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Special feature: AI in HR in Poland



Can a computer decide whether an employee has been dishonest, unproductive or abusive?

Polish employers increasingly ask that question. Four workplace cases suggest a less comfortable answer: technology can help establish the facts, but it can also make a poor decision look remarkably convincing. In Poland, the answer also depends on domestic rules that are stricter than those in many other Member States.

A closed list of purposes

Since 2018 the Polish Labour Code has regulated workplace monitoring in detail. Under Article 22² of the Labour Code, video surveillance is permitted only where necessary for staff safety, protection of property, production control or the confidentiality of information whose disclosure could harm the employer. As a rule, it may not cover sanitary facilities, changing rooms, canteens, smoking areas or trade union premises, and recordings must be deleted within three months. Article 22³ of the Labour Code allows e-mail monitoring only to organise work so that working time and work tools are used properly, and only without breaching the secrecy of correspondence. Article 22³ § 4 of the Labour Code extends these rules to “other forms of monitoring”. AI analytics of employee activity must therefore fit within the same closed list of purposes. The employer has to define the purpose, scope and method of monitoring in a collective agreement, work regulations or a notice, and inform employees at least two weeks before it starts. Where a trade union operates, work regulations must be agreed with it under Article 104² of the Labour Code. Biometrics are even more restricted. Under Article 22¹b of the Labour Code, an employer may process biometric data of employees only where necessary to control access to particularly important information or to premises requiring special protection. Beyond that, sensitive data may be processed on the basis of consent only if the employee provides it on his or her own initiative. An employer cannot therefore legitimise a biometric monitoring tool by collecting consent forms.

The EU layer

Article 22 of the GDPR protects employees against solely automated decisions with legal or similarly significant effects. Since 2 February 2025, Article 5(1)(f) of the AI Act has prohibited AI systems that infer emotions of persons in the workplace, save for medical or safety reasons. The prohibition covers inference from biometric data, such as facial expressions, voice and, according to the Commission’s guidelines, typing patterns. Fines reach EUR 35 million or 7% of worldwide turnover. AI used to monitor and evaluate workers is high-risk under Annex III of the AI Act, and after the Digital Omnibus (Regulation (EU) 2026/1744) those obligations apply from 2 December 2027. Article 26(7) of the AI Act will then require employers to inform workers’ representatives and affected workers before such a system is used, alongside the two-week notice under the Labour Code. Poland’s Act on Artificial Intelligence Systems has been in force since 11 August 2026. It designates the Commission for the Development and Security of Artificial Intelligence (KRIBSI) as the market surveillance authority, and its provisions on sanctions and complaints apply from 28 October 2026.

Four cases

Consider a jacket left on an office chair. Its owner went on long-term sick leave on the day he learned that his contract was to be terminated. Weeks later a colleague remarked that the jacket had gone. Only then did the employer check the records: a Saturday entry, over an hour in the building, numerous printouts. Software correlating access logs and printer records could have raised an alert on the day. Timing matters, because Article 52 § 2 of the Labour Code gives the employer only one month from learning of the misconduct to dismiss summarily. An alert is not proof, however. Someone still has to secure the source data and hear the employee. In another case, an employer summarily dismissed a worker because the reader at the main entrance showed no entry, although he had signed the attendance list. In court it emerged that he used a different door every day. The dismissal was held unjustified, which exposed the employer to reinstatement or compensation under Article 56 of the Labour Code. A system checking every reader might have prevented the dispute altogether. Remote work raises the same issue. Tracking keystrokes or a green “available” icon looks easy, but a motionless mouse may simply mean careful reading. Polish law does not regulate online monitoring of remote work separately, so it falls under Article 22³ § 4 of the Labour Code. On-site inspections are governed by Article 67²⁸ of the Labour Code, which requires respect for the privacy of the employee and household members. If a tool claims to read stress or frustration from typing patterns, it also falls within the AI Act prohibition. Company chats are equally sensitive. Article 94³ of the Labour Code obliges employers to counteract workplace bullying, and AI may flag hostile language. A flag is not proof of harassment, however, and scanning all conversations can breach the secrecy of correspondence protected by Article 22³ § 2 of the Labour Code. Inferring emotions from text falls outside the AI Act prohibition, but it remains subject to the Labour Code and the GDPR. A safer route is the internal reporting procedure that the Polish

Whistleblower Protection

Act of 14 June 2024 already requires from employers with at least 50 employees. The real question for Polish HR is what to do with what technology shows. Algorithms can connect the dots. Context, proportionality and human judgement remain the employer’s task, and the employer answers for them in court.



APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS IN THE EUROPEAN UNION MEMBER STATES AND IN SWITZERLAND AND IN THE UK

We are pleased to present the latest edition of the ILLN Newsletter. This issue focuses on the applicability of collective labour agreements, examining how such agreements are concluded, which employers and employees are bound by their provisions, and the extent to which they regulate employment conditions across selected EU Member States, Switzerland and the UK. While the legal frameworks, collective bargaining structures, mechanisms for extending agreements to non-signatory parties and the legal effects of their provisions vary considerably between jurisdictions, a common thread runs through each contribution: the importance of collective bargaining in shaping employment conditions and the need to balance the interests of employers and employees within the framework of collective labour relations.

This cross-jurisdictional overview highlights both shared principles and key differences in how collective labour agreements are applied, interpreted and enforced across Europe.

Featured ILLN Member states:

1	Austria
2	Belgium
3	Czech Republic
4	France
5	Germany
6	Italy
7	Luxembourg
8	Poland
9	Portugal
10	Sweden
11	Switzerland
12	United Kingdom



APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

1. Coverage by design, not by chance

Austria has one of the highest collective bargaining coverage rates in the world – around 98 percent and more of all employees. This is no accident of union strength but a feature of institutional design: employers are compulsory members of the Austrian Economic Chamber, whose sectoral sub-organisations conclude the collective agreements (Kollektivverträge) with the trade union federation. The corollary surprises many international observers: Austria has no general statutory minimum wage – minimum pay is set, sector by sector, in the collective agreements and renegotiated in the famous autumn wage rounds each year, traditionally led by the metal industry.

2. Who is bound, and how An employer is bound by virtue of its Chamber membership.

Whether the individual employee is a union member is irrelevant, as the normative provisions of the collective agreements extend to non-members (Außenseiterwirkung). Those provisions apply to the employment relationship directly and mandatorily, like a statute: they do not need to be incorporated into the contract, cannot be waived during the employment relationship, and may be deviated from only in the employee's favour (favourability principle). An employment contract that ignores the applicable collective agreement is therefore simply overridden by the collective bargaining agreement.

3. Which agreement applies

Applicability follows the employer's branch of industry as defined by its chamber affiliation, not the employee's occupation: the accountant of a metal-industry company therefore falls under the metal industry collective agreement. Where an employer holds several trade licences, mixed-business rules decide: organisationally separate divisions each follow their own agreement; otherwise the agreement of the economically predominant activity prevails. Since a transaction or restructuring may change the applicable agreement – and therefore also pay scales and other key terms – identifying the correct collective agreement (Kollektivvertrag) is a standard item in any Austrian employment due diligence.

4. Filling the gaps and the after-effect

The Austrian Law also provides mechanisms where no agreement applies. An existing agreement may be extended to comparable employment relationships outside its scope (Satzung), and the Federal Arbitration Board may issue minimum wage tariffs. Moreover, when a collective agreement expires without replacement, its normative provisions continue to apply to existing employment relationships (Nachwirkung) until superseded by a new collective agreement or new individual agreement – there is, in other words, no cliff edge.

5. Cross-border reach

The system also has an inbound dimension: Under the Wage and Social Dumping Act, foreign employers posting workers to Austria are entitled to at least the remuneration that comparable employees of comparable employers receive under the applicable Austrian collective agreement. The same applies to employees who habitually work in Austria for a foreign employer without an Austrian seat. Compliance is enforced through documentation duties and administrative fines of up to EUR 400,000,- graded by the amount of underpayment. For international groups, "our home-country package is generous" is no defence if it undercuts the Austrian sectoral pay grid.

6. Recent developments and takeaways

The system keeps evolving: since 2026, collective agreements may for the first time also cover free service contractors, either through dedicated agreements or by express inclusion in existing collective agreements. In parallel, the legislature has narrowed the scope for collective agreements to derogate from the statutory notice periods for blue-collar workers, while removing the former requirement that the sector be predominantly seasonal. Derogations now remain available only in sectors whose collective agreements introduced such rules between 1 January 2018 and 30 June 2025. Collectively agreed notice periods may not be shorter than one week, and subsequent amendments may only improve the position of the employees concerned (following the favourability principle). The practical takeaway remains unchanged: in Austria, the first question of every employment law analysis is not "What does the contract say?" but "Which collective agreement applies?"





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

1. Collective bargaining in the Belgian social model

Belgium's model of social dialogue attracted attention in Central and Eastern Europe following the collapse of the Soviet Union, as emerging democracies sought frameworks for employer-worker relations. In Belgium, collective labour agreements ("CLAs") are genuine sources of law, creating enforceable rights and obligations that may extend beyond their signatories. Collective bargaining therefore occupies a central position in Belgian employment law.

2. Three levels of social dialogue

Belgian collective bargaining operates at three levels:

- National or interprofessional, through the National Labour Council;
- Sectoral, through joint committees and subcommittees;
- Undertaking, between employers and representative trade union organisations.

The system is bipartite, involving employers' and workers' organisations rather than government representatives. The National Labour Council comprises equal representation from both sides. The State establishes the legal framework and may intervene legislatively, but important employment matters are regulated through collective bargaining. For example, Belgium primarily implements Directive 2001/23/EC on transfers of undertakings through National CLA No. 32bis rather than dedicated legislation.

3. Legal foundation: the Act of 5 December 1968

The Act of 5 December 1968 on Collective Labour Agreements and Joint Committees establishes the legal framework.

A CLA is concluded between representative workers' organisations and employers or representative employers' organisations, regulating employment relations and the contracting parties' obligations. To obtain statutory CLA status, agreements must be deposited with and registered by the Registry of the Directorate-General for Collective Labour Relations of the Federal Public Service Employment, Labour and Social Dialogue.

4. Three types of provisions

Belgian CLAs contain three categories:

- Individual normative provisions: remuneration, premiums, working time and leave.
- Collective normative provisions: employee representation and consultation procedures.
- Obligatory provisions: commitments between signatories, including social-peace and implementation obligations.

Normative provisions may bind persons who did not sign the agreement, whereas obligatory provisions generally bind only the contracting parties.

5. Undertaking-level CLAs

At undertaking level, employers are directly bound as contracting parties, without requiring extension. CLAs must be concluded with representative trade union organisations through authorised representatives, typically union officials. A company union delegation does not automatically qualify as a separate contracting party. Once validly concluded and registered, normative provisions apply to employees within the agreement's scope, irrespective of union membership. Obligatory provisions remain binding on the signatories.

6. Sectoral and national CLAs

Sectoral CLAs are negotiated within joint committees or subcommittees, while national CLAs are concluded through the National Labour Council. Without general extension, agreements already bind signatory or acceding organisations, participating employers, employers affiliated with signatory organisations and their employees under statutory rules. Individual normative provisions may also have subsidiary effect for unaffiliated employers within a joint body's jurisdiction, subject to rules concerning contrary written individual agreements.

7. Extension by Royal Decree

CLAs concluded within joint bodies may be declared generally binding by Royal Decree. This extends individual and collective normative provisions to all employers and employees within the relevant scope, including employers unaffiliated with signatory organisations. Many national and sectoral CLAs receive general binding force. Minimum salaries, indexation, annual bonuses and sector-specific working-time arrangements may therefore apply regardless of an employer's participation in negotiations. For international employers, identifying the competent joint committee is essential, generally based on the company's principal economic activity.

8. State supervision

The Federal Public Service Employment verifies registration requirements and reviews sectoral CLAs for formal and substantive legality. It also administers requests for general binding force. The administration may request corrections or refuse registration where statutory requirements are not satisfied, including when sectoral agreements improperly attempt to modify undertaking-level CLAs. This supervision ensures legality while preserving bargaining autonomy.

9. Accessibility and digitalisation

The Federal Public Service Employment provides an online database of sectoral CLAs registered since January 1999. National CLAs are accessible through the National Labour Council, while registered undertaking-level agreements may be requested by persons demonstrating a particular interest. In June 2026, the Ministry announced registration of the 200,000th collective labour agreement.

Conclusion

Belgian CLAs create enforceable employment rules extending beyond their signatories. At undertaking level, employers are contractually bound, while normative provisions apply to employees irrespective of union membership. At national and sectoral levels, Royal Decrees may extend these provisions to unaffiliated employers. International employers must therefore identify the competent joint committee, determine applicable CLAs and verify their binding status. Reviewing legislation and individual employment contracts alone is insufficient. In Belgium, collective bargaining is not merely social dialogue. It is a mechanism for creating enforceable employment law.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

Collective labour agreements (“CLAs”) play an important role in Czech employment law. They allow employers and trade unions to regulate employment and working conditions beyond the statutory framework and may provide employees with additional rights, particularly in relation to remuneration, working time, leave or employee benefits. For employers, the key question is not only whether a CLA has been concluded within their organisation, but also whether they are bound by a higher-level CLA concluded for their sector.

Company-level and higher-level CLAs

Czech law distinguishes between company-level and higher-level CLAs. A company-level CLA is concluded between one or more employers and one or more trade unions operating within the employer’s organisation. It typically addresses remuneration, working time arrangements, additional leave and employee benefits. Importantly, its application is not limited to trade union members. The trade union also concludes the CLA on behalf of non-union employees, so all employees may benefit from the rights it establishes. A higher-level CLA, by contrast, is concluded between one or more employers’ organisations and one or more trade unions, covers a larger number of employers and typically regulates employment conditions within a particular sector, such as remuneration, working time, leave, occupational health and safety and social benefits.

When is a higher-level CLA binding?

A higher-level CLA is binding on employers that are members of the employers’ organisation which concluded it, on employers that have left that organisation while the CLA was in effect, and on the employees on whose behalf the relevant trade union or unions concluded it. However, membership is not the only route. Under the Collective Bargaining Act, the binding effect of a higher-level CLA may be extended to other employers whose predominant activity falls within the sector concerned, as defined by reference to the official classification of economic activities.

The extension is based on a joint proposal by the parties to the CLA and takes effect from the first day of the month following publication of a notice by the Ministry of Labour and Social Affairs in the Collection of Laws and International Treaties. It applies irrespective of whether a trade union is active at the employer concerned. Statutory exceptions cover employers with fewer than ten employees, employers for which more than 50% of employees are persons with disabilities, and employers affected by an extraordinary event the consequences of which are ongoing, in each case as at the date the extension takes effect. The extension mechanism has been used in practice in sectors including textiles, clothing and leather, pulp and paper, construction, and the glass and ceramics industry.

Relationship between CLAs and individual employment agreements

An applicable CLA forms part of the employment-law framework that an employer must observe and may establish rights going beyond the statutory requirements. Individual employment contracts therefore cannot be assessed in isolation from it, particularly as regards remuneration and benefits.

Practical implications for employers

Employers should regularly verify whether they are bound by a company-level or higher-level CLA. In the case of higher-level CLAs, checking current membership in an employers’ organisation is not sufficient, as an employer that leaves the organisation while a higher-level CLA is in effect remains bound by it. Employers should also monitor whether a relevant higher-level CLA has been extended to their sector based on their predominant economic activity. Failure to identify an applicable CLA may result in employment conditions being set below the standards to which the employees concerned are entitled.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

In France, employment rules do not derive solely from statute and the employment contract. They also stem from agreements negotiated between employers and trade unions, the works council (comité social et économique) or the employees themselves: either at the level of an industry sector (the “branch”) or at the level of the company itself.

Which collective bargaining agreement (“CBA”) applies?

Each sector has its own CBA, which sets, among other things, minimum wages, job classifications and certain allowances. The CBA a company must apply depends on the main activity it actually carries out, not on each employee’s occupation. The APE code assigned by INSEE (the French national statistics institute) is merely an indication.

Where a company carries out several activities, its main activity is, in principle, the one employing the largest number of staff (for industrial activities) or generating the highest turnover (for commercial activities). The corresponding CBA then applies to the entire workforce, unless there is an autonomous business unit with its own premises, staff and equipment.

A CBA “extended” by ministerial order is binding on all companies within its scope, whether or not they belong to a signatory employers’ organisation. A non-extended CBA binds only the members of the signatory organisations.

CBA or company-level collective agreement: which prevails?

Companies may also negotiate their own collective agreements. What happens if a company agreement lays down a rule that differs from the CBA? Since the 2017 reform, the law distinguishes between three categories of subject matter:

- Matters reserved to the branch (13 topics, including minimum wages, job classifications and gender equality): the company agreement may not offer less.
- Matters the branch may protect (4 topics, including occupational risk prevention and the employment of disabled workers): where the CBA expressly so provides, a subsequent company agreement may not be less favourable.
- All other matters: the company agreement prevails, even if it is less favourable.

Where two agreements at the same level cover the same subject, only the most favourable benefit applies, assessed for the workforce as a whole, with no cumulation.

Companies and groups therefore have genuine room to adapt the rules to their organisation.

Key takeaways

The applicable CBA is not a matter of choice: it is determined by the company’s actual activity. However, outside the reserved matters, a company or group agreement can be used to adapt its rules.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

1. What is a collective labour agreement?

A collective labour agreement (CLA) is a written contract between a trade union and an employers' organisation or an individual employer. It is based on the autonomy of collective bargaining guaranteed in Article 9(3) of the Basic Law (GG) and the Collective Agreements Act (TVG). The social partners regulate working conditions themselves, without state intervention. A distinction is made between two forms:

- Sectoral CLA: A trade union and an employers' organisation conclude this for an entire sector or region.
- Company-level CLA: The trade union concludes this directly with an individual company.

A CLA consists of two parts. The contractual part governs the obligations of the contracting parties towards one another, in particular the duty of industrial peace: no strikes may be held on the matters covered by the CLA during its term. The normative part contains the actual terms and conditions of employment. These have a direct and binding effect on the employment relationships covered, just like a law.

2. What is regulated in CLAs?

CLAs primarily regulate pay and working hours. In practice, the topics are often spread across several agreements, for example through Framework collective agreement: working hours, annual leave, allowances (night work, Sunday work, overtime), notice periods, limitation periods

CLA on pay and wages: level of remuneration per pay group, pay rises

Other CLAs: e.g. on occupational pension schemes, partial retirement, job security

3. When does a CLA apply to an employment relationship?

A CLA does not automatically apply to every employee in the sector. There are three ways in which it applies.

a) Collective bargaining coverage

The CLA applies directly if both parties are bound by it:

- the employee is a member of the trade union that concluded the CLA, and
- the employer is a member of the employers' association that concluded the CLA or has concluded the company-level CLA themselves.

Provisions relating to workplace matters apply to all employees even if only the employer is bound by the agreement. If the employer withdraws from the association, they remain bound by the current CLA until it expires. Thereafter, the provisions continue to apply until they are replaced by another agreement.

b) Declaration of general applicability

The Federal Ministry of Labour and Social Affairs may, upon a joint application by the parties to the CLA, declare a CLA to be generally binding if this appears to be in the public interest. It then applies to all employers and employees within its scope, even without membership.

c) Reference in the employment contract

This is a common arrangement in practice. The employment contract refers to a CLA or parts thereof. This is then deemed to form part of the employment contract, regardless of trade union membership. Employers bound by a CLA thus treat members and non-members equally. The wording of the clause is decisive:

Clause Effect

Static A specific CLA in a specific version applies; subsequent amendments do not.

Minor dynamic The specified CLA applies in its current version.

Major dynamic (CLA change clause) The CLA relevant to the company at any given time applies, even following a change of sector.

4. CLA, works agreement and employment contract – which takes precedence?

In principle, a hierarchy applies: the higher level takes precedence over the lower one, which means that the higher level is the one that takes effect. It is particularly important to note that a lower-level provision may deviate from a higher-level one and then apply to the employee if this is more favourable to the employee (so-called 'principle of favourability').

1. Statutory law (e.g. minimum wage, minimum annual leave, protection against dismissal)

2. CLA

3. Works agreement between the employer and the works council

4. Employment contract

5. The employer's right to issue instructions

Deviations from the CLA are only permitted if the CLA itself allows for this (opening clause) or if the deviation is to the employee's advantage. A salary in the employment contract that exceeds the CLA is therefore permissible, whereas one that falls below it is not. The comparison is made between objectively related provisions (comparison of categories), not the 'total package'. A higher salary does not, therefore, compensate for holiday entitlement that falls short of the CLA.

The principle of favourability also applies in the relationship between a works agreement and an employment contract: more favourable terms in the employment contract take precedence. An exception applies if the employment contract is recognisably open to future works agreements ('open to works agreements').

Remuneration and other terms and conditions of employment that are governed by, or are customarily governed by, a CLA cannot be the subject of a works agreement (so-called 'blocking effect'). This also applies to employers not bound by CLAs if they fall within the scope of the CLA. Exceptions:

- The CLA expressly permits supplementary works agreements.
- This concerns matters subject to co-determination under Section 87 of the Works Constitution Act (BetrVG) (e.g. the organisation of working hours). In such cases, a works agreement is precluded only to the extent that a mandatory provision under the CLA actually applies.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

Collective labour agreements (CLAs) play a central role in Italian employment law. Alongside legislation, they regulate the fundamental aspects of the employment relationship, such as pay, job classification, working time, leave and notice periods.

The Italian collective bargaining system includes cross-industry agreements, national industry-wide agreements, and territorial and company-level agreements. National industry-wide agreements, known as Contratti Collettivi Nazionali di Lavoro ("CCNL"), provide the main contractual framework for each sector. Territorial and company-level agreements usually address matters specific to local or business needs, such as performance-related pay, shifts and overtime work, and employee welfare. Company-level bargaining is less widespread, partly reflecting the prevalence of small businesses and limited workplace union representation in some sectors. These agreements nevertheless remain important, as they can, under certain conditions, derogate from national agreements.

As regards national agreements in the private sector, CCNLs do not automatically bind every employer and employee within their scope. They apply through membership of the signatory employers' associations or through express or implied acceptance. Membership is voluntary, but an employer that does not belong to a signatory association may still be bound by a CCNL if the individual employment contract refers to it or the parties consistently apply its provisions in a way that demonstrates acceptance.

CCNLs also serve as a benchmark for pay, even where they do not govern the employment relationship. Article 36 of the Italian Constitution entitles employees to remuneration proportionate to the quantity and quality of their work and sufficient to ensure a dignified existence for themselves and their families. Courts rely on this provision, together with Article 2099 of the Civil Code, to assess adequate remuneration by reference to collectively agreed pay. Using a CCNL as a pay benchmark does not make its other provisions binding on the parties. In recent years, courts have, in some cases, found the minimum pay set by the applicable CCNL insufficient under Article 36 and recognised employees' entitlement to higher pay.

The coexistence of several CCNLs within the same sector may complicate the "choice" of the appropriate pay benchmark. The recent legislation on "salario giusto" (fair pay), Decree-Law No. 62/2026, gives particular weight to national agreements signed by employers' organisations and trade unions that are comparatively most representative at national level. It identifies fair pay by reference to the overall remuneration package under those agreements, taking account of the relevant sector and productive category, the employer's main or predominant activity, its size and legal form. The employer's actual business is therefore a key factor in identifying the relevant agreement.

Beyond their role in setting pay, CCNLs are relevant to employers' access to statutory benefits and public contracts. Certain employment incentives and social security contribution relief are conditional on compliance with the relevant collective bargaining standards. In public procurement, contractors must apply the collective agreement specified in the tender documents or demonstrate that a different agreement offers equivalent economic and employment protections to the workers concerned. These requirements, together with the role of CCNLs in determining adequate pay, help explain their widespread use in Italy despite the absence of generally binding effect.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

Although collective bargaining does not yet extend to all sectors of the Luxembourg economy, the Labour and Mines Inspectorate currently lists 26 sectoral agreements in force, covering sectors as diverse as insurance, banking, transport, logistics and construction. According to the latest available figures, from 2023, close to 60% of Luxembourg's workforce is covered by a collective agreement. For comparison, the EU Minimum Wage Directive sets a benchmark collective bargaining coverage rate of 80%, and the Luxembourg government has announced that it is working towards that objective through a national action plan. Against this background, understanding when and how a collective agreement applies is an increasingly important compliance question for employers in Luxembourg.

What is a collective labour agreement?

Collective labour agreements are a key component of social dialogue between employers and employee representatives in Luxembourg. Although contractual in nature, they also have a regulatory effect: in practice, they may bind persons who did not take part in their negotiation or signature. A collective agreement may become mandatory for all employers in the relevant sector or profession where it is declared generally binding by Grand-Ducal regulation, in accordance with Article L.164-8 of the Luxembourg Labour Code. Examples of generally binding collective agreements include those applicable in the Luxembourg insurance sector, the care and social services sector, and the banking sector.

Collective agreements are negotiated between one or more trade unions and, on the employers' side, either a specific undertaking, one or more professional organisations, or a group of undertakings. For employees, they strengthen bargaining power and help stabilise working conditions. For employers, they can help secure social peace, since during the term of the agreement trade unions are in principle prevented from raising new demands or using collective pressure tactics to force a renegotiation.

Who is covered, and when?

Whether a collective agreement applies to a given employer depends on its type: whether it was concluded at company, sector or industry level. For sectoral or industry-wide agreements, particularly where they have been declared generally binding, employers must assess whether their activities fall within the agreement's scope. This assessment can raise genuine interpretation issues where an employer carries out several different types of activity.

All persons who have signed a collective agreement, whether personally or through a representative, are bound by its provisions. An employer bound by a collective agreement must apply it to all employees falling within its scope. Employees with senior executive status (*cadres supérieurs*) are, as a rule, excluded from that scope, although the social partners may negotiate a separate agreement covering them specifically.

What can a collective agreement change?

Collective agreements can significantly affect key aspects of the employment relationship, including hiring, working conditions, remuneration and termination arrangements. They may also depart from the general rules of labour law, but only where the outcome is more favourable to employees. Conversely, any provision of an individual employment contract, internal rules, or any other arrangement that conflicts with a collective agreement is void, unless that provision is more favourable to the employees. A collective agreement must run for at least six months and cannot exceed three years from its entry into force. If it is not terminated in the prescribed form and within the applicable time limits, it continues automatically for an indefinite period, unless the agreement provides otherwise. Once that stage is reached, it can only be terminated in accordance with the notice period set out in the agreement itself.

What must a covered employer do?

Employers falling within the scope of a collective agreement are subject to several important obligations, even if they are not members of the signatory employers' organisation. These include effectively applying the agreement's provisions, referring to the agreement appropriately in employment contracts, and making the agreement available to employees.

What happens in case of non-compliance?

Non-compliance can have significant consequences. The Labour Inspectorate may impose administrative fines where its injunctions to comply with a collective agreement are not followed. Employees may also bring claims before the labour courts to obtain application of the relevant collective agreement, potentially resulting in retroactive payment of salary, leave entitlements or other benefits. Given these practical and financial stakes, assessing whether a collective agreement applies to a business is an important compliance issue for employers in Luxembourg. Our team of dedicated Luxembourg labour law specialists is available to assist you in assessing your position and navigating this complex legal landscape.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

Collective labour agreements (CLAs) constitute one of the fundamental autonomous sources of labour law in Poland. Their purpose is to shape the terms and conditions of employment through social dialogue conducted between employers and employee representatives. They enable the organisation of work and the performance of professional duties to be adapted to the specific characteristics of a particular workplace, industry, or group of employers, while simultaneously ensuring that employees are afforded an appropriate standard of legal protection.

The Polish labour law system distinguishes between company-level collective labour agreements and supra-company (multi-employer) collective labour agreements. A company-level collective labour agreement is concluded at the level of a specific employer and applies to employees falling within its personal scope. By contrast, a supra-company collective labour agreement may cover a group of employers, including entities operating within a particular sector of the economy or industry. In both cases, collective labour agreements serve to establish uniform rules governing the performance of work and to define the mutual rights and obligations of the parties to the employment relationship.

Scope of CLAs

Collective labour agreements determine the conditions governing employment relationships as well as other legal relationships constituting the basis for the performance of remunerated work. One of their key characteristics is the possibility of regulating matters that have not been comprehensively addressed by the legislature or that require adaptation to the specific needs of a particular working environment. At the same time, the provisions of a collective labour agreement may not be less favourable to employees than the generally applicable provisions of labour law.

The substantive scope of collective labour agreements is broad. In particular, they may regulate matters relating to:

- working time limits and standards;
- working time systems and schedules;
- rules governing overtime work;
- the duration of annual leave;
- remuneration and pay conditions;
- work organisation;
- occupational health and safety, including psychosocial risks;
- the protection of dignity and other personal rights of persons performing remunerated work, the principle of equal treatment in employment, and the prevention of workplace bullying and harassment (mobbing);
- the establishment and operation of company social benefit funds;
- professional development and training leave;
- measures facilitating the reconciliation of professional and private life;
- age management and the promotion of active ageing in the workplace;
- the conduct of social dialogue, including procedures for collective bargaining, representation of the parties, and the participation of experts in negotiations.

The catalogue of matters that may be regulated by a collective labour agreement is open-ended. Consequently, the parties conducting negotiations may decide to include only selected issues within the scope of the agreement if they consider that there is no need to regulate comprehensively all aspects of the functioning of an enterprise or the performance of work. This approach provides considerable flexibility and allows the content of collective labour agreements to be tailored to the current needs of employees and the organisational capabilities of employers.

Nevertheless, a company-level collective labour agreement may not regulate all employment-related matters. The legislature has excluded the possibility of determining, within such agreements, the remuneration conditions of employees managing the workplace on behalf of the employer within the meaning of Article 128(2)(2) of the Polish Labour Code, as well as persons managing the workplace on a basis other than an employment relationship.

Procedure and form of conclusion

A collective labour agreement is concluded through collective bargaining conducted by authorised entities. In the case of company-level collective labour agreements, the negotiating parties are the employer and the company-level or inter-company trade union organisation representing employees. Supra-company collective labour agreements, in turn, are concluded between employers' representatives and supra-company trade union organisations.

Collective labour agreements must be concluded in writing. They may be established either for a fixed term or for an indefinite period, while the parties retain the possibility of extending their duration or amending their provisions to accommodate changing economic and organisational circumstances. A prerequisite for the entry into force of a collective labour agreement is its proper registration with KEUZP - Krajowa Ewidencja Układów Zbiorowych Pracy. The agreement becomes binding from the date specified by the parties, provided that such date is not earlier than the effective registration of the agreement.

Collective labour agreements play a significant role in the Polish labour law system by serving as an instrument for shaping employment conditions in a manner that accommodates both the interests of employees and the organisational needs of employers. Their importance extends beyond the regulation of remuneration-related matters and encompasses issues concerning work organisation, employment protection, and the implementation of social dialogue in its broadest sense. Through their flexible legal framework, collective labour agreements remain one of the principal mechanisms for adapting employment relationships to changing social and economic realities.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

Under Portuguese law, the applicability of collective bargaining agreements (CBAs) depends on four main elements: their personal, material, geographical and temporal scope.

Personal scope

Article 496 of the Portuguese Labour Code establishes the principle of double affiliation, under which a CBA binds employers who have signed it or belong to a signatory employers' association and their employees who are members of a signatory trade union.

A CBA covers employers and employees affiliated at the beginning of negotiations, as well as those joining during its validity. Subsequent disaffiliation does not necessarily terminate its application immediately. However, several exceptions apply. For instance, non-unionised employees may, subject to statutory requirements and time limits, choose to be under a CBA already applicable within their company. The CBA may, nevertheless, require employees who exercise this option to pay a specific amount to the signatory trade unions as a contribution towards collective bargaining costs. Additionally, ministerial extension orders may extend a CBA to employers and employees otherwise outside its scope.

Specific rules also apply in cases of business transfers and outsourcing. Following a transfer of undertaking, the transferor's CBA remains applicable to the transferee until its expiry or for at least 12 months, unless another one becomes applicable. Furthermore, in certain outsourcing arrangements, individuals performing services may benefit from the CBA binding the client company, if more favourable, after 60 days of activity.

Material scope

CBAs must expressly identify their sectoral and professional scope. Their applicability, therefore, depends on the employer's economic activity and the professional categories covered by the agreement.

This distinction is also relevant if one or more CBAs overlap. The Labour Code establishes that a sector-specific CBA takes precedence over another one that is profession-specific (within the same sector).

CBAs may regulate remuneration, working time, professional categories and other employment conditions, subject to mandatory statutory provisions.

Geographical scope

CBAs must also identify their geographical scope, which may encompass the entire national territory or be limited to specific geographical areas.

Ministerial extension orders also have their own territorial scope, which must be considered when determining the applicability of a CBA.

Temporal scope

CBAs are published in the official journal (Boletim do Trabalho e Emprego) and only enter into force following publication.

Their duration and renewal are governed by their own provisions. In the absence of an express duration clause, a CBA remains in force for one year and is automatically renewed for successive one-year periods.

Termination is subject to specific statutory rules on continued effectiveness and expiry. Even after expiry, certain employment conditions, including remuneration, professional classifications and working time, may continue to apply until another collective agreement or arbitration decision enters into force.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

The cornerstone of the Swedish labour market model

Collective bargaining agreements (CBAs) are a defining feature of the Swedish labour market and forms the backbone of the Swedish model. Sweden relies little on legislation to set wages and detailed conditions; instead, trade unions and employers' organisations negotiate binding sector or company agreements, with legislation providing only the framework.

CBAs are exceptionally widespread in Sweden, approximately nine out of ten employees are covered, including all public-sector staff, despite union membership being voluntary. Sweden has no statutory minimum wage and no automatic industry-wide extension. There are roughly 650 national agreements, plus local and company arrangements.

What do CBAs typically cover?

A Swedish CBA typically covers pay, hours, overtime, leave, notice and forms of employment, plus pension, sick pay, insurance, parental-pay and redundancy support. CBAs therefore often create rights beyond legislation, or improve on the statutory minimum.

Applicability and legal effect

An employer becomes bound by joining an employers' organisation party to a CBA, or signing directly with a union. A bound employer must apply the agreement to all employees within its scope, including non-union staff. The applicable CBA depends on industry and work performed, and one workplace may fall under several agreements.

Many Swedish employment statutes are semi-discretionary: specified provisions may be modified only through a qualifying CBA, not an individual contract. Individual terms conflicting with a binding CBA are typically invalid, and some CBAs even prohibit more favourable individual terms.

Employers without a CBA

Not every Swedish employer has a CBA, and none is legally required. Employers outside the system retain full contractual freedom over pay, benefits and conditions, which can suit smaller businesses and less unionised sectors.

That flexibility has trade-offs: employers must independently structure pension, sick pay and parental-pay arrangements a CBA would otherwise provide, often less generously. Recruitment can also be harder, as candidates in CBA-driven sectors may view its absence negatively.

Employers without a CBA should also note that they cannot rely on the semi-discretionary statutory provisions that a qualifying CBA can modify, so the relevant statutory default rules apply in full. In addition, such employers deal directly with individual employees or, where relevant, local unions on matters that a CBA would otherwise settle at sector level, which can mean more frequent and less predictable negotiations. Employers considering whether to remain outside the CBA system should weigh the administrative and competitive advantages of flexibility against the recruitment, retention and benefits-design challenges this creates.

Concluding remarks

Because CBAs are so widespread, they set the benchmark for what a responsible Swedish employer is expected to offer, not merely a legal floor. This cuts both ways: a CBA typically adds cost through enhanced pension, sick pay and parental benefits, but can also be commercially necessary, since many principals only engage subcontractors bound by a relevant CBA, and certain CBAs are what permit lawful round-the-clock shift structures. Employers should weigh that economic burden against the market access and flexibility a CBA can unlock, and take advice on which agreement applies.





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

1. How Relevant Are CLAs in Switzerland?

CLAs are an important but sector-specific feature of Swiss employment law. They play a significant role in industries such as construction, hospitality, staffing and certain skilled trades. Outside these sectors, however, many employers are not subject to a CLA at all. Unlike in some other European jurisdictions, mere operation within a particular industry does not generally make a Swiss employer subject to a CLA.

At the same time, where CLAs apply, they may regulate key employment terms such as minimum salaries, working time, holidays, notice periods, pension or other benefits. Particularly for employers entering the Swiss market or engaging staff through a staffing provider, checking CLA coverage should therefore form part of the standard employment-law analysis. Whether a CLA applies depends on how the employer and employee fall within its scope. As a starting point, CLAs bind their parties and their members. Their reach may, however, extend beyond those parties through accession, contractual incorporation or, most importantly in practice, a declaration of general applicability.

2. Binding through Membership

Under Art. 356 et seq. of the Swiss Code of Obligations (CO), a CLA is concluded between employers or employers' associations and employees' associations. It applies directly to an employment relationship where the employer is bound by the CLA and the employee is a member of one of the contracting associations. The normative clauses then have direct effect during the term of the CLA and deviations from mandatory provisions to the detriment of employees are generally void. In practice, an employer will commonly extend a CLA's terms to all employees in the relevant workforce, including employees who are not association members. This avoids different employment conditions depending on membership, although the legal basis on which those conditions apply may differ.

3. Individual Accession or Contractual Reference

An employer or employee may also become subject to a CLA by formally acceding to it. Such accession requires the consent of the contracting parties and results in the acceding party being treated as bound by the CLA. This is different, where an individual employment agreement merely refers to a CLA. Even though such a reference can incorporate the relevant provisions into the employment agreement, it does not make the CLA itself binding as such. This distinction can be important where the CLA is subsequently amended because a general reference may not automatically incorporate future amendments. The practical point is therefore to distinguish between an employer that is genuinely subject to a CLA and one that has simply used a CLA – or provisions of it – as a contractual benchmark.

4. Generally Binding CLAs – the Main Practical Exception

The most important exception to the membership principle is a CLA that has been declared generally binding. Upon such a declaration by the competent authority, the CLA applies to all employers and employees within the defined sector and geographical scope, irrespective of whether they are members of a contracting association. As of 1 July 2026, 84 generally binding CLAs were in force in Switzerland.

The scope of a generally binding CLA may depend not only on the employer's industry, but also on its actual business activities, location and the categories of employees. A company can therefore not safely determine CLA coverage merely by looking at its corporate purpose or industry.

This is particularly relevant in sectors with broad generally binding CLAs such as construction and staff leasing. Foreign employers temporarily posting employees to Switzerland may also have to comply with minimum employment conditions in generally binding Swiss CLAs.

5. What Happens in an M&A Transaction or Business Transfer?

CLAs can also become relevant in transactions. Under Art. 333 CO, if a business or part of it is transferred and the employment relationships transfer to the purchaser, an applicable CLA does not simply disappear because the new employer is not party to it. The purchaser must continue to comply with the CLA for one year following the transfer, unless the CLA expires earlier. This statutory continuation rule can be important in asset deals and reorganisations and should be included in employment due diligence.

From a transaction perspective, the key point is therefore to identify not only existing CLA coverage, but also why the CLA applies and what will happen to that basis following closing.

6. A Selective Mechanism Compared to Other European Jurisdictions

From an international perspective, the membership principle is an important feature of the Swiss system. CLA coverage in Switzerland is around half of the workforce and is considerably less pervasive than in jurisdictions such as Austria or France, where collective agreements reach the vast majority of employees.

For HR and legal teams, this means that Switzerland should not simply be treated as a jurisdiction in which a sectoral CLA is presumed to apply. The better starting point is to identify whether there is a specific legal route for coverage. Where there is no such route, individual agreements and statutory Swiss law will generally remain the primary source of employment terms.

In practice, four questions will usually resolve the matter: (i) Is the employer a party to a CLA or a member of a contracting employers' association? (ii) Has the CLA been declared generally binding? (iii) Has the CLA been acceded to or incorporated contractually? and (iv) Has a CLA carried over as a result of a business transfer?





APPLICABILITY OF COLLECTIVE LABOUR AGREEMENTS

Collective labour agreements play a significant role in many workplaces across the UK, particularly in unionised sectors such as transport, education, manufacturing and the public sector. However, the legal status and effect of collective agreements in the UK differs markedly from some European countries where sector-wide agreements may automatically bind employers and employees, since English law focuses on the individual. Understanding when collective agreements apply and the extent to which they affect employees' terms and conditions is therefore essential for both employers and workers.

What is a collective labour agreement?

In the UK, a collective labour agreement ('CLA', also commonly known as a 'collective agreement') is an agreement made between an employer (or an association of employers) and one or more trade unions representing workers, typically reached through a collective bargaining process and relating to matters such as terms and conditions of employment, engagement, allocation of work, duties of employment, discipline, trade union facilities or collective bargaining procedures. Common inclusions are pay increases, working hours, holiday entitlements, overtime arrangements, shift patterns and redundancy provisions.

Are collective labour agreements automatically binding in the UK?

One of the distinguishing features of UK labour law is that CLAs are generally not legally enforceable between employers and trade unions and are not binding on employer-employee relationships. Under section 179 of the Trade Union and Labour Relations (Consolidation) Act 1992 ('TULRCA'), the terms of a CLA will only be legally binding if the parties agree in writing that they should be. The terms of the CLA would therefore have to state that the parties intend it to be legally enforceable. In practice, most CLAs do not contain such wording and are therefore not directly enforceable as contracts between the negotiating parties and do not automatically bind employment relationships throughout an industry or sector.

Rather, the UK's employment law framework is primarily centred on the individual employment relationship. While collective bargaining remains important in certain sectors, particularly the public sector and traditionally unionised industries, most UK employees derive their rights principally from legislation and their individual employment contracts rather than from collectively negotiated agreements.

Can collective labour agreements apply to individual employees?

In the absence of a provision in the CLA itself stating that it is intended to be legally enforceable, the terms of a CLA will only bind a particular employer and employee if the terms are incorporated into the employees' contracts of employment. Incorporation may occur expressly, for example where an employment contract states that certain terms are governed by CLA negotiated from time to time with a recognised trade union. Incorporation may also arise through implication in certain circumstances, for example if the parties intended a provision in a CLA to have contractual force and the provision is important to the contractual working relationship between employer and employee, or if custom and practice indicate that collectively negotiated terms have historically formed part of employees' contractual arrangements.

Where a CLA has been incorporated into an individual's contract, the relevant provisions are contractually binding on the employer and employee. This means an employee may potentially enforce those contractual rights even where the CLA itself is not legally enforceable against the union.

Whilst many public sector and large private sector employers operate under comprehensive collective bargaining arrangements, CLAs are less common in smaller organisations or workplaces without recognised trade unions.

What happens if collective terms change?

A common issue arises when employers and trade unions negotiate amendments to previously agreed collective terms. Whether those changes automatically affect employees depends largely on whether, and how, the relevant collective provisions have been incorporated into individual contracts.

If an employment contract incorporates CLAs negotiated "from time to time", future amendments may automatically flow through to employees. However, where a contractual term has become fixed within an employee's contract, further consideration may be required as to whether subsequent collectively agreed changes can alter that contractual entitlement. Courts have frequently examined the wording of both employment contracts and CLAs when determining the parties' intentions. CLA provisions that are vague or discursive, or which would neither be workable nor make business sense, are less likely to be incorporated into employment contracts by implication.

What are the practical implications for employers?

Employers should not assume that a CLA has no legal effect simply because it does not state that it does and is not legally enforceable under section 179 of TULRCA. The key issue is often whether the relevant provisions have become incorporated into employees' contracts. Employers should be careful at how their employees' employment contracts are drafted, considering firstly whether any provisions from CLAs should be legally binding on those contracts and only incorporating them by express reference in the employment contracts where they are certain they should.

When negotiating CLAs, employers should carefully consider:

- Whether contractual incorporation is intended.
- The wording used in employment contracts.
- The extent of trade union recognition arrangements.
- The potential long-term impact of collectively negotiated terms.
- How future amendments will be implemented.

Regular review of contracts and collective bargaining documentation can help reduce uncertainty and minimise the risk of disputes.

Conclusion

The UK remains one of the more decentralised labour law systems in Europe, with considerably greater emphasis placed on individual contractual arrangements and statutory employment protections than on sector-wide CLAs, which are not automatically binding. Nevertheless, CLAs that have been incorporated into individual contracts can have significant consequences for pay, benefits and workplace practices. Employees may acquire valuable contractual rights through collectively negotiated arrangements, while employers may find themselves bound by terms that were originally agreed at a collective level.

Understanding the interaction between CLAs and individual employment contracts is therefore essential when managing workplace relations, implementing organisational change or resolving employment disputes. Employers should take care when negotiating and drafting CLAs and associated employment contracts, while employees should understand how CLAs may affect their contractual rights. Ensuring clarity regarding the scope and applicability of collectively agreed terms to individual employment contracts is crucial.





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