

Netherlands knowledgebase

Hiring blueprint

Core employment practices

Dutch labour law is characterized by robust provisions that prioritize employee protection, mandating compliance with stringent regulations on employment contracts, working conditions, and dismissal procedures. It also governs collective bargaining agreements, ensuring that employees' rights are upheld within the legal framework. Freedom of Contracting

Dutch labour law upholds freedom of contract, allowing parties to negotiate employment terms within the boundaries set by law, collective agreements, and mandatory regulations.

Priority of employment rights

Employment rights are strongly protected in the Netherlands, and any contractual terms that diminish employee rights below the statutory minimum are generally unenforceable.

Employment contracts

Written contracts: Although not always legally required, written contracts are strongly advised. Employers must provide written confirmation of key employment terms within one month.

Types of contracts: Contracts may be for a fixed term or indefinite term (permanent). Temporary contracts can only be renewed a limited number of times before becoming permanent.

Probationary period: The probationary period is typically a maximum of 1 month for contracts shorter than two years and two months for longer or indefinite contracts.

Working hours

Standard workweek: The standard workweek is 40 hours, but can vary between 36 and 40 hours depending on the industry.

Overtime: Overtime is not automatically compensated by law; it depends on the employment contract or collective agreement.

Rest Periods: Employees are entitled to at least 11 consecutive hours of rest in a 24-hour period and 36 consecutive hours of rest in a seven-day period.

Leave Entitlements

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Annual leave: Employees are entitled to a minimum of four times the weekly working hours (e.g., 20 days for a 5-day workweek).

Sick leave: Employees are entitled to up to 104 weeks of sick leave with at least 70% of their salary paid by the employer, depending on conditions.

Maternity and paternity leave: Maternity leave is 16 weeks, with full pay. Fathers/partners are entitled to 1 week of leave with full pay, and up to 5 additional weeks of unpaid leave at 70% pay.

Termination of Employment

Notice periods: The statutory notice period depends on the length of employment, ranging from 1 month (for less than 5 years of service) to 4 months (for more than 20 years of service).

Severance pay: Employees with more than 2 years of service are entitled to a "transition payment," which is generally one-third of the monthly salary per year of service.

Grounds for Termination: Grounds include redundancy, long-term illness, underperformance, or a breakdown in the employer-employee relationship. Termination usually requires approval from the Dutch Employee Insurance Agency (UWV) or the court.

Health and Safety

Workplace safety: Employers are required to ensure a safe and healthy working environment, complying with the Working Conditions Act (Arbowet).

Training and Equipment: Employers must provide necessary safety training and equipment to employees to ensure their well-being.

Discrimination and Equal Treatment

Anti-discrimination laws: Dutch law prohibits discrimination based on race, gender, religion, age, disability, sexual orientation, and other protected characteristics.

Equal pay: The principle of equal pay for equal work is enshrined in Dutch law, with employers required to ensure no wage discrimination occurs.

Collective bargaining

Trade unions: Employees have the right to join trade unions, which are active in negotiating collective agreements on behalf of their members.

Collective agreements: Collective labour agreements (CAOs) are common and can set more favorable terms than statutory minimums.

Employment of foreigners

Foreign nationals generally require a work permit, with specific regulations depending on the worker's nationality and type of employment.

Salary disbursement and monthly client Invoicing

Salary payment date: Salaries must be paid at least monthly, with the exact date typically agreed upon in the employment contract.

Salary input: Monthly inputs must be submitted to us by the 12th of each month. This deadline may vary slightly based on business days and public holidays.

Invoicing deadlines: Invoices are sent on the 15th of each month. This deadline may vary slightly based on business days and public holidays.

Payslips

Employers are legally required to provide payslips that include details of salary, deductions, and net pay. Payslips are shared on employee's account on Native Teams platform on the day of salary payment.

Minimum wage

The Netherlands has a statutory minimum wage, which is adjusted bi-annually based on age and hours worked.

Pay increases

Pay increases are often determined by collective agreements or individual negotiations and must comply with any applicable CAOs.

Reduction of wages

Wage reductions are generally not permitted unless mutually agreed upon, and they must comply with legal and contractual provisions.

Social security and benefits

Mandatory contributions: Employers and employees are required to contribute to social security, which covers various benefits including pensions, unemployment, and healthcare.

Pension system: The Dutch pension system is based on three pillars: state pension (AOW), occupational pensions, and private savings. Contributions to occupational pensions are mandatory for most employees

Labour laws

Legal framework

Dutch labour law is primarily governed by the Labour Code, which serves as the principal legal framework governing the relationship between employers and employees. Dutch employment law prioritizes robust protections for workers, encompassing work contracts, termination rights, work hours, and leave entitlements, accommodating both fixed-term and permanent contracts.

It governs the rights and responsibilities of employers, employees, temporary workers, and other categories of individuals employed in the Netherlands. For instance, if an employer hires a foreigner on a short-term contract without providing information about Dutch labour laws or protections, it violates Dutch law as all workers in the country must be informed of their rights under Dutch legislation. In the Netherlands, employment law also addresses worker health and safety, discrimination protection, minimum wage requirements, and benefits entitlements. Employers must adhere to relevant regulations concerning employee rights, failure to do so can lead to significant penalties.

Employees are granted certain legal protections, including provisions against workplace discrimination, holiday entitlements, and termination notice periods.

Temporary workers are also safeguarded by specific rights outlined in Dutch employment laws.

Additionally, collective labour agreements negotiated between employers and labour unions may also play a significant role in shaping labour regulations in specific industries or sectors.

Understanding both employer obligations and employee rights is crucial for compliance with Dutch employment law. This understanding fosters a safe working environment while ensuring that everyone's interests are upheld according to applicable regulations.

Employment contract

Types of employment contract

In the Netherlands, employment contracts are designed to accommodate a wide range of work arrangements and durations, reflecting the diverse needs of both employers and employees. These contracts encompass various types, including:

Permanent employment contracts: These contracts, known as "vast contract" in Dutch, provide indefinite-term employment, offering stability and long-term commitment between the employer and employee. They typically outline the rights and responsibilities of both parties and are subject to termination procedures as defined by Dutch labour law.

Fixed-term employment contracts: Also referred to as "tijdelijk contract," these contracts have a predetermined end date or are linked to a specific project or task. They offer flexibility to both employers and employees for short-term engagements or temporary work needs. However, termination of fixed-term contracts must adhere to legal requirements to prevent abuse of short-term contracts.

Temporary agency work contract: Temporary agency workers are employed by a temporary work agency and assigned to work at client companies for specific periods.

Zero-hour contract: This contract type does not specify fixed working hours. Instead, employees work as needed by the employer, often on short notice.

On-call contract: Employees under this contract are called to work by the employer as needed, with variable hours. These contracts must comply with specific regulations to protect workers' rights. Under Dutch law an employment contract is considered an on-call contract if no fixed number of working hours is laid out in the contract. The rules described above for fixed-term and indefinite-term employment contracts also apply to all on-call contracts.

Freelance contract: Freelancers work independently and are not considered employees. They provide services to clients under a freelance contract, often on a project basis.

Content of an employment contract

In the Netherlands, the employment contract serves as the cornerstone of the employment relationship, meticulously outlining the terms, rights, and obligations of both employers and employees. The essential components of an employment contract in the Netherlands encompass a comprehensive array of particulars to ensure legal compliance and clarity for both employers and employees. These mandatory elements include:

- Identification of parties: Full names and addresses of the employer and the employee, delineating their respective roles in the employment relationship.
- Work arrangements: Specification of the work location(s) where the employee's duties will be performed, providing clarity on the physical settings of employment.
- Job description: Clear delineation of the employee's role, responsibilities, and the nature of the work they will undertake within the organisation.

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- Work hours and overtime: Definition of the regular working hours per day or week, including provisions for overtime arrangements and compensation.
- Shift swapping: Procedures and arrangements for swapping shifts, facilitating flexibility in scheduling and ensuring operational continuity.
- Salary details: Explicit mention of the salary amount, payment frequency, and modalities, ensuring transparency regarding compensation arrangements.
- Irregular working times: Specification of fixed and variable hours, along with corresponding salary provisions for working overtime, particularly relevant for non-standard working schedules.
- Flexible work hours: Clarification of the days and hours during which the employee may be required to work, especially pertinent for roles with unpredictable working hours.
- Commencement date and contract term: Indication of the date when the employee commenced employment, along with any stipulations regarding the duration and type of employment contract, such as fixed-term or permanent.
- Trial period and training entitlement: Provisions delineating the duration and conditions of any trial period, if applicable, and outlining the employer's commitments to providing training opportunities.
- Leave entitlements: Inclusion of holiday allowance, entitlements, and provisions for other forms of paid leave, ensuring clarity on time off and benefits.
- Termination procedures: Procedural requirements, including notice periods and termination protocols, in the event of contract termination, fostering transparency and fairness.
- Pension and ancillary clauses: Provision of details regarding pension arrangements, if applicable, and any clauses pertaining to non-compete, non-solicitation, or ancillary activities, with clear delineation of conditions and justifications.
- Collective labour agreement (CAO): Reference to any applicable Collective Labour Agreement governing employment conditions, ensuring alignment with industry-wide standards and regulations.

Oral, written, or electronic employment contracts

Written contracts are the norm in the Netherlands for employment agreements, reflecting the standard practice in this context. In the Netherlands, a verbal agreement holds equal validity to a written one in the context of employment contracts.

The written form of the employment contract stands as the predominant mode employed within the Netherlands, representing the standard practice adopted by employers and employees alike. This formal documentation serves as the primary instrument through which the terms and conditions of the employment relationship are meticulously detailed and legally codified.

The absence of a written contract does not negate the existence or enforceability of the agreement between the parties.

However, if the employment contract is not documented in writing, it is incumbent upon the employer to furnish the employee with written confirmation of the agreed-upon terms and conditions. In the Netherlands, employment contracts can be drafted in Dutch or any other language without formal prohibition.

However, it is imperative that the employee comprehends the terms of the contract, regardless of the language used.

Furthermore, an employment contract signed electronically, utilizing an electronic signature equivalent in security measures to that generated by an electronic identity card, holds the same legal standing as a paper contract bearing a handwritten signature.

Probationary period

In the Netherlands, the probationary period, known as the "proeftijd," serves as an initial phase of the employment relationship during which the suitability of the employee for the position is evaluated. The duration of a trial period, referred to as the "proeftijd," is contingent upon the length of the employment contract in the Netherlands. Here's a breakdown of the maximum allowable durations:

- For fixed-term contracts lasting more than 6 months but less than 2 years, or employment contracts without end date, a trial period of up to 1 month is permitted.
- For fixed-term contracts exceeding 2 years or for indefinite contracts, the trial period can extend to a maximum of 2 months.

It's important to note that if the employment contract spans 6 months or less, the inclusion of a trial period provision is not valid under Dutch labour law.

A trial period is only valid when it is agreed in writing as part of the employment contract, unless trial periods are part of the Collective Labour Agreement (CAO) for your sector.

Trial periods are null and void, when a contract is extended without any changes to the type of work or responsibilities of the employee and temporary employment changes into permanent employment, again without any changes.

The failure of the worker to fulfil the position requirements during the probationary period is a particularly justified reason for the termination of the employment contract, which can

be terminated by the employee during its duration, but no later than on the last day of the probationary period.

A new probationary period is allowed if the subsequent (new) employment contract requires different skills or responsibilities.

There is no notice period during probation period.

Key requirements

Working hours

In the Netherlands, the typical workweek spans 36 to 40 hours, spread over 7 to 8 hours each day. This structure strikes a balance between productivity and well-being, allowing employees ample time for both professional responsibilities and personal pursuits. In the Netherlands, full-time employment typically entails working between 36 to 40 hours per week, spread across five days with daily shifts lasting between 7 to 8 hours. This standard reflects the balance between productivity and employee well-being.

However, it's noteworthy that certain employment contracts may stipulate a 40-hour workweek instead of the standard 38 hours. In such cases, employees are compensated with a higher salary to reflect the additional hours worked beyond the norm. This flexibility in contractual arrangements allows for variations in working hours based on individual agreements between employers and employees, providing opportunities for tailored work schedules to meet specific organizational needs or personal preferences. In the absence of explicit specifications regarding working hours in the law, collective agreements, agreements between the works council and the employer, or individual employment contracts, the standard full-time working week is presumed to be sixty hours.

Part-time employment in the Netherlands typically involves working fewer than 36 hours per week, but more than 12 hours. This arrangement allows for flexibility while ensuring a minimum level of commitment from both the employer and the employee.

To prevent overexertion and maintain a healthy work-life balance, an employee is generally prohibited from working for more than one employer if the total working hours exceed 36 hours per week, unless additional work is authorized by the primary employer.

Moreover, when entering into a part-time employment contract, the employee is obligated to disclose any existing part-time employment agreements with other employers. This

transparency promotes accountability and facilitates effective coordination of work schedules across multiple employers.

Night work

Night work, according to Dutch labour regulations, is defined as any work performed by an employee between the hours of midnight and 6 a.m., regardless of whether it occurs as part of a continuous shift or intermittently.

Under Dutch labour regulations, employees are constrained to a maximum of 117 night shifts annually. Exceptions permitting up to 140 shifts are granted solely under critical circumstances.

Should employees wish to exceed this threshold, they are required to obtain authorization from the Netherlands Labour Authority, contingent upon meeting the prerequisites for permanent night work.

As per stipulated regulations, employees are entitled to specific rest periods during or following such shifts. These guidelines dictate that an employee may:

- Engage in a maximum of 36 night shifts over a 16-week duration.
- Abstain from working more than 7 consecutive night shifts, barring exceptional circumstances where 8 consecutive shifts are permissible.

Moreover, a single night shift should not extend beyond 10 hours.

These regulations aim to ensure the health, safety, and well-being of employees engaged in night work while balancing the operational needs of employers.

Types of leaves and breaks

Dutch labour law encompasses various types of leaves and breaks to accommodate the diverse needs of employees. These provisions are designed to promote work-life balance, ensure employee well-being, and foster a productive work environment. Employees are entitled to breaks based on the duration of their work:

- If an employee works for more than 5 ½ hours, they are entitled to a minimum break of 30 minutes, which may be divided into two 15-minute breaks.
- For shifts exceeding 10 hours, employees must have at least 45 minutes of break time, which can be divided into several breaks, each lasting at least 15 minutes.

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Additionally, within each 24-hour period, employees are entitled to a daily rest period of at least 12 consecutive hours.

For a 5-day work week, employees are entitled to a weekly rest period of at least 36 continuous hours, in addition to the daily rest.

Extended work weeks are permissible, provided the employee receives at least 72 consecutive hours of non-work time within a 14-day period. This period can be divided into two blocks of at least 32 hours each.

Here are some key types of leaves and breaks governed by Dutch labour law:

Annual leave: Dutch employees are entitled to a statutory minimum of four weeks of paid annual leave per year, based on a full-time employment schedule. This leave is intended to provide employees with an opportunity to rest, recharge, and pursue personal interests outside of work.

Sick leave: In the event of illness or incapacity to work due to health reasons, employees are entitled to sick leave. During this period, employees may receive continued payment of their salary, typically up to a certain duration specified by law or their employment contract.

Maternity and parental leave: Expectant mothers are entitled to maternity leave before and after childbirth, during which they receive maternity benefits. Additionally, parents may be eligible for parental leave to care for their newborn or adopted child, promoting family bonding and caregiving responsibilities.

Bereavement leave: Employees may be granted bereavement leave in the event of the death of a close family member, such as a spouse, child, or parent. This leave allows employees time to grieve and attend to necessary arrangements without the worry of work obligations.

Study leave: Some employers may offer study leave to employees pursuing further education or professional development opportunities. This enables employees to enhance their skills and knowledge while maintaining their employment status.

Breaks and rest periods: Dutch labour law also stipulates mandatory breaks and rest periods during the workday to safeguard employee health and well-being. These breaks ensure that employees have adequate time to rest, eat, and recharge, promoting productivity and concentration during working hours.

Employees have the opportunity to request unpaid time off, either on a full-time or part-time basis, after engaging in a discussion with their employer. It's important to note that their employment agreement remains in effect during this period. While unpaid leave is not explicitly guaranteed by law, provisions concerning unpaid leave may be detailed in the collective labour agreement (CLA).

Annual leave

Employees are entitled to a predetermined number of annual leave days as stipulated by statutory regulations. Employees are entitled to a statutory allocation of vacation days annually, calculated at four times the number of hours worked per week. For instance, if an employee works 25 hours weekly, they are entitled to 100 holiday hours yearly, equating to a minimum of four weeks of vacation annually.

Provisions regarding additional holiday hours may be outlined in the collective labour agreement or individual employment contract.

An employee, whether new to the workforce or experiencing an interval of more than eight days between two consecutive employments, accrues the right to full annual leave after six months of continuous service with the employer.

In cases where the employee has not fulfilled the requirement for full annual leave, they are entitled to a proportional allocation of annual leave, calculated at one twelfth of the annual leave entitlement for each month of employment. Employees have the flexibility to utilise their vacation days in separate hours. The unused portion of the annual leave can be carried over and utilized within six months following the end of the year. However, this six-month period does not apply to employees who have valid reasons for being unable to take holiday.

Upon mutual agreement, the parties may extend this period according to the Collective Labour Agreement (CAO), with a maximum extension of five years.

Extra leave hours expire five years after the year in which they were accrued.

In the event of employment contract termination, the employer is obligated to compensate the employee for any unused annual leave instead of allowing them to take it. The compensation is calculated based on the number of days of unused annual leave. The employer cannot opt to pay off the statutory leave hours that the employee has not used, even if requested by the employee. However, they may pay off the unused "extra leave hours," provided the employee consents to this arrangement.

Public holidays

In the Netherlands, there are a total of 8 public holidays throughout the calendar year. These public holidays are established by law and hold significance for various cultural, historical, and religious reasons. In the Netherlands, the public holidays are significant

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cultural and historical markers celebrated throughout the year. The official public holidays 2025:

January 1 (Wednesday) - New Year's Day
April 18 (Friday) - Good Friday (not all businesses close)
April 20 (Sunday) - Easter Sunday
April 21 (Monday) - Easter Monday
April 27 (Sunday) - King's Day
May 5 (Monday) - Liberation Day (official day off in 2025)
May 29 (Thursday) - Ascension Day
June 8 (Sunday) - Whit Sunday
June 9 (Monday) - Whit Monday
December 25 (Thursday) - Christmas Day
December 26 (Friday) - Boxing Day

These holidays provide opportunities for both personal and communal reflection, celebration, and often involve various cultural and traditional festivities. In the Netherlands, there exists no statutory mandate requiring employers to grant employees time off specifically for public holidays. Consequently, there is no legal entitlement to a day off on these occasions.

The determination of whether an employee is entitled to a day off on public holidays is typically stipulated in the Collective Labour Agreement (CAO) or outlined in the employment contract.

Moreover, if a legally prescribed period concludes on a Saturday, Sunday, or an official public holiday, it will automatically extend to the subsequent non-holiday weekday.

Salary

The Dutch labour market typically offers competitive salaries, with minimum wage rates set by law.

The Dutch minimum wage consists of a basic wage and various allowances, such as for shift work and irregular working hours. As of January 2025, for employees aged 21 and up, a fixed minimum wage per hour applies: €14.06 gross for the 1st half of 2025. The amount is adjusted every 6 months.

However, many sectors and companies offer wages above the minimum to attract and retain skilled workers.

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Additionally, collective labour agreements (CAOs) negotiated between employers and trade unions often set wage standards for specific industries. It's important for employees to understand their rights regarding wages, including overtime pay, bonuses, and benefits, as outlined in Dutch labour law.

In the Netherlands, compensation packages, including salaries and allowances, are subject to variability based on industry, job position, tenure, and geographical location.

Salaries:

The Dutch labour market is renowned for its competitiveness in salary offerings. Minimum wage thresholds are established by legislation, varying across age demographics. Numerous sectors and enterprises proffer salaries exceeding the mandated minimum to attract and retain skilled talent. Collective labour agreements (CAOs), crafted through negotiations between employers and trade unions, frequently delineate wage standards tailored to specific sectors.

Allowances:

Employees in the Netherlands may qualify for an array of allowances and benefits, encompassing:

Holiday allowance (vakantiegeld): Typically equivalent to 8% of the annual salary, disbursed once annually.

End-of-year bonus (eindejaarsuitkering): Some employers offer supplementary bonuses at the conclusion of the calendar year.

Travel allowances (reiskostenvergoeding): Compensation for commuting expenses.

Health insurance allowance (zorgtoeslag): A governmental subsidy aimed at alleviating health insurance expenses for individuals with limited income.

Childcare allowance (kinderopvangtoeslag): Financial assistance extended to working parents to defray childcare expenditures.

Sick leave

The onset and duration of temporary incapacity or inability to work (commonly known as sick leave) are determined by the attending primary healthcare physician chosen by the employee.

The sick leave period for which the insured is entitled to salary compensation is proven by a report on temporary incapacity to work issued by the selected doctor of primary health care.

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The employee must register the employee as sick with the UWV within 4 working days. Recovery must be reported within 2 working days.

If an employee's fixed-term contract finishes during sick leave, the employer must register their sick employee with the UWV on their last working day.

Salary compensation during the sick leave is determined from the compensation base, which is the average amount of salary and holiday allowance paid to the insured in the last month before the month in which the case occurred, on the basis of which the right to salary compensation is acquired, regardless of whose burden it is paid. Salary compensation during illness cannot fall below 70% of all wage components. Here's how it breaks down:

- During the first year of illness, the employee is entitled to 70% of their normal wages. If this falls below the minimum wage, the employer is required to supplement it up to the minimum wage amount.
- In the second year of illness, the employee still receives 70% of their normal wages. However, the employer is not obligated to supplement if the amount is below the minimum wage.

In cases where illness is due to pregnancy, childbirth, or organ donation, the compensation amount is 100% of the salary.

The responsibility for paying sick leave benefits depends on the type of employment agreement. Sick pay can be covered by either the employer or the Employee Insurance Agency (UWV).

After 104 weeks of sickness benefit (equivalent to 2 years), the employee may qualify for a Work and Income according to Labour Capacity Act (WIA) benefit.

During the 88th week of sickness, both parties receive a letter regarding the application for a WIA benefit. The employee is responsible for applying for the WIA benefit, which must be done no later than the 93rd week of illness (1 year and 9 months).

Parental leave

Parental leave provides working parents with the opportunity to take time off to care for their children. This leave is available for parents with children up to the age of 8 and is designed to support their ability to balance work and family responsibilities. In the Netherlands, parental leave provisions afford employees the opportunity to take time off to care for their children, with certain financial benefits provided for the initial portion of this leave period.

Here are some key details:

Duration: Parents can take a maximum of 26 times their weekly working hours in parental leave. This means that if an employee works 40 hours per week, they are entitled to 1,040 hours of parental leave.

Payment: During the first nine weeks of parental leave, parents are eligible to receive financial support. They receive a benefit equivalent to 70% of their daily wage from the Employee Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen, UWV). This helps alleviate some of the financial burden associated with taking time off work.

Adoption and foster care leave: In cases of adoption or fostering, parents are entitled to an additional six weeks of leave. This leave is available to both parents and is designed to provide them with time to bond with and care for their newly adopted or fostered child. During this period, parents may also receive an adoption allowance or foster care benefit to assist with the associated expenses.

These provisions aim to support parents in balancing their work and family responsibilities, ensuring they have the time and financial resources necessary to care for their children during important milestones in their lives. Parental leave in the Netherlands is available under specific conditions to individuals who meet certain criteria:

Parenthood: The individual must be recognised as the official parent of the child or children for whom they seek parental leave. This includes biological parents as well as adoptive or foster parents.

Residency: In cases of adoption or fostering, the child or foster child must reside at the same address as the individual applying for parental leave. This residency status is determined by the Basisregistratie Personen (BRP), or Personal Records Database.

Age of child: Parental leave is typically granted for children who are under the age of 8 years old. This age limit ensures that parents have the opportunity to spend quality time with their children during their formative years.

Application process: Individuals wishing to take parental leave should submit their request through their employer. It's important to note that self-employed individuals without staff members are not entitled to parental leave benefits under Dutch law.

Paternity and maternity leave

In the Netherlands, employees have the right to both maternity leave and paternity leave, providing essential support to new parents during this significant life transition. Maternity leave is granted to biological mothers following childbirth, offering them the opportunity to

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recover from childbirth and bond with their newborn. This period of leave is crucial for the physical and emotional well-being of both the mother and the child.

On the other hand, paternity leave is available to biological fathers or partners following the birth of a child. This leave enables fathers to actively participate in the care of their newborn and support their partner during the postpartum period.

When an employee's partner gives birth, the employee is entitled to a comprehensive package of parental leave benefits in the Netherlands, designed to support their transition into parenthood and facilitate active involvement in caring for their newborn.

Initially, the employee is eligible for one week of paid parental leave for partners, which can be taken flexibly within the first four weeks following the birth of the child. This paid leave period ensures that partners have the opportunity to provide immediate support to their family during this pivotal time.

Following the initial week of paid leave, partners are entitled to an additional five weeks of unpaid leave within the first six months after the birth. This extended leave period enables partners to remain actively engaged in caregiving responsibilities and bond with their newborn over an extended period.

It's important to note that the employee is required to take the standard one-week partner leave before availing of the extra weeks of unpaid leave during the first six months post-childbirth. However, there is flexibility in how these additional weeks are taken, allowing partners to spread the leave over a longer period if necessary, subject to agreement with their employer.

During the unpaid leave period, employees have the option to claim benefits from the Employment Insurance Agency (UWV) to partially compensate for the loss of income, with benefits amounting to 70% of their salary. Additionally, the UWV provides pregnancy and childbirth benefits (WAZO) to eligible employees during this period, ensuring financial support for the duration of their parental leave.

Pregnant employees, including self-employed individuals, are afforded comprehensive maternity leave benefits in the Netherlands, encompassing both pre- and postnatal periods to ensure adequate time for maternal care and recovery.

Maternity leave is divided into two distinct phases:

- Pregnancy Leave: Expectant mothers are entitled to a mandatory six weeks of pregnancy leave prior to their due date, allowing them time to prepare for childbirth and attend necessary medical appointments.
- Maternity Leave: Following childbirth, mothers are granted at least ten weeks of maternity leave to facilitate postnatal recovery and bonding with their newborn. Consequently,

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employees are guaranteed a minimum total of 16 weeks of maternity leave, which begins from the day after the birth, even if the baby arrives earlier than expected.

Extensions to maternity leave may occur under specific circumstances:

- If an employee opts to take less than the full six weeks of pregnancy leave before childbirth (minimum of four weeks), the remaining duration can be added to the postnatal maternity leave period.
- In instances where the baby is born after the due date, maternity leave commences from the actual birth, potentially resulting in a longer overall leave period exceeding 16 weeks.
- Multiple births warrant an extended maternity leave of at least 20 weeks, ensuring ample time for maternal care and adjustment to the demands of caring for multiple infants. Maternity pay is also provided in such cases.

Furthermore, if the newborn requires hospitalization for more than seven days immediately after birth or during the maternity period, additional leave may be granted to accommodate the mother's presence and care for the hospitalized infant.

In tragic circumstances where the mother passes away during childbirth, the partner is entitled to assume maternity leave responsibilities.

Maternity benefits are calculated at 100% of the employee's daily wage, providing financial support throughout the duration of the maternity leave period. During this leave, the Employee Insurance Agency (UWV) disburses pregnancy and childbirth benefits (WAZO) to eligible recipients, ensuring continued financial stability during this pivotal life event.

Termination

Methods of employment termination

Dutch employment law distinguishes between two types of contract termination: ordinary and extraordinary. Let's delve into the specifics. Employment termination in the Netherlands can occur through various means, each with its own legal implications. These methods include:

- Termination due to the death of the employee or the employer, if the employer is an individual.
- Dismissal initiated by the employer, which can be for various reasons such as misconduct, redundancy, or incapacity to perform the job.
- Dissolution of the employment contract by a court order, typically due to irreconcilable differences between the parties.

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- Dismissal authorized by the Public Employment Service (PES) based on specific grounds and procedures.
- Mutual agreement between the employer and employee to terminate the contract.
- Dismissal during the probationary period, which allows for termination without extensive notice or justification.
- Conclusion of a fixed-term employment contract upon its expiration, provided that no renewal or extension is agreed upon. In the Netherlands, employment contracts can be terminated with notice periods by both the employee and the employer under ordinary circumstances.

For a termination to be valid, both parties must have a justifiable reason. If an employee disputes the validity of the dismissal, they can challenge it in court.

Employees generally have the right to terminate their contract without providing a reason, but they must adhere to the notice period stipulated by law or outlined in the employment agreement.

Ordinary dismissal by the employer

Under ordinary circumstances, employers in the Netherlands can terminate an employment contract if there exists a valid and justifiable reason for doing so. These reasons may include factors such as employee misconduct, underperformance, or redundancy. Ordinary terminations in the Netherlands encompass various scenarios, including:

- Economic reasons
- Long-term illness (more than 2 years)
- Frequent absenteeism
- Malfunctioning
- Culpable conduct
- Conscientious objections
- Disturbed employment relationship
- Other circumstances.

Dismissals must be provided in writing, accompanied by an explanation if furnished by the employer, and duly delivered to the affected individual. The UWV Dismissal Procedure is applicable solely in cases of termination due to economic reasons or extended incapacity for work. Conversely, the dismissal procedure before the sub-district court judge is relevant for dismissals unrelated to economic factors or prolonged incapacity for work.

When it comes to redundancies, employers can terminate employment based on business necessity arising from economic, technical, or organizational factors, such as reduced production, technological advancements, or market changes necessitating staff reductions to sustain business operations.

In instances of employer bankruptcy, severance pay is not mandated for affected employees.

Personal reasons for dismissal pertain to cases where an employee's permanent characteristics or abilities hinder their ability to perform job duties adequately due to illness or injury. Formal feedback and improvement strategies, like training or guidance, should precede dismissal due to performance issues. Severance pay is obligatory in such instances.

Dismissal for misconduct arises when an employee breaches employment obligations, such as improper performance, safety regulation violations, or repeated tardiness. Employers must promptly notify the employee of the misconduct and have compelling grounds for dismissal.

During the probationary period stipulated in the employment contract, dismissal due to unsatisfactory performance is admissible if the employee fails to meet expected standards within this period.

Notice period and challenging the dismissal

In Dutch Law, the notice period mandates the duration both employees and employers must provide before terminating employment, allowing for adequate preparation for the end of the employment relationship. In ordinary dismissal cases, the statutory notice period issued to the employee is contingent upon the duration of their tenure with the company:

- One month's notice is required for employees with less than five years of service.
- A two-month notice period applies to employees with five to less than ten years of service.
- Employees with ten to fourteen years of service necessitate a three-month notice period.
- For employees with fifteen or more years of service, a four-month notice period is mandated.

A shorter notice period is permissible only if stipulated in a collective agreement.

In the Netherlands, notice period rules vary depending on the circumstances:

- Extraordinary dismissal: No notice period is required for either party.
- Termination during probationary period: No notice period applies during the probationary period.
- Dismissal by employee: The legal notice period for the employee is 1 month. However, both parties can mutually agree to a longer notice period, not exceeding six months. If a longer notice period is agreed upon, the employer's notice period must be twice as long as the employee's.

Rights and obligations of unemployed persons

In the Netherlands, unemployed individuals have certain rights and obligations as they navigate the process of seeking employment and receiving support. Rights:

- Unemployment benefits: Unemployed individuals are entitled to receive unemployment benefits, known as "WW-uitkering" (short for Werkloosheidswet). These benefits are provided by the Employee Insurance Agency (UWV) and are designed to financially support individuals who have lost their jobs through no fault of their own.
- Job seeker support: Unemployed persons have access to various support services aimed at helping them find new employment opportunities. This includes job search assistance, career counseling, and access to job training programs to enhance skills and marketability.
- Healthcare coverage: Unemployed individuals may be eligible for healthcare coverage through the Health Insurance Act (Zvw) and the Long-Term Care Act (Wlz), ensuring they have access to necessary medical services and treatments.
- Childcare allowance: Unemployed parents may qualify for childcare allowance (kinderopvangtoeslag) to help cover the costs of childcare while they search for employment.
- Legal protections: Unemployed persons are protected by various labour laws and regulations that prohibit discrimination based on unemployment status and ensure fair treatment in the job search process.

Obligations:

- Actively seeking employment: Unemployed individuals are required to actively seek employment opportunities and engage in job search activities as a condition for receiving unemployment benefits. This includes applying for suitable job openings, attending job interviews, and participating in job training programs.
- Compliance with UWV requirements: Unemployed persons must comply with the requirements and regulations set forth by the Employee Insurance Agency (UWV) regarding reporting income, attending appointments, and providing necessary documentation to support their unemployment claim.
- Participation in reintegration programs: Unemployed individuals may be required to participate in reintegration programs aimed at helping them re-enter the workforce. This may include vocational training, skills development workshops, or work experience programs.
- Maintaining availability: Unemployed individuals must be available for work and willing to accept suitable job offers that match their skills and qualifications. Failure to accept suitable employment may result in loss of unemployment benefits. Unemployed individuals in the Netherlands are entitled to financial compensation, provided they meet specific eligibility criteria. To qualify for unemployment benefits, individuals must have worked for at least 26 weeks in the last 36 weeks prior to the termination of their employment or independent profession.

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Claiming unemployment benefits involves submitting an application to the Employee Insurance Agency (UWV) within one week of becoming unemployed, along with registering as a jobseeker with the UWV. Once approved, the duration of unemployment benefits spans three months. During the initial two months, recipients receive 75% of their previous salary, followed by 70% in the third month.

It's essential to note that individuals cannot access financial compensation if their unemployment results from their own fault or willful actions, underscoring the importance of compliance with employment regulations and responsibilities.

Severance pay

Severance pay is a financial compensation provided by the employer to an employee whose employment contract is terminated. This payment serves to safeguard the employee's income and alleviate the adverse effects of job loss. Exceptions to receiving severance pay include scenarios such as:

- Dismissal by mutual consent,
- Termination due to seriously culpable conduct or neglect,
- Bankruptcy,
- Retirement,
- Alternative arrangements specified in a collective agreement, or
- Entering into a new fixed-term employment contract while the existing contract remains valid. The amount of severance pay is determined with regard to the length of the previous continuous employment relationship with that employer, and may not be contracted, i.e. determined in an amount less than one third of the average monthly salary earned by the worker in the three months before the termination of the employment contract, for each completed year of work for that employer.

Unless otherwise determined by law, collective agreement, labour regulations or employment contract, the total amount of severance pay mentioned above cannot exceed the maximum amount set annually by the government.

Restrictive covenants

Prohibition of competition

The worker may not, without the employer's approval, for his own account or for someone else's account, enter into business related to the activity performed by the employer (legal prohibition of competition).

The legal prohibition of competition is in force even when it is not contracted.

Native Teams

If the worker acts contrary to the prohibition mentioned above, the employer may demand from the worker compensation for the damage suffered or may demand that the work be considered as concluded for his account, that is, that the worker hand over the earnings from such work to him or transfer the earnings claim from such work.

If, at the time the employment relationship was established, the employer knew that the employee was engaged in certain activities, and did not require him to stop engaging in such activities, he is considered to have given the employee permission to engage in such activities.

In the event of non-compliance with the contractual prohibition of competition, a contractual penalty may be agreed upon.

If an ex-employee fails to comply with the non-compete clause, the employer can go to court. The court can force the ex-employee to comply with the clause by imposing a penalty. The employer may also claim damages.

The employer and the employee may agree that for a certain period of time after the termination of the employment contract, the employee may not be employed by another person who is in market competition with the employer, and that he may not, for his own account or for the account of a third party, enter into business in which he competes with employer (contractual prohibition of competition).

The non-compete clause must be clear on what is and what is not allowed. The clause may not limit employees unreasonably. It may not be impossible for former employees to work in another place.

The non-compete clause cannot be included in a fixed-term contract.

A Dutch court may moderate the clause in case an employee starts proceedings to annul or moderate the clause because of its consequences. The court will balance the interests of both the employer and the employee. In these proceedings, the term, the (geographical) scope and the penalty can be moderated by the court.

The contractual prohibition of competition may not be concluded for a period longer than one year from the date of termination of the employment relationship. However, in some instances, this can reach two years.

The contractual prohibition of competition may be an integral part of the employment contract, and it must be concluded in writing.

In comparison to other European countries, there is no statutory compensation under Dutch law to be paid by the company in case the employee will be held to the non-competition clause.

Remote working

Remote working policy

Work from home, conducted at a distinct workplace, can be undertaken in various capacities, including permanent, temporary, or occasional arrangements. In the Netherlands, while working from home is not inherently a legal entitlement, the Flexible Working Act grants employees the opportunity to formally request remote work arrangements.

To initiate this process, employees must submit a written request to their employer, expressing their desire to work (partially or entirely) from home.

Following the submission of such a request, both parties are obliged to engage in a formal dialogue to negotiate and finalise any amendments to the existing employment agreement that pertain to the new working conditions, including remote work arrangements. Several conditions must be met for an employee to be eligible to request remote work:

- The employer's organisation must have a minimum of 10 employees.
- The employee must have completed at least six months of employment with the company.
- The employee must formally submit their written request for remote work to the employer no later than two months before the desired start date of the proposed remote work arrangement.

These conditions are designed to ensure that both employers and employees engage in a transparent and mutually beneficial process when considering remote work arrangements.

Responsibilities within a remote work arrangement

When remote work is included in the employment contract, both the employer and the employee have specific obligations to ensure smooth remote work operations. These include fostering productivity, communication, and safeguarding the rights of both parties. When an employee requests to amend the employment contract to include remote work arrangements, the employer must respond within one month. They can only reject the request for valid reasons, which must be explained in writing. If the employer fails to respond within the stipulated timeframe, the employee may commence remote work as proposed.

Native Teams

Working from home often incurs additional expenses for employees, such as heating, electricity, and consumables like tea and coffee. To offset these costs, employees may receive a "working from home allowance" of €2.15 per day.

If the remote work arrangement has a set duration, the employee retains the right to revert to the original working pattern once the agreed period expires.

For the employer, obligations may include:

- Providing necessary equipment and resources: Ensuring that remote workers have access to the tools, technology, and resources required to perform their job duties effectively from a remote location.
- Establishing communication channels: Facilitating regular communication between remote workers and their supervisors, teams, or colleagues to maintain collaboration, provide support, and address any work-related issues.
- Implementing security measures: Implementing measures to safeguard confidential information, data security, and privacy when employees are working remotely, including secure access to company systems and networks.
- Monitoring performance: Establishing mechanisms for monitoring and evaluating the performance of remote workers to ensure accountability and productivity standards are met.

For the employee, obligations may include:

- Adhering to work schedules: Committing to work schedules agreed upon with the employer and adhering to designated working hours, breaks, and deadlines while working remotely.
- Maintaining communication: Proactively communicating with supervisors, colleagues, and teams to provide updates on work progress, seek clarification on tasks, and collaborate effectively.
- Ensuring data security: Adhering to company policies and procedures related to data security, confidentiality, and privacy when accessing and handling company information from a remote location.
- Meeting performance expectations: Fulfilling job responsibilities and meeting performance expectations outlined in the employment contract while working remotely, including achieving agreed-upon targets and objectives.

Health and safety at home

In the Netherlands, employees have the right to a safe and healthy working environment, including when working remotely. Employers must ensure measures are in place to protect their well-being. In the Netherlands, remote work agreements between employees and employers are permissible, provided that the nature of the job allows for it and complies with occupational safety regulations.

Moreover, employees working on-site have the option to propose amendments to their employment contracts for remote work arrangements.

This option is particularly relevant for individuals seeking to balance work with family responsibilities or personal needs, such as health protection, parental duties, or caregiving obligations.

These amendments can be tailored to accommodate specific circumstances, such as illness, disability, pregnancy, parental duties for children up to eight years old, or providing care for immediate family members or household members. The safety of employees while working from home in the Netherlands is paramount. Employers are obligated to ensure that remote work environments meet health and safety standards established by Dutch law.

This includes providing necessary equipment and resources for a safe home office setup, as well as offering guidance on how to maintain a healthy and secure work environment. Additionally, employers must regularly communicate with employees to address any concerns and provide support to ensure their well-being while working remotely.

Employees must also possess the capability to conduct their work safely and effectively within their homes. Consequently, health and safety regulations extend to remote work environments.

For instance, employers are expected to furnish suitable home office setups within reasonable means and disseminate guidance on ensuring employees' safety and well-being while working remotely.

Complementary terms

Intellectual property rights

As global companies expand their operations into the Netherlands, understanding intellectual property (IP) rights is crucial for safeguarding innovations and maintaining competitive advantage. In the Netherlands, various types of intellectual property rights are recognised and protected. These include patents, trademarks, copyright, design rights, and trade secrets. Patents safeguard inventions or technical processes, while trademarks protect brand elements like names and logos. Copyright applies to literary, scientific, or artistic works, while design rights ensure the protection of new product designs. Additionally, trade secrets safeguard confidential information and proprietary knowledge.

Native Teams

The ownership of intellectual property rights, particularly patents, is delineated by the Dutch Patent Act. Typically, when an invention is developed during employment, the employer holds entitlement to the patent rights unless otherwise stipulated in the employment contract. Similarly, copyright laws deem the employer as the author of works created by employees during their service, unless agreed otherwise. Design rights also follow a similar principle, with designs created by employees belonging to the employer unless stated otherwise. Protection of trade secrets is ensured through the Trade Secrets Protection Act, which guards against theft and unauthorized use. Employers must take measures to maintain the confidentiality of sensitive information, often through non-disclosure agreements.

Compensation for employees regarding patents is governed by Article 12 of the Dutch Patent Act. Compensation is typically due if it's not already included in the employee's salary or allowances. However, the Dutch Supreme Court has adopted a restrictive stance on compensation, making it challenging for employees to claim substantial remuneration.

Collective bargaining agreements often include provisions regarding employee entitlement to patent rights and compensation, particularly in institutions like universities. These agreements may offer more detailed rules on IP rights and employee inventions.

To enforce intellectual property rights effectively, employers should include waiver clauses in employment contracts to clarify ownership. Furthermore, registering patents, trademarks, and designs is essential to protect IP assets comprehensively.

Platforms like i-DEPOT offer digital protection for sensitive information, providing a secure means of recording and safeguarding proprietary data.

The Netherlands operates under a first-to-file registration system for patents, trademarks, and designs. Multinational companies entering the Dutch market must develop comprehensive IP strategies to navigate this system effectively.

Employers should prioritize IP protection and include specific provisions in employment contracts to safeguard their rights. Understanding Dutch IP laws and regulations is crucial for multinational corporations operating in the Netherlands.

Employee data privacy

As GDPR celebrates its fifth anniversary, its influence on the European Union continues to grow, making it a cornerstone of privacy and data protection and playing a critical role in shaping employment practices within the Dutch legal landscape.

Native Teams

Five years in, GDPR's influence on EU data privacy remains profound, shaping Dutch employment law. In the Netherlands, GDPR takes a prominent role in shaping employment law. Employers must navigate a complex web of statutes and legal rules to ensure they respect employees' privacy while complying with GDPR. As we focus on the Dutch jurisdiction, it's essential to understand the specific legal frameworks and regulations employers must adhere to in connection with GDPR. This includes being aware of how employee data is collected, stored, and used within the organisation.

Privacy is a multi-faceted concept in the context of employment, extending beyond mere personal data processing. GDPR is just one facet of the broader privacy framework affecting both employees and employers. This broader understanding includes considerations under Article 8 of the European Convention on Human Rights (ECHR), which safeguards relational and informational privacy, aligning with GDPR principles. Additionally, Dutch law, particularly Article 10 of the Dutch Constitution, echoes similar privacy protections.

Employers need to be equipped with a variety of legal tools to address privacy concerns effectively. Alongside GDPR, Article 8 of the ECHR and Article 10 of the Dutch Constitution are pivotal in shaping privacy practices in the workplace. These legal provisions offer employers and employees distinct pathways for addressing privacy issues. While GDPR focuses on personal data, Article 8 of the ECHR offers a more general approach to privacy, often favored in employment disputes. The post-GDPR landscape has heightened the stakes for privacy breaches in employment. These breaches can lead to significant legal and financial consequences for employers, including the potential for excluding critical evidence in legal disputes. This shift in awareness and legal accountability makes it imperative for employers to understand and rigorously implement privacy regulations, particularly in complex cases involving personal data breaches.

Article 82 of GDPR allows employees to claim damages for privacy breaches, encompassing both material and immaterial damages. However, quantifying these damages can be challenging, especially under Dutch law, where such claims are not common practice. In cases not directly related to personal data but more general privacy breaches, Dutch civil law (specifically Article 611 of the Dutch Civil Code) provides another avenue for addressing employer misconduct related to privacy.

While breaching privacy rules in a company might not always lead to substantial financial penalties, it's a misconception to consider such breaches as risk-free. Even though direct penalties might seem minimal, the overarching implications can be significant.

In the Dutch legal system, employers face not only the prospect of minimal statutory damages but also the possibility of additional compensation claims. Recent cases have seen substantial awards for privacy breaches, reflecting a growing recognition of privacy rights in the employment context.

A critical risk beyond financial damages is the potential exclusion of evidence in legal disputes due to privacy breaches. This aspect of privacy law can significantly affect the outcome of employment cases, particularly in situations where the breach is substantial. Examples where privacy breaches have led to the exclusion of key evidence illustrate the importance of a balanced and careful approach to evidence gathering in compliance with privacy norms.

Awareness and compliance with privacy rules in the employment context are paramount. Practical advice highlights the necessity for employers to apply proportionate actions in specific situations, a crucial aspect in navigating the complexities of GDPR and privacy laws.