

## Spain

<p><b>Digital Time Tracking</b></p>	<ul style="list-style-type: none"> <li>• All companies are currently required to maintain a time and attendance register for their employees, recording arrival and departure times. This measure ensures effective monitoring of working hours across all employment types and company structures.</li> <li>• Starting January 2025, the <a href="#">recording of working hours must be digitised</a>. Businesses will need to implement systems such as time and attendance terminals or digital apps to document employee hours electronically, ensuring greater accuracy and compliance with evolving regulations.</li> <li>• Fines between €1,000 and €10,000 will be levied for each individual violation identified.</li> </ul>
<p><b>Labour &amp; Tax Law Reforms</b></p>	<ul style="list-style-type: none"> <li>• A reduction in working hours to <a href="#">37.5 per week</a>.</li> <li>• A 5% increase in the minimum wage and expanded parental leave.</li> </ul>
<p><b>Social Security Contributions and Base Increase</b></p>	<ul style="list-style-type: none"> <li>• Maximum contribution base remains fixed at €4,720.50 per month.</li> <li>• Minimum contribution base will be updated following the publication of the SMI 2025.</li> <li>• A new <a href="#">Solidarity Contribution</a> will apply to salaries exceeding the maximum contribution base (€57,000), moderately taxing the portion above this threshold. The Spanish government will calculate this annually.</li> <li>• Contribution rates will gradually increase until 2045, reaching the following levels: <ul style="list-style-type: none"> <li>○ 5.5% on remuneration exceeding the maximum contribution base by up to 10%.</li> <li>○ 6% on remuneration exceeding the maximum contribution base by 10% to 50%.</li> <li>○ 7% on remuneration exceeding the 50% threshold above the maximum contribution base.</li> </ul> </li> </ul>
<p><b>Increase in Minimum Contribution Rate</b></p>	<ul style="list-style-type: none"> <li>• In 2025, the <a href="#">Minimum Contribution Rate (MEI)</a> will rise to <b>0.8%</b>, which is part of a gradual increase until 2029.</li> <li>• This increase will contribute to the sustainability of Spain's pension system and will affect both employers and employees, impacting overall social security contributions.</li> </ul>

## The Netherlands

<p><b>VBAR Act - New laws for the self-employed (wef 1 Jan 2025)</b></p>	<ul style="list-style-type: none"> <li>• The <a href="#">Verduidelijking Beoordeling Arbeidsrelaties en Rechtsvermoeden (VBAR)</a> Act will be fully enforced in 2026.</li> <li>• If pseudo self-employment is identified, both the client and the freelancer can be held liable by the tax authority. This often results in retroactive assessments for payroll taxes and social security contributions, along with potential fines.</li> </ul>
<p><b>Minimum Wage wef 1 Jan 2025</b></p>	<ul style="list-style-type: none"> <li>• <a href="#">Minimum hourly wage</a> for employees aged 21 and older will increase by 2.75%, rising from €13.68 to <b>€14.06 per hour</b>.</li> <li>• Minimum wages for youth (ages 15 to 21) will also be adjusted accordingly and are available on the Dutch government's website.</li> </ul>
<p><b>New Income Tax Brackets for 2025</b></p>	<p>Starting 2025, a new lower-income tax bracket will be introduced.</p> <p>The <a href="#">updated income tax rates for 2025</a> are:</p> <ul style="list-style-type: none"> <li>• <b>35.82%</b> tax rate on earnings up to <b>€38,441</b></li> <li>• <b>37.48%</b> tax rate on earnings between <b>€38,441</b> and <b>€76,817</b></li> <li>• <b>49.50%</b> tax rate on earnings above <b>€76,817</b></li> </ul>

## Germany

<p><b>Minimum Wage Increases</b> wef 1 Jan 2025</p>	<ul style="list-style-type: none"> <li>• The statutory minimum wage will increase to <b>€12.82 gross per hour</b>, raising the minimum wage threshold by 41 cents compared to 2024.</li> <li>• The mini-job earnings cap will rise from €538 to <b>€556 gross</b>, while the lower limit for midi-jobs will be <b>€556.01</b>.</li> <li>• The upper threshold for the transitional earnings range will remain unchanged at <b>€2,000 gross per month</b>, ensuring that employees earning within this range continue to benefit from reduced social security contributions.</li> </ul>
<p><b>Entitlement period for short-time working allowance extended</b></p>	<ul style="list-style-type: none"> <li>• The German government is extending the maximum entitlement period for short time working allowance to <b>24 months</b>.</li> <li>• This measure will take effect on 1 January 2025 and remain in place until the end of the year, after which the standard maximum period of 12 months will apply again.</li> <li>• Without this extension, many companies already relying on short-time work would likely face significant staff reductions in the coming months.</li> </ul>
<p><b>Retirement age rises</b></p>	<ul style="list-style-type: none"> <li>• Since 2012, the retirement age in Germany has been gradually increasing as part of the “retirement at 67” policy, with the age limit reaching 67 by 2031.</li> <li>• Currently, people born in 1960 reach their regular retirement age at 66 years and four months. For people born later, the retirement age will continue to rise in two-month increments. From the 1964 cohort onwards, the age limit is 67.</li> <li>• The full pension for particularly long-term insured individuals — originally introduced as “retirement at 63” — is also subject to a gradual increase in the age limit, from 63 to 65. For example, individuals born in 1961 can access this pension at 64 years and six months, with the age limit increasing by two months annually. From the 1964 cohort onwards, the standard age for this pension is set at 65.</li> </ul>
<p><b>Basic tax-free allowance and child tax-free allowance increase</b></p>	<ul style="list-style-type: none"> <li>• The basic tax-free allowance — the portion of income exempt from income tax — will increase to €12,096 in 2025 and €12,348 in 2026. This allowance ensures that an adult’s minimum subsistence level remains tax-free.</li> <li>• The tax-free allowance for children will rise to €9,600 in 2025 and €9,756 in 2026. Additionally, child benefit will increase by €5 starting in January, along with the emergency child allowance, providing extra support for low-income families.</li> </ul>

## United Kingdom

The [Employment Rights Bill](#), introduced in the UK in October 2024, is set to be expected to come into effect in 2026.

<b>Increased Flexibility in Work Arrangements</b>	The bill proposes reducing the scope for employers to refuse flexible working requests, reflecting a move toward greater work-life balance for employees.
<b>Day 1 Protection from Unfair Dismissal</b>	Employees will gain unfair dismissal protections from their first day of employment, strengthening job security.
<b>Guaranteed Work Hours for Temporary Workers</b>	Employers will be required to offer guaranteed hours to temporary workers who have consistently worked a specific amount over a 12-week period.
<b>Right to Disconnect</b>	Although still under discussion, the bill indicates a trend toward granting employees clearer boundaries between work and personal time.
<b>Third-Party Harassment Protection</b>	New provisions aim to protect employees from harassment by third parties, such as customers, ensuring a safer workplace.
<b>Statutory Sick Pay Reform</b>	The bill aims to remove the waiting period and earning thresholds so that it covers all lower wage employees.