

Labour inspections - target areas in 2015

Legal newsletter



Labour inspections

Target areas in

Deloitte Legal Szarvas, Erdős and Partners Law Firm, a member of Deloitte Legal's international network, is providing its clients with a monthly newsletter on the most recent changes and newly adopted regulations in economic law and the most notable legal cases.

Similarly to previous years, now we would again like to draw your attention to the 2015 authority inspection plan of the Hungarian Labour Inspectorate, published on the authority's website. The inspection plan sets forth the key objectives, the tested periods and the targeted inspection areas.

Next year employers' measures to identify threats and prevent work accidents and infections in the timber industry as well as in health care and agriculture will be in focus. A large number of inspections may be expected in the area of personal- and asset-security and in the construction industry.

According to the plans, in March-April 2015 the labour inspection authority will focus on the rules of employee leasing. Special attention should be paid to the extraordinary terms and conditions of work contracts of employees employed under employee leasing (e.g. reason for assignment, term of assignment, registration number, prohibition of transfer). The inspection may focus on the availability and content of written notification provided by the leasing agency to the employee before the assignment (e.g. starting date of assignment, place of work, work schedule). A written contract should be in place between the agency and the company receiving the workforce, which should lay down the rules of the employee's remuneration and responsibilities of the parties. The receiving company should take care to comply with the principle of equal payment, meet the special notification obligations, keep accurate records and follow the rules of working time and rest periods. It is advised to remember that the contract between the leasing agency and the receiving company is void if one party is partly or fully, directly or indirectly owned by the other.

Similarly to former practice, the labour inspection authority will focus on compliance with the basic employment rules in the summer period. Target areas will include employment without a work contract or without fulfilling the reporting obligations, as well as compliance with the rules pertaining to wages. Therefore, special attention should be made to the compliant employment of seasonal workforce.

According to the inspection schedule, in October and November 2015, compliance with the vacation day regulations will be reviewed by the authority. In this respect the authority will focus on the deadlines for reporting and approving of vacation days, limitations on the cash redemption of annual accumulated vacation days, using vacation days after the year when they are due as well as accurate records to keep track of all the above.

In certain cases irregularities revealed by the inspectors will automatically entail penalties from HUF thirty thousand to HUF ten million. Clients are advised to involve experts in order to identify the required measures to successfully pass the inspections and to avoid penalties. Such labour audits should be performed not only before the authority inspections but also afterwards to prepare for ever more frequent follow-up authority inspections.

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