

EMPLOYMENT

Employment Law in 2024: *What's on the horizon?*

2023 was a remarkably busy year on the employment law front and there is no doubt that trend is set to continue into 2024 with major developments in employment law on the horizon. In this briefing we take a look at some of the key changes and developments to expect during 2024.

6 MIN READ

Remote and flexible working

A right for employees to request remote working has been in the pipeline since January 2021 when the government launched its strategy, "Making Remote Work". A right to request flexible working is provided for in the EU Work Life Balance Directive, which was due to be transposed into national law by August 2022.

While both rights are contained in the Work Life Balance and Miscellaneous Provisions Act 2023, which was signed into law last April, their commencement is still awaited. They require a code of practice to be completed before they commence. This code of practice is currently under development at the Workplace Relations Commission (**WRC**). The Department of Enterprise, Trade and Employment has indicated that work in this regard is ongoing, with a working group meeting regularly in order to complete the code. No set date has been agreed for its finalisation, but it is expected early this year.

Statutory sick pay

Statutory sick pay (**SSP**) has been in place since 1 January 2023. Since 1 January 2024 SSP has increased from three to five days per year. This is in line with the government commitment to gradually increase the entitlement until 2026, when it will reach ten days.

In announcing the increase, the Minister of State for Business, Employment and Retail commented that: "Workers who have more favourable sick pay from their employer will not be impacted." The WRC recently examined the application of SSP to an employer who has a sick pay scheme which confers benefits that are, as a whole, more favourable than SSP. You can read our briefing on that WRC case [here](#).

Gender Pay Gap Reporting and Pay Transparency

The second round of gender pay gap reporting in Ireland has recently taken place with employers with 250+ employees reporting their gender pay gap information. Employers with 150+ employees are due to be in scope to report in 2024. All employers in scope need to choose any date in June 2024 as their 'snapshot' date, calculate their gender pay gap data based on that date and report the information no later than the corresponding date in December 2024.

There was a major development in 2023, with the coming into force at EU level of the [EU Pay Transparency Directive](#). Although gender pay gap reporting is already in place in Ireland the Directive contains significant extra measures and new laws will be required to transpose it into Irish law. While the deadline for transposition is not until 2026, the lead in period is considered a vital timeframe for employers to ensure they have non-discriminatory pay structures in place.

The Directive's consequences are significant. It will undoubtedly lead to an increase in employee and representative involvement in addressing pay equity and it contains potentially arduous requirements to conduct equal pay audits and assessments of work of equal value. It will increase the profile of equal pay and pay transparency across EU member states and likely lead to a rise in equal pay claims. Employers should use 2024 to examine their existing pay structures and take steps to address any issues identified at an early stage. Employers should consider how the Directive will impact their recruitment, pay and gender pay gap reporting practices and plan their compliance strategy accordingly.

Further information on gender pay gap reporting and pay transparency is available on our [Gender Pay Gap reporting hub](#).

Minimum wage and living wage

From 1 January 2024 the new national minimum wage (for employees aged 20 and over) is €12.70 per hour. The Irish government has committed to moving to

a "living wage" by 2026, which will replace the national minimum wage. The target living wage will be 60% of the median wage, which is expected to be around €15 per hour in 2026.

The EU Directive on Adequate Minimum Wages seeks to improve the adequacy of minimum wages in the European Union and the deadline for it to be transposed into national law is 15 November 2024. It establishes a framework for:

- a. adequacy of statutory minimum wages, with the aim of achieving decent living and working conditions
- b. promoting collective bargaining on wage-setting
- c. enhancing effective access of workers to rights to minimum wage protection

While a plan is already in progress to move to a "living wage" by 2026, on the collective bargaining front an action plan is required to increase the rate of collective bargaining coverage. A working group of the Labour Employer Economic Forum (LEEF) has considered and identified key areas of focus in its [report](#).

Individual Accountability Framework

The Individual Accountability framework (IAF), including the Senior Executive Accountability Regime (SEAR), is one of the most impactful regulatory developments of recent years. While the deadline in relation to key aspects such as conduct standards and certification was at the end of 2023, the key date in the diary for 2024 is 1 July, which is the deadline for the implementation of SEAR, when firms will be required to have statements of responsibilities in place for all relevant staff. For further information on all aspects of the IAF, please visit our [IAF hub](#).

Retirement and pensions

There is no shortage of proposals for reform in the areas of pension and retirement age. Three key developments of note are as follows:

1. With effect from 1 January 2024, flexibility has been introduced to the state pension which allows a person to defer claiming the state pension up until the age of 70 and receive an actuarially based increase in their weekly payment rate.



2. The automatic enrolment retirement savings system will give employees in Ireland access to a workplace pension savings scheme which is co-funded by their employer and the State. Following the report on the pre-legislative scrutiny of the General Scheme of the Automatic Enrolment Retirement Savings Systems Bill last May, publication of the draft Bill itself is expected shortly. The scheme is due to be rolled out during 2024.
3. Standalone legislation is expected to be introduced in 2024 which will prohibit contractual mandatory retirement ages below the state pension age of 66, with some narrow exceptions, for example in safety critical roles.

Collective redundancies

The Employment (Collective Redundancies and Miscellaneous Provisions) and Companies (Amendment) Bill 2023 (the Bill) is currently making its way through the legislative process. When enacted, it will amend the existing collective redundancy regime in insolvency situations in order to strengthen employee protections.

The Bill also provides for the establishment of an Employment Law Review Group to advise the Minister for Enterprise, Trade and Employment on matters relating to employment law and amendments to the Companies Act 2014 to improve the dissemination of information to employees as creditors in a corporate insolvency situation.

Immigration

On 20 December 2023, the Minister of State for Business, Employment and Retail announced major changes to the employment permits system which take effect in January 2024. In addition to the changes, a roadmap was announced which will result in the salary thresholds for certain employment permits being increased again in January 2025, July 2025, and in January 2026. Further information is available in our briefing [here](#).

Parents leave

The Minister for Children, Integration and Youth has indicated that by August 2024,

the current entitlement to seven weeks parents leave will increase to nine weeks. Parents leave is available to parents within two years of the birth/adoption of a child.

The Code of Practice on Determining Employment Status

Following the Supreme Court's significant judgment in the *Revenue Commissioners v Karshan (Midlands) Limited t/a Domino's Pizza* (read our briefing on the case [here](#)), Revenue has confirmed that it is working with the Department of Social Protection and the WRC to update the content in this Code to reflect the judgment. Separately to updating the Code, Revenue is expected to shortly issue guidelines on the judgment and its impact on the employment status of individuals for tax purposes.

For further information on any of these topics please contact [Triona Sugrue](#), Knowledge Consultant, or any member of [ALG's Employment team](#).



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