal means of the employees
In case of ordinary dismissal the employee may appeal against it to a labor court, within 7 days from the delivery of the notice of termination. As a result, if it is determined that notice of termination is unjustified or that it is contrary to the provisions on termination of contracts of employment (unlawful ordinary dismissal), the labor court, according to the request of the employee, will declare the notice of termination ineffective, and if the contract has already been terminated the court shall order that the employee will be reinstated in his/her work on former conditions or order compensation.

In some cases the employee is entitled only to compensation. This is the case when the unlawful termination concerns the contract concluded for a trial period, for definite period or for a period of completion of particular task.

In case of summary dismissal executed in violation of the provisions on terminating contracts of employment (unlawful summary dismissal), the employees are entitled to claim reinstatement in work on previous conditions or compensation which shall be ordered by labor court.

However, when the employee, who was employed on the basis of a contract of employment concluded for a definite period or for a period of completion of a specific task, is dismissed in violation of the provisions on terminating contracts of employment without notice and the period of the contract has lapsed or the reinstatement in the job is without purpose because the remaining period of contract is short, such employee is entitled to compensation only. The same rule applies when the employee had been dismissed in an ordinary way (ordinary dismissal) and subsequently during the notice period the employer in violation of law dismissed the employee without notice (summary dismissal).

In both cases, the labor court may decide on rejecting the employee’s request to order the dismissal ineffective or reinstatement in work, if it determines that such claim is impossible or without purpose. In such situation the labor court shall award compensation.

8. Severance pay
In some cases the employer shall pay severance to the employee who was dismissed. The circumstances in which such obligation arises are regulated by the Act on specific rules of terminating contracts of employment for the reasons which do not concern employees. The amount of severance depends on the number of years the employee was employed in the employer’s establishment according to the basic rule that the longer the employee was employed the higher the severance.

Under the referred Act, the statutory severance shall be paid to the employees in individual cases when the employer who terminates the employment contracts hires at least 20 employees, the dismissals are justified solely by the operational reasons and they encompass less than 10 employees within a 30-day window.

9. Mentionable aspects/ particularities
Special rules apply in case of collective redundancies (i.e., collective dismissals).
Romania

1. **Kinds of dismissal**
   According to the Romanian Labor Code, there are two kinds of dismissal (i.e., termination of the employment agreement at the initiative of the employer):
   1. dismissal for reasons related to the employee;
   2. dismissal for reasons not related to the employee.

2. **Necessity of reasons for dismissal**
   The dismissal may be decided by the employer only in the following cases:
   1. **dismissal for reasons related to the employee**:
      - **disciplinary dismissal**: i.e., due to the employee’s violation of disciplinary rules, rules set forth in the individual employment agreement, applicable collective bargaining agreement(s) or internal regulations;
      - **imprisonment exceeding 30 days** under the terms of the Romanian Criminal Procedure Code;
      - **physical and/or mental inaptitude** ascertained through decision of the medical expertise competent bodies, preventing the employee from fulfilling his/her job;
      - **professional incompliance**: i.e., the employee’s lack of professional skills for the job position held.
   2. **dismissal for reasons not related to the employee** (i.e., suppression of the job position):
      In order to ground a dismissal decision on this reason, the suppression of the job position shall (i) be effective, i.e., the respective job position is suppressed from the company’s organization chart, and (ii) have a real and serious cause, i.e., the cause has an objective nature, being triggered by obvious necessities regarding the improvement of the Company’s activity and it does not dissimulate reality.
      Depending on the number of dismissed employees in comparison to the total number of the company’s employees, the dismissals for reasons not related to the employee can be either individual or collective.

3. **Termination notice periods**
   In case of dismissals for reasons related to the employee (except for disciplinary dismissal and dismissal in case of imprisonment exceeding 30 days) and for reasons not related to the employee, the employer has the obligation to grant a notice period to the dismissed employee of at least 20 working days.

4. **Form of dismissal decision**
   Under the sanction of absolute nullity, the dismissal decision shall be communicated to the employee in writing and shall contain:
   1. **in all cases**: (i) the legal and factual grounds of the dismissal; (ii) the duration of the termination notice period, if applicable and (iii) the term in which the dismissal decision may be challenged and the court of law in front of which it shall be challenged;
   2. **in case of collective dismissals**: the criteria for settling the priority order to dismissal;
   3. **in case of dismissals for (i) physical and/or mental inaptitude and (ii) professional incompliance**:
      the list of all vacant positions available within the company and the term within which the employees may express their consent for occupying one of the respective vacant positions; should the employer have no vacant positions to offer, he/she has the obligation to seek assistance within the territorial employment agency.
   4. **in case of disciplinary dismissal**: (i) the description of the employee’s disciplinary departure(s); (ii) the provisions of the employer’s internal regulations, individual employment agreement, applicable collective bargaining agreement violated by the employee; (iii) the reasons for which the employee’s defense during the prior disciplinary investigation was overruled, or the reasons for which the said investigation was not performed; (iv) the legal grounds based on which the disciplinary sanction has been established.
5. Further requirements for a valid dismissal
Under the sanction of absolute nullity, in certain specific cases, the dismissal decision shall be issued with observance of the following additional aspects:

1. In case of an employee’s disciplinary departure, a prior disciplinary investigation shall be performed before issuing the dismissal decision, consisting of:
   • the appointment of a person/commission to effectively conduct the prior disciplinary investigation, who shall summon the employee, in writing, stating the scope, date, time and place of the meeting;
   • during the prior disciplinary investigation, the employee is entitled to submit and use all evidence in his/her defence and offer all the evidence and motivations he/she deems appropriate;
   • the employee’s failure to attend the meeting, without an objective reason, entitles the employer to decide on the sanction, without further proceeding with the prior disciplinary investigation.
   • the outcome of the prior disciplinary investigation may lead to the termination of the employment agreement.

The dismissal decision shall be issued within 30 calendar days from the date of taking note of the employee’s disciplinary departure, but not later than 6 months from the date the respective deed was committed.

2. In case of an employee’s professional incom-pliace, a prior evaluation procedure shall be performed before issuing the dismissal decision.

The prior evaluation procedure shall be settled in the applicable collective bargaining agreement or, in its absence, in the company’s internal regulations.

The dismissal decision shall be issued within 30 calendar days from the date of ascertaining the cause of dismissal.

3. In case of collective dismissals, a specific, distinctly regulated procedure shall be followed.

6. Special dismissal protection
Permanent interdictions, i.e., cases in which the employees’ dismissal can never be decided:

1. on criteria of gender, sexual orientation, genetic characteristics, age, national origin, race, color, ethnicity, religion, political option, social origin, disability, family status or responsibility, trade union membership or activity;

2. for employees’ exercising, in accordance with the law, their right to strike and trade union rights.

Temporary interdictions, i.e., cases in which the employees’ dismissal cannot be decided during certain periods:

1. during temporary work incapacity, ascertained through a medical certificate;
2. during the suspension of the activity, following the initiation of quarantine;
3. during pregnancy, as long as the employer took note of this fact before the issuance of the dismissal decision;
4. during the maternity leave;
5. during the leave for raising a child up to the age of 2 or, in case of a disabled child, up to the age of 3;
6. during the leave for looking after a sick child up to the age of 7 or, in case of a disabled child, for intercurrent illnesses, until the age of 18;
7. during the exercise of an eligible position in a trade union body, except when the dismissal is decided for a serious disciplinary departure, or for repeated disciplinary departures, committed by that employee;
8. during the rest leave.
7. Employees’ legal means
The employee is entitled to challenge the employer’s dismissal decision within 30 calendar days from its communication date. Should the dismissal decision be established as illegally issued, the court of law shall order its cancellation and oblige the employer to pay damages to the employee, representing up-to-date salaries, as well as other rights the employee would have been entitled to under the employment agreement.

Upon the employee’s request, the court of law which ordered the cancellation of the dismissal shall reinstate the employee in the position held prior to the issuance of the dismissal decision.

8. Severance pay
In case of dismissal for physical and/or mental incapacity, the employer has the obligation to grant the dismissed employee a severance payment, in the conditions set forth in the individual employment agreement or the applicable collective bargaining agreement.

The employees dismissed for reasons not related to them benefit from active measures for combatting unemployment and can benefit from severance payments in the conditions set forth in the law and the applicable collective bargaining agreement.

The severance payment shall always be granted in addition to the up-to-date rights to which the employee is entitled under the employment agreement.
Russia

1. Kinds of dismissal
In accordance with the Russian labor legislation, there are several types of grounds for termination of an employment contract:

- Termination of the employment contract at the employee’s initiative
- Termination of the employment contract upon mutual agreement of the employer and the employee
- Termination of the employment contract under circumstances beyond the parties’ control.
- Termination of the employment contract at the employer’s initiative (dismissal)
- Other reasons for termination of the employment contract

2. Necessity of reasons for dismissal
Reasons for dismissal are the following:

1. Liquidation of the company;
2. Staff reduction;
3. Unsuitability of the employee for his/her position or for the tasks which need to be performed (due to insufficient qualifications, confirmed by the results of an attestation);
4. Change of the company’s owner (only applicable to the head of the company, deputy heads of the company, and to the chief accountant);
5. Repeated failure by the employee to perform his/her duties without good cause, provided that such employee has been disciplined;
6. Single gross violation by the employee of his/her duties, such as, in particular:
   - Absence at work without good cause for over 4 consecutive hours within a working day;
   - Appearance at work under alcoholic, narcotic, or other toxic intoxication;
   - Disclosure of the secret protected by the law (state, commercial, service and other) that became available to the employee as a result of execution of his/her labor responsibilities, etc.
7. Culpable acts committed by an employee directly in charge for funds or goods, if these actions provide grounds for the employer to lose confidence in such employee;
8. Commission of an immoral offense incompatible with the labor duties, if performed by an employee performing educational functions;
9. Unjustified decision by the head of the Branch, his/her deputies or the chief accountant, that resulted in damage to the property, its unlawful use, or other detriment to the property of the company;
10. Single gross violation committed by the head of the Branch or his/her deputies of their labor responsibilities;
11. Presentation of false documents or information known to be false to the employer at the conclusion of the employment contract;
12. In other cases stipulated by the Labor Code and other Federal Laws.
3. Notice periods
The effective Russian legislation stipulates different notice periods for different grounds for termination of the employment contract at the employer’s initiative, in particular:

- In the event an employment contract is terminated due to staff redundancy or liquidation of the company, the employees must be personally notified of such termination not less than 2 months prior to actual termination against written receipt. Upon the employee’s written consent the employer can terminate the employment contract for the foregoing reasons without a 2 month notification provided that the employee is paid additional compensation in the amount of his/her average salary for 2 months.
- In the event that a fixed term employment contract concluded for a period under 2 months is terminated at the employer’s initiative, the employer should notify the employee of the contract’s termination 3 days prior to the termination.
- During the probation period the employment contract can be terminated at the employer’s initiative for reasons of unsatisfactory employee’s performance with a 3-day written notice to the employee, specifying the reasons of unsatisfactory results during the probation period.

4. Form of dismissal
The notice of dismissal of an employee is valid only if it is made in written form, and the employee was acquainted with it against his/her signature. However, the effective Russian legislation does not contain any particular requirements for such document (i.e., no special form is prescribed by the law).

5. Further requirements for a valid dismissal
There are some additional legislative requirements providing additional obligations for the employer with regard to dismissal. Some of them are stated below.

- In case of staff reduction the employer shall offer the employee another position relevant to the employee’s qualifications (should there be any suitable vacant positions within the company).
- In the event that an employment contract is terminated due to staff reduction or liquidation of the company, the employees must be personally notified of such termination not less than 2 months prior to the actual termination against written receipt.
- In case of termination of an employment contract for the reason of unsuitability of the employee for his/her position due to insufficient qualification, the lack of qualification needs to be confirmed by the attestation committee, specifically formed in the company for such purpose.

6. Special dismissal protection
The dismissal at the employer’s initiative is not allowed (except in case of liquidation of the company) during the period of the employee’s temporary disability (sick leave) and during the period of the employee’s vacation. In some cases (for example, dismissal due to staff reduction or due to unsuitability of the employee for his/her position or for the works which need to be performed), the employer has to offer a vacant job (position) in the company or its separate subdivisions.

Besides the particularities mentioned above, a special protection against dismissal exists for certain groups of employees.

An employment contract can be terminated for such reasons as staff reduction and unsuitability of the employee for the position due insufficient qualifications, only if the employee cannot be transferred to another position upon his/her consent. Moreover, in the events of staff reduction the following equally skilled employees shall retain employment:
• those having families with two or more dependants (disabled family members totally supported by the employee or receiving assistance from him, which is the main source of their means of subsistence);
• the only independent earners in the families;
• employees who sustained severe labor injury or professional disease in the company;
• people disabled during the Second World War or in State defense actions;
• employees undergoing on-the-job professional development upon the employer’s direction.

Employment contracts with pregnant women cannot be terminated at the employer’s initiative in any cases other than liquidation of the company.

Employment contracts with women having children under 3 years old, single mothers having children under 14 years old (in case of the child’s disability—under 18 years old) or other custodians in the absence of a mother cannot be terminated at the employer’s initiative except for the particular reasons stated in the effective legislation.

An employment contract with the employee under 18 years old can be terminated upon the employer’s initiative only upon consent of the State Labor Inspectorate and the Commission for Protections of the Minors (except for the case of liquidation of the company).

7. Legal means of the employees
If the dismissal was not allowed or the employer has breached the rules for a particular case of dismissal and obligatory prerequisites (i.e., notification period) were not observed and fulfilled, the employee may file a lawsuit to court within a period of 1 month from the date of dismissal and claim that the dismissal was not valid. In this case, the employer has to expose and prove that all obligatory requirements of the dismissal have been performed in compliance with the legislative requirements when explaining the dismissal. In case the prerequisites were not fulfilled, the employment contract shall be recovered and the employee has the right to reinstatement of employment. Moreover, the employer who has violated the required procedures of dismissal will have to pay a compensation reimbursing the period of forced absence at work.

8. Severance pay
In accordance with the effective Russian legislation the employer has to pay severance pay in the amount of average monthly salary in case of dismissal at the initiative of the employer due to staff reduction or liquidation of the company. Moreover, in these cases of dismissal the employer is also obliged to pay to the employee his average monthly salary for the period of his/her new job-seeking, but not exceeding 2 months.

9. Mentionable aspects/ particularities
Besides what is mentioned above, the employment contract with the head of the company (i.e., general director) may be also terminated due to the following:
• dismissal of the head of a company - debtor in accordance with legislation on insolvency (bankruptcy);
• decision on termination of an employment contract with the head of the company taken by an authorized body of a company or the owner of property of the company;
• cases envisaged in the employment contract with the head of the company.

The decision on termination of an employment contract with the head of the company taken by an authorized body of a company or the owner of property of the company, including one made as result of change of the company’s owner does not require prior notification of the employee.

In case of termination of the employment contract with the head of the company, deputy heads of the company and the chief accountant due the change of the company’s owner, a compensation in the amount of not less than three monthly salaries should be paid to them. In case of termination of the employment contract with the head of the company (in the absence of his culpable actions) under the decision of the authorized body of the company, the employer will have to pay to such employee a compensation in the amount set by the employment contract, but in any case not less than his/her three average monthly salaries.
Slovakia

1. Kinds of dismissal
An employment relationship may be terminated by:
• termination within a probationary period
• agreement
• notice (ordinary dismissal)
• summary dismissal

An employment relationship shall terminate upon the:
• death of the employee
• lapse of a fixed period if it was an employment contract for a certain period of time
• execution of the task if there was concluded a work performance agreement

2. Necessity of reasons for dismissal
The necessity to provide a reason depends on how the employment relationship is terminated.

Ordinary dismissal:
If there is an ordinary working time, the employer may give notice to the employee only for the reasons provided in § 63 of the Labor Code as follows:

2.1 If:
• the company of the employer or a part thereof is dissolved or relocated,
• an employee becomes redundant by virtue of the employer or competent body issuing a written resolution on change in duties, technical equipment or reduction in the number of employees with the aim of securing work efficiency, or on other organizational changes,
• a medical opinion states that the employee’s health condition has caused the long term loss of his/her ability to perform his/her previous work or if he/she can no longer perform such work as a result of an occupational illness or the risk of such an illness, or if he/she already received the maximum permitted level of exposure in the work place as determined by the decision of a competent public health body,
• an employee;
• does not meet the preconditions set by legal regulations for the performance of the agreed work,
• ceases to fulfill the requirements pursuant to § 42 paragraph 2 of the Labor Code /an election as the precondition for executing a certain function,
• does not fulfill, not due to the fault of the employer, the requirements for the proper performance of the agreed work determined by special regulation or by the employer in the internal regulations,
• does not satisfactorily fulfill his/her tasks and the employer has in the preceding 2 (two) months challenged him in writing to rectify the insufficiencies and the employee failed to do so within a reasonable period of time,
• there are reasons on the side of the employee for which the employer might immediately terminate the employment relationship with him/her, or by virtue of less grave breaches of labor discipline; for less grave breaches of labor discipline may an employee be given a notice if he/she has been cautioned in writing with respect to breach of the labor discipline within the previous six months as to the possibility of notice.

2.2 An employer may give a notice to the employee, unless it is a notice given on grounds of unsatisfactory fulfillment of working tasks, for less serious breach of labor discipline or for reasons for which immediate termination of employment relationship is applicable, only in such case where:
• the employer does not have the possibility to further employ the employee, not even for a reduced working time, in the place that was agreed as the workplace,
• the employee is not willing to shift to other work appropriate to him, offered to him/her by the employer at the place of work agreed as the workplace or undertake the necessary training for
2.3 Conditions under which an employer is obliged to offer his/her employee appropriate work, or conditions when an employer has no obligations to offer appropriate work, may be agreed in a collective agreement.

2.4 An employer, due to breach of labor discipline or for the reason of immediate termination of employment relationship, may only give notice to an employee within a period of two months from the day the employer became acquainted with the reason for notice, and breaching of labor discipline in abroad, within two months from the employee’s return from abroad, this always within one year from the day when the reason for notice occurred.

2.5 Where, within the period of two months stipulated in paragraph 2.4, the employee’s conduct in which breach of labor discipline may be witnessed becomes the subject of proceedings of another body, notice may still be given within two months from the day when the employer became acquainted with the outcome of such proceedings.

2.6 If the employer intends to give a notice to an employee on grounds of breach of labor discipline, he/she shall be obliged to acquaint the employee with the reason of such a notice and enable him/her to give his/her statement on this.

Summary dismissal

An employer may summarily terminate an employment relationship in exceptional cases only. This in case the employee:

a. was lawfully sentenced for committing a willful crime,

b. was in serious breach of labor discipline.

An employer may terminate the employment relationship summarily only within a term of two months from the day that he/she became acquainted with the reason for summary dismissal; however, with a maximum of one year from the day such reason occurred. The law does not stipulate what constitutes serious breach of work discipline but it is defined based case law.

Termination of employment relationship within the probationary period

Within the probationary period (usually 3 months), both employer and employee may terminate an employment relationship in writing for any reason whatsoever, or without giving a reason. Written notification on the termination of an employment relationship shall be delivered to the other party, as a rule, within the minimum of three days prior to the day the employment relationship is to terminate.

The employer may terminate the employment of a pregnant woman, a mother who has given birth within the last nine months or a breastfeeding woman within the probationary period only in writing, in exceptional cases not relating to her pregnancy or maternal function, giving appropriate reasons in writing. Otherwise the termination shall be invalid.
3. Notice periods
Ordinary dismissal given by an employer for organizational reasons (cancellation of a job position, dissolution or relocation of the company):

<table>
<thead>
<tr>
<th>Duration of employment</th>
<th>Notice period</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1 year</td>
<td>1 month</td>
</tr>
<tr>
<td>1-5 years</td>
<td>2 months</td>
</tr>
<tr>
<td>more than 5 years</td>
<td>3 months</td>
</tr>
</tbody>
</table>

Ordinary dismissal given by an employer for other reasons:

<table>
<thead>
<tr>
<th>Duration of employment</th>
<th>Notice period</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1 year</td>
<td>1 month</td>
</tr>
<tr>
<td>more than 1 year</td>
<td>2 months</td>
</tr>
</tbody>
</table>

4. Form of dismissal
The notice shall have certain essentials:
• it must be written and delivered;
• an employer may only give notice to an employee for reasons explicitly stipulated in the Labor Code. The reason for giving notice must be defined in the notice in terms of fact so that it may not be confused with any different reason; otherwise the notice shall be deemed invalid. The reason for giving notice may not be subsequently amended.

5. Further requirements for a valid dismissal
Where the employer gives notice to an employee by virtue of § 63 paragraph 1, letter b of Labor Code /2.1 b in this document—an employee becomes redundant— he/she may not within 2 months re-create the wound-up work post and employ another employee to the same post.

See also section 2.2 b/—the obligation to offer other suitable work.

See also section 2.1 d/ 4.—written challenge provided to an employee in the past 2 (two) months.

6. Special dismissal protection
An employer may not give notice to an employee within a protected period, that means:
• within a period when the employee is acknowledged temporarily incapable for work due to disease or accident, unless deliberately induced or caused under the influence of alcohol, narcotic or psychotropic substances and within the period from submission of a proposal for institutional care or from entry into spa treatment up to the day of termination thereof.
• in the event of a call up to perform extraordinary service during a state of crisis, from the date when the employee is called up to perform extraordinary service, from the date of delivery of the call-up order or when called up to start extraordinary service by mobilization order or mobilization notice or if the employee has been ordered to perform extraordinary service, until the expiry of two weeks from his/her demobilization; this shall also apply with regard to the performance of alternative service pursuant to special regulations.
• within the period of an employee’s pregnancy, when an employee is on maternity leave, female or male employee is on parental leave or when an unmarried employee is taking care of a child under the age of three.
• during the period when an employee is released for the long term performance of a public function.
• within the period when an employee working at night is on grounds of medical opinion acknowledged as being temporarily incapable to perform night work.
• An employer may not give notice to a disabled employee without the prior consent of the respective office of labor, social affairs and family; otherwise such a notice shall be invalid. Such consent shall not be required where notice was given to an employee who has reached the age entitling him/her to old-age pension or for reasons stipulated in § 63 paragraph 1, letters a, e of the Labor Code /in this text point 2.1, letters a, e/.

7. Legal means of the employees
The invalidity of the termination of the employment
relationship by virtue of notice, immediate termination,
and termination in the probationary period or agreement
may be challenged by the employee not later than
2 months from the date when the employment
relationship was terminated.

If an employer gave an invalid notice to an employee
or terminated the employment relationship in an invalid
manner with the employee immediately or within a
probationary period, and if the employee informed the
employer that he/she insists on keeping employment
with the employer, his/her employment relationship shall
not terminate with the exception of a court decision that
it cannot be justly required of the employer to further
employ the employee. The employer shall be obliged to
provide the employee with wage compensation.

The employee shall be entitled to such compensation
in the amount of average earnings from the day he/
she announced to the employer that he/she insists on
keeping employment until a period of nine months. If
the overall time for which an employee should be paid
wage compensation is greater than nine months, the
employee shall be entitled to wage compensation only
for this period of nine months.

8. Severance pay
An employer shall pay an employee a severance pay if the
employment relationship is terminated for the reasons
set out in § 63 paragraph (1) letter (a) or (b) in this text
point 2.1, letters a, b or because the employee’s health
condition has, according to a medical opinion, caused the
long term loss of his/her ability to perform his/her present
work. An employee falling under the first sentence shall
be entitled to a severance allowance equal to not less
than his/her average monthly earnings multiplied by the
number of months that a notice period would last under
§ 62 /in this text section 3/.

If an employee is given notice for the reasons set out in
previous paragraph, the employee shall be entitled to ask
the employer to terminate the employment relationship
by agreement before the start of the notice period. The
employer is obliged to accept this request. In this case
the employee shall be entitled to a severance allowance
equal to not less than his/her average monthly earnings
multiplied by the number of months that a notice period
would last under § 62 /in this text section 3/.

If the employer and the employee agree that the
employee shall remain employed for only a part of
the notice period, the employee shall be entitled to a
corresponding amount of the severance pay.

If an employer terminates an employee’s employment
relationship by notice or by agreement on the reasons
that the employee must no longer perform his/her work
as a result of an occupational accident, occupational
disease or the risk of such a disease, or that the
employee has already received the maximum permitted
level of exposure in the work place as determined
by a decision of a competent public health body, the
employee shall be entitled to a severance allowance
equal to at least 10 (ten) times his/her monthly earnings.
This shall not apply if an occupational accident was
caused by the employee breaching, through his/her own
fault, legal regulations or other regulations for ensuring
occupational safety and health or instructions for
ensuring occupational safety and health, despite having
been duly and demonstrably familiarized with them and
knowledge and compliance with them is systematically
required and checked, or if an occupational accident was
caused by the employee under the influence of alcohol,
narcotic substances or psychotropic substances and the
employer could not prevent the occupational accident.

If, after the termination of the employment relationship,
an employee again takes up his/her employment
relationship with the same employer or the employer’s
legal successor before the end of the period for which
a severance allowance is provided, the employee shall
be obliged to return the severance allowance or a
proportionate part thereof if the employer and employee
do not agree otherwise. A proportionate part of the
severance allowance shall be determined according to
the number of days from the return to employment
until the expiry of the period resulting from the provided
severance allowance.

An employee shall not be entitled to a severance
allowance where rights and duties resulting from
labor-law relations are transferred to another
employer in accordance with Labor Act in the event of
organizational changes or rationalization measures.

An employer shall pay a severance allowance on the first
pay day set by the employer for payment of wages after
the termination of employment, unless the employer and
employee agree otherwise.

The above severance is the minimum required by law.
In case of a conclusion of an agreement on termination
of an employment relationship, higher amounts can be
agreed.

9. Mentionable aspects/ particularities
There are special requirements for collective dismissals.
1. Kinds of dismissal
According to the Slovenian labor law, there are two kinds of terminations: ordinary dismissal and summary dismissal. These two kinds differ in dismissal periods and reasons for dismissal.

2. Necessity of reasons for dismissal
An ordinary dismissal is a dismissal or termination of an employment contract, by one of the contracting parties, with a notice period. In case the employer terminates the employment contract, he/she must have a valid reason for the dismissal. The employer can terminate the employment contract due to: business reasons, reasons of incapacity, reasons of culpability or reasons of inability to carry out the work under the conditions set out in the employment contract owing to disability.

Unfounded reasons for termination of an employment contract include e.g., race, ethnicity or ethnic origin, skin colour, sex, age, disability, marital status, family obligations, pregnancy, religious and political beliefs, national or social origin, temporary absence from work due to diseases or injuries or care for family members, trade union membership, participation in trade union activities, candidacy for the function of a worker’s representative or the current or past performance of this function, and so forth.

A summary dismissal is a termination of an employment contract without a notice period and with immediate effect. The contracting parties (the worker or the employer) can terminate the employment contract in this manner if reasons exist and if, by taking into account all circumstances and interests of both contractual parties, it is not possible to continue the employment relationship until the expiration of the notice period or until the expiration of the period for which the employment contract was concluded.

The employer may extraordinary terminate the worker’s employment contract if the worker: violates a contractual or any other obligation, does not come to work for five consecutive days, is prohibited to work due to some sort of measure or final decision of the court or is imprisoned, fails to pass the probation period etc.

3. Notice periods
An ordinary dismissal is subject to notice periods stipulated by the Employment Relationship Act. If the employment contract is terminated through an ordinary procedure by the employer, the period of notice shall be 30-120 days depending on the period of employment with the employer. However, if the employment contract is terminated by the employer for reasons of culpability of the worker, the period of notice shall be one month. The employee and employer can agree on shortening the notice period in exchange for a cash payment.

An summary dismissal does not have a notice period and is effective immediately. This kind of termination of the employment contract has to be executed by the contractual party no later than within 30 days of identifying the reasons for summary dismissal and no later than six months from the occurrence of the reason.

4. Form of dismissal
Ordinary and summary dismissal of the employment contract has to be in writing. In the Notice of termination of the employment contract, the employer must explain the reason for dismissal as well as call the worker’s attention to legal actions and rights arising from unemployment insurance that are available to him.

There is a special procedure to be followed by the employer both in case of ordinary dismissal and in case of summary dismissal.
5. Further requirements for a valid dismissal
Th employer must, if the worker is a member of a trade union at the time of the introduction of the procedure and requests so, inform in writing the trade union about the intended ordinary or summary dismissal of the employment contract. The trade union may give its opinion within eight days.

The ordinary or summary dismissal of the employment contract needs to be served to the contractual party whose employment contract is being terminated in person. Special rules need to be observed in this respect.

6. Special dismissal protection
Several groups of employees, such as: workers’ representatives, old workers, parents, in particular female workers during the period of pregnancy and during the period of breastfeeding, parents in the period when they are on parental leave in the form of a full absence from work and for another month after taking such leave, disabled persons and persons on sick leave enjoy special legal protection against terminations. The exact scope of the protection varies, however, for all of these groups, a good cause is required and sometimes the labor court or trade union or a labor inspector must approve the dismissal.

7. Legal means of the employees
The effect of termination of the employment contract can be suspended, if the trade union opposes the ordinary dismissal for the reason of incapacity or for a fault reason, or if it opposes the summary dismissal of the employment contract. The worker must then also request that the suspension of the effect of the termination of the employment contract, due to the given notice, shall not be effective until the expiration of the term for arbitration and/or judicial protection.

If the dismissal, or any other method of termination of the employment contract, is found to be unlawful, the worker may, within 30 days from the day of the dismissal or the day when he learned about the violation of the right, request for judicial protection.

8. Severance pay
Severance payment is paid when it is assumed that the employee is at no fault to the termination (i.e., in case of ordinary dismissal by the employer and summary dismissal by the employee), i.e., irrespective of the right to notice period. However, a minimum seniority of at least one year is required. If the employee is entitled to a notice period as well as the right to severance payment, he works during the notice period (and therefore receives salary) and on top of that receives the severance payment.

As the basis for the calculation of the severance pay, the average monthly wage which was received by the worker, or which would have been received by the worker if working, in the last three months before the termination shall be taken into account. The worker shall be entitled to a severance pay amounting to 1/5-1/3 of the basis for each year of employment with the employer, depending on the period of employment. However, the amount of the severance pay may not exceed ten times the basis amount, unless otherwise stipulated by the industry collective agreement.

9. Mentionable aspects/ particularities
Under Slovenian labor law the employees enjoy a fair amount of protection and the courts also tend to rule in favour of the employees, therefore, it is difficult to process and finalize any type of termination.

In case of ordinary dismissal by the employer, the employer must check whether the employee may be employed at another post within the company. If the termination was due to business reasons, the employer may not employ another individual at that post, because the employee who was made redundant has priority and must be re-employed.

There are also special requirements for collective dismissals.
Spain

1. Kinds of dismissal
According to Spanish Labor Law, the decision to dismiss an employee requires always a specific cause, and based upon that cause, the Labor Legislation distinguishes two types of dismissals: Objective Dismissal and Disciplinary Dismissal. These two types of dismissals (apart from the cause) differ both in (i) procedure and formal requirements as well as in (ii) the severance payments that the Employer is obliged to pay.

2. Necessity of reasons for dismissal
An Objective Dismissal can be declared when objective causes exist for the Employer (such as economical, organizational, production or technical reasons). The latter reasons can justify the termination of the employment contract by the Employer. Economic reasons are understood to arise when the Company is in a negative economic situation with actual or predictable losses or with persistent decrease of incomes or sales. As of 6 July 2012, losses are considered to be “persistent” if during three consecutive quarters the Company has losses compared to the same three quarters of the previous year.

An Objective Dismissal also includes termination of the employment contract based on ineptness of the employee, failure of the employee to get adapted to technological changes, and absences from work (even in case of being justified) reaching 20 percent of working days in two continuous months, as long as the absences from the previous 12 months reach a 5 percent, or 25 percent within 4 non-continuous months, within a window period of 12 months.

A Disciplinary Dismissal corresponds to the measure taken by the Employer when it is based upon a breach of contract or serious violation of the employment obligations by the employee.

In both cases (disciplinary or objective), if the reasons are proved, the dismissal is considered to be a fair dismissal.

When the grounds alleged by the company are not proved, not found to be true, or are considered not to be strong enough to justify the dismissal, the dismissal is considered as an “unfair dismissal.” In this case, the Company may choose between reinstating the employee in his former post or terminate the employment contract by paying the compensation mentioned below (except in case of employees’ legal representatives who have the right to opt by themselves).

3. Notice periods
In case of an individual Objective Dismissal, it is necessary to observe a prior notice period of 15 days between the termination letter and the effective termination of the employee. During this period, the employee has the right to a paid leave of 6 hours per week to seek for a new job. However, if the employer wishes to pay compensation in lieu of the prior notice of 15 days, the employee must be paid compensation equal to the salary for that period. For example, if we notify the employee’s dismissal 5 days before the termination of his or her contract, the employer will have the obligation to pay the corresponding severance plus 10 days of salary.

In case of Disciplinary Dismissal a notice period is not required.

4. Form of dismissal
All dismissals must be notified in writing by delivering a letter to the employee, stating the cause of the dismissal and the date of its effect. Not fulfilling these formal requirements implies the dismissal to be unfair. Also, in case of subsequent claim on the part of the employee, employer could not allege on the court process other reasons than those included in the dismissal letter.
5. Further requirements for a valid dismissal
In case of an Objective Dismissal, the employer is obliged to offer, simultaneously to the delivery of the dismissal letter, a severance payment (indemnity) equivalent to 20 days of salary per each year worked, up to a maximum of 12 monthly payments. Not to offer such compensation on that moment implies the dismissal to be unfair, except if the employer proves not to be able to pay based on economic grounds and this circumstance is mentioned in the dismissal letter as well.

If an employee is a legal representative or member of a trade union, work council or union representatives must be informed on the dismissal, and employee must be given audience to contest on the reasons of the dismissal. Collective Bargaining Agreements can also extend this protection to other employees (not only legal representatives) and/or establish other formal requirements to dismiss.

6. Special dismissal protection
The employee is protected in cases where the dismissal is connected with any discriminatory reason (due to gender, age, race, sexual orientation, religion, creed, politic opinions, social status, trade union affiliation or any other discriminatory reason). In these cases the dismissal is considered to be void/null.

The consequence of a null dismissal is the reinstatement of the employee in his former post (there is no option to terminate the employment contract by paying a severance payment).

Employees also have a special dismissal protection in all circumstances related to maternity: pregnant women, during the period of suspension of the employment contract for maternity reasons or when the employees are enjoying or have asked for enjoying special conditions of employment due to maternity (paid leave for legal guard of a child, reduction of working time to take care of a child, etc.).

In the latter cases (mentioned in the paragraph above), dismissal is considered to be void/null and has the effects mentioned above, except when the company is able to prove the existence of reasons to justify a fair dismissal. Therefore, for these groups of employees dismissal can only be fair or null/void, and there is no possibility of declaring the dismissal to be unfair and to terminate the employment relationship by paying relevant compensation.

Employees have special protection when they are legal or union representatives. This protection also includes employees who ceased to execute their function during the year before the date of the dismissal. In these cases, when the dismissal is considered to be unfair, it corresponds to the employee (not to the company) to choose between being reinstated or paid with the compensation. Also, in case of reinstatement, they are entitled to salaries accrued during the court proceeding.
7. Legal actions of the employees
Employees who are dismissed on any ground can dispute the dismissal and file a claim for reconciliation before an Administrative Body (Labor Authority).

The Labor Authority summons the parties so that some kind of agreement may be reached. The outcomes may be among the following:
• Agreement: the agreement shall be binding (reinstatement to the job or payment of compensation).
• No agreement: the employee can lodge a complaint at the Labor Court within 20 days, having deducted the days counted from the dismissal date to the date the reconciliation proceedings were filed.

The period for claiming at the Labor Court is 20 working days from the date of dismissal. However, once the application for reconciliation proceedings has been filed, the period of 20 days is suspended and starts to run again once the conciliation act is held. However, the suspension will not take longer than 30 days. That is, after 30 days, even if the Conciliation act has not been held the period starts running again.

8. Severance pay
Fair Disciplinary Dismissal: No compensation payable.

Fair Objective Dismissal: 20 days of salary per each year worked, up to a maximum of 12 monthly payments.

Unfair Disciplinary or Objective Dismissal: Since 12 February 2012 an unfair dismissal indemnity amounts to 33 days of salary per each year worked up to a maximum of 24 monthly payments, instead of 45 days per each year worked up to a maximum of 42 monthly payments as foreseen in the previous regulation. However, for employment contracts dated before 12 February 2012, the indemnity will be 45 days per each year worked until 11 February 2012 and 33 days per each year worked from 12 February 2012 until the dismissal date. Nonetheless, total compensation will be capped at 24 months except if the employee has accrued a higher compensation before 12 February 2012.

If the employee is not a legal representative, the employer may choose between the compensation abovementioned or reinstatement and payment of the salaries accrued since the dismissal. However, if the employee is a legal representative, he or she may choose between the abovementioned compensation with proceeding salaries or reinstatement and payment of the salaries accrued since the dismissal.

Null Objective or Disciplinary Dismissal: Reinstatement and payment of the salaries accrued.

9. Mentionable aspects/ particularities
A dismissal is considered to be a “Collective dismissal” (redundancies) when it affects within a period of 90 days 10 employees in companies employing less than 100 employees, 10 percent of the employees in companies employing between 100 and 300 employees, or 30 employees in companies employing more than 300 workers. A dismissal will also be considered to be collective when the entire company workforce is dismissed. Collective dismissals as well as the company closure have a special procedure and rules, different form that mentioned above.
Sweden

1. Kinds of dismissal
In Swedish labor law there are two kinds of dismissal, ordinary dismissal with due notice (so called “uppsägning”) and summary dismissal without notice (so called “avskedande”). The two kinds of dismissal differ in required reason/ground for dismissal and dismissal protection.

2. Necessity of reasons for dismissal
An ordinary dismissal must be based on an objective ground. Such an objective ground is either linked to circumstances relating to the “employee personally” or to “other circumstances.” Circumstances linked to the employee personally that may render ordinary dismissal are for instance repeated negligence at work, theft, violent acts at work or in connection to work, disloyalty, and severe cooperation problems. The most commonly invoked circumstance upon which most ordinary dismissals are based is however shortage of work, also referred to as redundancy. This type of circumstance falls outside the scope of circumstances linked to the employee personally and hence into the category of other circumstances. When an employer needs to dismiss employees on the ground of shortage of work/redundancy the employer is furthermore required to follow the rule of “last in first out,” meaning in general that the last employee hired shall be the first one to leave. Even though the rule might seem easy enough to follow it is actually part of a quite complicated structure involving collective bargaining agreements, exceptions and special regulations.

A summary dismissal can be executed if the employee has grossly neglected his/her obligations towards the employer. The types of circumstances that constitute ground for summary dismissal are somewhat the same as in the case of ordinary dismissal, but in order to render a summary dismissal the circumstances must be more grave. Examples of such circumstances are violent acts or threat of violent acts at work or in connection to work, theft, and grave disloyalty towards the employer which e.g., might be to initiate or carry on business which is competitive to the employer’s.

An ordinary dismissal without an objective ground and/or a summary dismissal without gross negligence from the employee can be nullified in court. An ordinary dismissal is furthermore not admissible if the employer reasonably can be expected to provide the employee with other work.

3. Notice periods
A summary dismissal, does not have a notice period. As this type of dismissal only applies when the employer has grossly neglected his/her obligations to the employer, the employment contract is generally terminated when the employer has communicated the dismissal. However, the employer is required to inform the employee one week in advance that it intends to summarily dismiss the employee. The summary dismissal furthermore has to be executed within a two months period after the employer has obtained knowledge of the facts upon which it bases the dismissal. Otherwise the dismissal is invalid.
Notice periods for ordinary dismissal are regulated by law and sometimes in collective bargaining agreements. The periods increase in length in favor of the employee depending upon the duration of the employment agreement. Agreements contrary to what the law stipulates may only be made in collective bargaining agreements. During the probation period of usually six months the notice period is two weeks in practice. After the end of a probation period until the seniority of two years the dismissal period is one month. The notice period is further increased in length up to six months for 10 years’ or more seniority. Once the employee has been notified of the dismissal the notice period starts.

4. Form of dismissal
All dismissals have to be in written form. The circumstances upon which the dismissal is based do not need to be stated in the notice, but need to be communicated in writing with the employee upon request. The notice must include information about what the employee shall do if he/she wants to have the dismissal nullified and/or claim damages. The employer is furthermore required to state whether the employee is entitled to reassignment and what the employee needs to do in order to execute his/her reassignment rights.

5. Further requirements for a valid dismissal
One important requirement for the validity of an ordinary dismissal based on circumstances relating to the employee personally is that the employee has been warned that his/her behavior is unacceptable. The warning must be clear to the employee, show him/her how to conduct in future and what consequences it may lead to otherwise. A dismissal risks becoming nullified by court if the employer has not given the employee proper warning.

6. Special dismissal protection
Besides the particularities mentioned above special protection against dismissal exists for certain groups of employees and/or in certain situations. For instance, a person that has been given a certain work task with reference to his/her disabilities are normally entitled to continue to work regardless of the rule last in, first out in case of dismissals due to shortage of work/redundancy. The same principle applies to union representatives. Pregnant women and employees on parental leave do not enjoy any special employment protection but objective grounds are of course required in order for the dismissal to be valid. In the case of dismissal of an employee on parental leave based on shortage of work, the notice period will not start until the employee’s leave has ended.

7. Legal means of the employees
In both the case of summary dismissal and ordinary dismissal, the employee is protected by the requirements of such relevant type of dismissal. If the requirements are not met the dismissal might be nullified in court and the employee may be entitled to damages. Furthermore, in some cases a warning is necessary (see above).

The employee may also be entitled to damages, even if the dismissal as such has been based on justified objective grounds. This might for instance be the case if the employer breaks the rule of last in first out, or if the employer does not meet the formal requirements of the dismissal notice.
If the employee wants to challenge the dismissal, he/she shall notify the employer of his/her intentions within two weeks after having received notice of the dismissal. The employee, furthermore, has to file his/her claim in court no later than two weeks after the expiration of the notification period. As stated in the answer to question 4 the dismissal note must contain information about the employee’s rights in this aspect. If the dismissal note does not contain the required information the employee is entitled to claim annulment for as long as up to one month after the termination of employment. The period under which the employee must file his/her claim in court is however the same, i.e., within two weeks of the expiration of the notification period. If the employee wants to claim damages in connection to the dismissal he/she shall notify the employer of his/her intentions within four months after the date on which the action giving rise to the damages was taken. In case the dismissal note does not meet the formal requirements the termination of the employment is considered as starting point for the expiration period for damages. Proceedings shall be commenced within four months of the expiry of the notification period.

It is the responsibility of the employer to prove that the grounds upon which the employer bases the dismissal really are at hand and that they in all aspects are sufficient for the intended dismissal. The court decides whether the requirements are met. If the requirements are not met the employment continues and the employee has the right to return to his working place.

8. Severance pay

In case of an ordinary dismissal, the employer must continue to pay the employee his/her salary and other regular benefits during the notice period. If an ordinary dismissal is challenged in court, the general rule is that the employer must continue to provide the employee with his/her benefits until the conflict is finally solved. The same type of obligation might be laid by the court upon the employer in situations of summary dismissals, even though it is not as common.

Severance pay can only come into play if both parties agree to a settlement outside of court. Usually such a settlement means that the employee revokes his/her right to continued employment and/or reassignment against a lump sum of money. The size of such a severance pay is dependent on many different and individual factors and it is therefore difficult to say anything in general about the size of it, but severance pay amounting to 6—15 monthly salaries are not uncommon. However, each particular case requires an individual evaluation of its surrounding circumstances before anything can estimates can be given regarding reasonable size of a severance pay.
Switzerland

1. Kinds of dismissal
In Swiss labor law, there are two kinds of dismissals: ordinary dismissal and summary dismissal.

2. Necessity of reasons for dismissal
An ordinary dismissal is valid, if a certain dismissal period is observed. In this case, no special reason is necessary.

However, the party terminating the contract shall, upon request of the other party, state in writing grounds for having terminated the contract. In practice, grounds to terminate an employment relationship are not difficult to find. Other than when the termination is deemed to be abusive, the employee is only entitled to his/her ordinary salary up to the duration of the notice period provided for in the employment contract.

A notice of termination is notably abusive if a party gives it because of a quality inherent in the personality of the other, unless such quality relates to the employment relationship or significantly impairs cooperation within the enterprise or because the other party asserts in good faith claims arising out of the employment relationship.

A summary dismissal can be given if there is a valid reason. For valid reasons, the employer, as well the employee, may at any time terminate the employment relationship without notice. A valid reason is considered to be, in particular, any circumstance under which, if existing, the terminating party can in good faith not be expected to continue the employment relationship.

The party which abusively gives notice of termination of the employment relationship has to pay an indemnity to the other party. The indemnity is determined by the judge considering all circumstances. It cannot however exceed the employee’s wages for six months.

3. Notice periods
In case of ordinary dismissal, the employment relationship may be terminated, at the end of a month, during the first year of service with a notice period of one month, in the second year and up to and including the ninth year of service with a notice period of two months, and thereafter with a notice period of three months. These periods may be altered by written agreement, standard employment contract or collective employment contract. They shall, however, be reduced to less than one month only by collective employment contract and only for the first year of service.

The summary dismissal does not involve any notice period.

4. Form of dismissal
Except if the employment contract provides for a special form, the termination of an employment contract does not require a particular form. However, the party giving notice shall, upon the request of the other party, state the reasons for the giving of notice in writing.

In order to avoid any dispute and to have a proof, it is recommended to give the dismissal in writing.

5. Further requirements for a valid dismissal
Particular requirements exist in case of summary dismissal. Indeed, such dismissal may occur only if the deviant behavior of the employee is serious. If the behavior is less serious, a summary dismissal can be made only after having first warned the employee. The warning must make the employee’s deviance recognizable to him/her and indicate what consequences may arise in case the behavior is repeated. The dismissal is only valid if the employee violates his duties again. A dismissal without notice implies that it is not possible anymore to expect from the employer that he respects the ordinary dismissal period.
6. Special dismissal protection
According to Swiss labor law, upon expiration of the probation period (if any), the employer shall not terminate the relationship:
• during the other party’s performance of compulsory Swiss military or protection service, or civil service, in case such a service lasts more than eleven days, during the four weeks prior to and after the service;
• during the period that the employee is prevented from performing his/her work fully or partially by no fault of his own due to illness or accident for 30 days in the first year of service, for 90 days as of the second year of service until and with the fifth year of service, and for 180 days as of the sixth year of service;
• during the pregnancy and during the 16 weeks following giving birth of an employee;
• during the employee’s participation with the agreement of the employer at a foreign aid service assignment abroad ordered by the competent federal authority.
Notice given during one of the above-mentioned forbidden periods is null and void. If the notice is given prior to the beginning of such period and if the notice period has not expired prior to such a period, the expiration is suspended and shall continue only after termination of the forbidden period.

7. Legal means of the employees
If the dismissal can be considered as abusive, the employee has to file a written objection against the dismissal no later than by the end of the notice period. If the objection is validly made and if the parties cannot agree on a continuation of the employment relationship, the party who has received notice of termination may assert his/her claim for indemnity. This claim is forfeited if no legal action is taken within 180 days after the employment relationship has ended.

8. Severance pay
In case of ordinary dismissal, no mandatory severance payment has to be paid, except if it is provided for by the contract concluded between employer and employee. The employee is only entitled to receive his/her ordinary salary during the notice period.

However, if the dismissal is considered as abusive, an indemnity is due (cf. below).

In case of summary dismissal (i.e., without notice), severance payment is due only if the dismissal is not justified. In the absence of valid reason, the employee shall have a claim for compensation of what he/she would have earned if the employment relationship had been terminated by observing the ordinary notice period or until the expiration of the fixed agreement period. The judge may decide, in his/her own discretion and taking into account all circumstances that the employer has to pay an indemnity to the employee. Such indemnity may not, however, exceed the employee’s wages for six months.

9. Mentionable aspects/ particularities
Particular requirements and procedures exist in case of collective dismissal.

According to Swiss law, collective dismissals are deemed to be notices of terminations given by the employer within 30 days for reasons unrelated to the person of the employee and which affect at least 10 employees in enterprises usually employing more than 20 and less than 100 persons, at least 10 percent of all employees in enterprises usually employing more than 100 and less than 300 persons, or at least 30 employees in enterprises usually employing at least 300 persons.
The Netherlands

1. Kinds of dismissal

In Dutch labor law there are several ways by which an employment agreement can end. On the following three occasions an employment agreement can end by operation of law: in case of a employment agreement for a fixed term, in case of a (valid) termination clause and in case of the death of the employee. If the employment agreement does not end by operation of law, the easiest way to terminate an employment agreement is by mutual consent. If no agreement can be reached in view of ending the employment agreement by mutual consent, the employer or employee can file a request for dissolvement to the District court. Alternatively one of the parties may end the employment agreement by ‘ordinary’ dismissal e.g., giving notice for termination.

In case of a notice of dismissal in general an employer, prior to giving notice, has to obtain a permit from the governmental agency UWV. After having received this permit from the UWV, giving notice of dismissal by the employer is allowed. Such a notice requires the employer to observe a statutory term of notice.

Summary dismissal; If an urgent reason exists, the employer or employee can instantly dismiss/resign. An urgent reason is an act, characteristic or conduct after which the employer or the employee cannot reasonably be required to continue the employment agreement. The rules concerning ‘normal’ dismissal in case of an instant dismissal only partly apply: the employment agreement can be ended without observing the notice period, prohibitions in view of giving notice do not have to be observed and the UWV’s permit is not required.

2. Necessary reasons for dismissal

The UWV assesses, if the proposed dismissal is reasonable, taking into account the possibilities and interests of the employer and employee as well as other interests, specifically related to the Dutch labor market. The grounds for dismissal can, from a practical point of view, be divided into two distinct categories: economic grounds and grounds related to non-economic reasons, e.g., the performance of the employee or insurmountable problems in the relationship between the employer and the employee. In all situations it is up to the employer to convince the UWV, that a termination of the employment contract by way of a dismissal is justified under the circumstances. Therefore it is of utmost importance to ensure that the application is properly drafted, well reasoned and documented.
3. Notice periods

Notice may only be given by the employer after a permit to dismiss from the UWV has been obtained. If the employer gives notice, the length of the statutory notice period depends on the duration of the employment agreement. The statutory notice period will be as follows:

- duration of employment less than 5 years: 1 month;
- duration of employment between 5 and 10 years: 2 months;
- duration of employment between 10 and 15 years: 3 months;
- duration of employment exceeding 15 years or longer: 4 months.

If the permit to dismiss from the UWV has been obtained, the notice period which the employer must observe may be reduced by one month, provided that the remaining notice period is at least one month. Please note, that collective bargaining agreements can include longer notice periods.

4. Form of dismissal

After the permit to dismiss from the UWV has been obtained the employer is allowed to give notice of dismissal. Notice of dismissal does not require a certain form. From an evidence point of view nevertheless a termination letter containing the notice of dismissal sent by registered mail with confirmation of receipt is advisable. If requested, the employer has to inform the employee in writing about the reason(s) for the dismissal.

5. Further requirements for a valid dismissal

Obtain prior written permit to dismiss from the UWV before giving notice

The UWV assesses whether the reason(s) that the employer puts forward are serious enough to justify the proposed dismissal. It is not possible to appeal against the UWV’s decision. The UWV’s permit is not required:

- if the employee gives notice;
- for the dismissal of a managing director who was appointed by the company’s shareholders;
- dismissal during the probationary period;
- dismissal during bankruptcy;
- in the event of summary dismissal.

In the event of a termination with mutual consent or a fixed-term employment agreement by operation of law a permit from the UWV also is not required.

6. Special dismissal protection

Even after the written permit from the UWV has been obtained, an employer is not allowed to give notice of dismissal during—generally speaking—the first 104 weeks of an employee’s illness, during an employee’s pregnancy or maternity leave and during an employee’s paternity leave. Furthermore giving notice of a ‘ordinary’ dismissal is not allowed during an employee’s military service, during an employee’s membership of the works council or in view of its membership of and/or—in general - activities for a trade union. A discriminatory dismissal is also prohibited. If the employer nevertheless gives notice in these circumstances, the employee can declare the notice to be null and void by writing the employer a letter to that effect also including the statement to be prepared to again do its work.

If the employer requests the district court to dissolve the employment agreement the judge verifies whether or not the requested dissolvement is connected to prohibitions to give notice. Nevertheless dissolvement of the employment agreement in these cases is not forbidden, so that the judge is allowed to dissolve the contract, e.g., if the dissolvement is necessary in view of a reorganization.

7. Legal means of the employees

Evidently unreasonable dismissal

An employee who has been dismissed with the UWV’s permit, nevertheless can bring court proceedings against the employer arguing that the dismissal is evidently unreasonable, also when the employer observed the applicable term notice. The district court can order the employer to pay damages. Reinstatement is also possible, although the employer can opt to pay damages in lieu.
8. Severance pay
Severance payments can be awarded to employees by the district court in a dissolution procedure, if the judge considers this fair and reasonable in the circumstances. There are no statutory criteria for determining the amount of severance payments. However, guidelines are applied in the Netherlands in dissolution proceedings by judges containing a formula for the purpose of calculating such a severance payment. As of 1 January 2009, the formula is as follows:

\[ A \times B \times C \]

A (years of service): For the purpose of calculating the number of years of service the course of employment will be rounded off to the nearest year, whereby a period of half a year and one day counts as a whole year. After the number of years of service has been determined, these years will have to be "weighed." Years of service before the age of 35 count as 0.5, between 35 and 45 as 1, between 45 and 55 as 1.5 and each year of service after the age of 55 counts as 2.

B (compensation): For the purpose of calculating the dissolution payment, "salary" includes the base monthly gross salary, increased with holiday allowance, thirteenth month, structural overtime compensation and fixed compensation with respect to shift work. In principle the employer’s part of the premiums regarding pension arrangements and medical insurances, car allowances, expense allowances and bonuses are excluded from the "salary" according to this formula. The same applies in the event an employee occasionally receives a profit sharing, which cannot be considered to be of a structural nature.

C (correction): The outcome of the multiplication of the factors A and B may be adjusted based on specific circumstances of the matter. In the event that the ground of the dissolution is at the risk of the employer and no reproach is to be made to the employee, the factor C will be set at 1. In the event that the grounds for dissolution are at the risk of the employee and no reproach is to be made to the employer, factor C will be set at 0. According to the guidelines, a higher or lower amount of compensation already could be determined, if one of the parties is largely to blame for the dissolution and/or due to other special circumstances of the case. Because of the new rules, furthermore the financial situation of the employer can be of relevance, just like the employee’s labor market position. In case of the dissolution of the employment agreement of an older employee, the dissolution payment in most cases will not be higher than the expected loss of income until the age of retirement of the employee. This age will no longer be fixed at the age of 65, but will be determined by the age the employee would most likely have retired, should his employment not have been terminated prematurely.

9. Mentionable aspects/particularities
Dissolution requests to the district court
Either party to an employment agreement can submit a request to the district court at any time to dissolve the employment agreement for serious reasons. Serious reasons include:
- all urgent causes which would have justified an instant dismissal;
- changes in the circumstances justifying a termination. Restructuring under certain circumstances can be qualified as a serious reason. Other examples of serious reasons are ill performance and insurmountable problems in the relationship.

Collective dismissals
In the event of a collective dismissal there are additional requirements. A collective dismissal under the Collective Dismissal Act of the Netherlands in general is when an employer gives notice of dismissal to at least 20 employees working in one specific UWV-working region within a period of three months. The employer must try to reach an agreement (social plan) with the trade unions (and/or works council) on the intended collective dismissal and its social consequences. Although an employer is not required to reach an agreement, social plans are often agreed upon.

New dismissal regulations expected
The Dutch government is currently planning to change the dismissal regulations. Proposed changes are:
1. One dismissal procedure.
2. A mandatory but capped transition budget for the dismissed employee.
3. The costs of six months of unemployment benefits have to be compensated by the employer.

After the 2012 elections it is expected that the final changes will be announced.
The United Kingdom

1. Kinds of dismissal
In the United Kingdom there are three types of dismissal: fair, unfair and wrongful dismissal. There are five fair reasons for dismissal which are set out below and these are governed by legislation. An unfair dismissal takes place when one of the fair reasons does not apply to the dismissal and the employee can show that another unfair reason was the genuine reason for the dismissal. This may be a discriminatory reason, for example, race, religion, disability, age. A wrongful dismissal takes place where the employee is not provided with the appropriate notice prior to termination, or is not compensated for his or her notice period. Essentially there has been a breach of contract. Notice periods are determined by statute or by the employee’s contract of employment.

2. Necessary reasons for dismissal
There are five fair reasons for dismissal. These are: redundancy, conduct, capability (performance or ill-health), illegality (for example, no work permit) or “some other substantial reason.” Where these reasons apply to the dismissal, the dismissal should be deemed to be fair.

“Some other substantial reason” for dismissal is a wide provision. In using this reason for dismissal, employers need to establish that their actions are reasonable. An example of a some other substantial reason dismissal is a breakdown in trust and confidence between the parties.

Prior notice of a potential termination is usually required for a fair dismissal. This prior notice may take the form of (i) redundancy consultation with the employee (ii) a warning or warnings in relation to the employee’s conduct (iii) a performance improvement plan in relation to the employee’s capability or (iv) an opportunity to ensure any illegality is rectified.

It is also fair to terminate an employee’s employment immediately if the employee has acted in a manner which amounts to gross misconduct. In this circumstance no notice or payment in lieu of notice needs to be provided to the employee.
3. **Notice periods**
Notice periods are usually set out in the employee’s contract of employment, or set by statute. Notice periods must not be less than statutory requirements. Statute provides that an employee must be given at least one week’s notice for each full year of continuous employment, to a maximum of 12 weeks’ notice after 12 or more continuous years of employment with the employer.

Contractual notice periods may be in excess of the statutory minimum and will be agreed between the employee and the employer and will be influenced by the employee’s function. For example, company Directors would typically have notice periods of 6-12 months.

Employees can be asked to work during their notice period, or placed on garden leave (similar to suspension of duties), or paid in lieu of their notice period.

4. **Form of dismissal**
The employee’s contract of employment may specify that notice of termination must be in writing. If the contract is silent on this matter, verbal termination is permissible. Written notice is always recommended.

For collective redundancies, prior notice to the Department for Business Innovation and Skills must be provided before notice of termination is provided to the employees.

Appropriate consultation is needed before dismissals take place.

5. **Special dismissal protection**
Several groups of employees are provided with special dismissal protection in order to protect employees against discrimination by their employer.

Special dismissal protection applies to employees who are pregnant or on maternity leave, those returning from maternity leave, disabled employees, whistleblowers employees who are taking part in Trade Union or Works Council activities, employees who have raised health and safety concerns and employees involved in military service. Employees who are absent from work due to a “long term” illness may also have special protection from dismissal particularly where the employee has the benefit of permanent health insurance provided by his employer.

6. **Legal means of the employees**
If an employee believes that he or she has been unfairly dismissed, then an application to the Employment Tribunal can be made. An application must be raised within 3 months from the date of termination of employment. The Employment Tribunal will consider the reasons for the termination of employment, and consider whether a fair reason applied to that termination and a proper process was followed.

If the Employment Tribunal decides that the termination of employment was unfair, it may provide the employee with compensation. Compensation is based on actual loss of earnings, including future losses and the fact that the employee has a duty to mitigate financial losses by seeking new employment.

An employee can also apply to the Civil Courts for damages if the employee is owed, and has not been paid his or her notice period. Where contractual or statutory notice is due to the employee, this should be paid in accordance with the contractual agreement, or at the time of termination of employment.
7. Severance pay
For redundancy dismissals, an employee who has more than 2 years’ continuous employment with the employer, will be entitled to a redundancy payment. This is calculated on the basis of a fixed weekly salary (capped at £400 per week, for redundancies made before 1 February 2012, and capped at £430 per week, for redundancies on or after this date) and multiplied by the full years of employment (capped at 20 years of employment). The figure is increased when the employee reaches the age of 41. The maximum redundancy payment available to an employee is £12,000 for redundancies made before 1 February 2012, and £12,900 for redundancies made on or after this date. This is paid in addition to an employee’s notice period.

For fair dismissals, only notice pay must be provided to the employee (except where there is gross misconduct).

For unfair dismissals, the employee can seek compensation based on future loss of earnings, referred to above. The compensation must be just and equitable. There is a cap on the compensation of £68,400 for employees who have been made redundant before 1 February 2012 and a cap of £72,300 for employees made redundant on or after this date. Where an employee has been unfairly dismissed and subjected to discrimination, the employee can also seek a further payment for injury to feelings arising from the discrimination. Compensation for discrimination is uncapped.

8. Mentionable aspects/particularities
An employee hired before 6 April 2012 does not have the right to bring an unfair dismissal claim if they have less than 1 year’s continuous employment with the employer. An employee hired on or after this date requires 2 years’ continuous employment before they have the right to bring an unfair dismissal claim.

Discrimination claims can be brought at any time; they do not require the employee to have achieved any length of continuous employment with their employer.

For collective redundancies, consultation periods prior to dismissal must be complied with.
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