LABOUR MARKET IN BALANCE ACT



CHANGES AS OF 1 JANUARY 2020

NEW CUMULATIVE GROUND FOR DISMISSAL

TRANSITION PAYMENT

Employees are entitled to a transition payment from the first day of employment, instead of after two years. Long-term employment will no longer lead to a higher transition payment per year of service. Instead, employees will accumulate a third of their monthly salary per year of service.

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CHAIN OF TEMPORARY CONTRACTS

The maximum period for successive temporary employment contracts is extended from two to three years. The number of temporary contracts allowed in this period remains three.

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PAYROLLING

The government intends to improve the legal position of "payroll" employees by introducing statutory restrictions. Payroll employees are entitled to the same employment conditions as those employees directly employed by the client, and to an adequate pension scheme (as of 2021).

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UNEMPLOYMENT BENEFIT CONTRIBUTIONS

The contributions to be made by employers will now be lower for employees with permanent contracts and higher for employees with flexible contracts.



ON-CALL EMPLOYEES

On-call employees have to be notified at least four days in advance. Otherwise, they are not required to respond to the request. Employees will remain entitled to the wages over the period for which they were called if their employers withdraw the call within four days of the work starting.

OUR TEAM



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DE BRAUW BLACKSTONE **WESTBROEK**

As of 1 January 2020, the courts can combine different grounds for dismissal while deciding on a request for dissolution of an employment agreement. If the employment is terminated under this "i-ground" (after the clause it falls under), the court can award additional compensation up to 50% of the transition payment.



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