

EMPLOYMENT

# Employment Law in 2025: *What's on the horizon?*

2024 was certainly a busy year on the employment law front, with key developments taking place in areas such as remote working, retirement, pensions and employment status, to name but a few. That trend is firmly set to continue into 2025.

In this briefing, we take a look at what lies ahead, focusing on the key changes and developments employers can expect this coming year.

7 MIN READ

### **Minimum wage and living wage**

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2025 marks the 25th anniversary of Ireland's introduction of a national minimum wage and since 1 January 2025 the national minimum wage has increased to €13.50 per hour. This increase is in line with a government commitment to move to a "living wage" by next year, which will replace the national minimum wage. The target living wage is 60% of the median wage and is expected to be approx. €14 – €15 per hour.

### **Collective bargaining**

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This EU Adequate Minimum Wages Directive aims to promote collective bargaining on wage setting. As Ireland's collective bargaining rate is less than 80%, it must provide for a framework of enabling conditions for collective bargaining and an action plan setting out a timeline and concrete measures to progressively increase the rate of collective bargaining coverage.

Interestingly, an advocate general of the Court of Justice of the European Union

(CJEU) recently issued an opinion that the Directive is "incompatible" with the Treaty on the Functioning of the EU and should be annulled. While the CJEU will issue its decision later this year, it is not bound by this recommendation and it is noteworthy that the recently published programme for Ireland's new government includes a commitment to publish an action plan for collective bargaining in 2025 in line with its commitments under the Directive.

### **Statutory sick pay**

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Although statutory sick pay (SSP) was expected to increase from five to seven days per year in January 2025, this increase has not taken place and SSP is still five days per year. It remains to be seen whether the new government will implement an increase. In the meantime, there have been some WRC cases examining whether an employer's sick pay scheme confers benefits that are, as a whole, more favourable to the employee than SSP and therefore exempt that employer from having to apply SSP. Read our briefing on the first such case [here](#).



### Gender pay gap reporting and pay transparency

The December deadline for employers with 150+ employees to publish their gender pay gap reports has now passed. It is expected that employers with 50+ employees will be in scope to report in 2025. All employers in scope must choose any date in June 2025 as their 'snapshot' date and calculate their gender pay gap data based on that date. It has been indicated in the [government's FAQs](#) that for the 2025 reporting cycle, the deadline will be brought forward to November, giving employers a shorter period of five months to compile the data and prepare their report.

Many employers will, by now, be getting ready for the implementation of the EU Pay Transparency Directive, designed to make it easier for employees to bring claims related to equal pay for equal work. Although this Directive is not due to be implemented until 2026, early preparation is key, with many employers now focussing on ensuring the pay structures in their organisation will stand up to scrutiny.

For more information on gender pay gap reporting and pay transparency please visit our [ALG hub](#).

### Auto-enrolment

The long-awaited auto-enrolment scheme will commence from 30 September 2025. All employees aged 23 – 60, earning at least €20,000 per year and who are not already in a qualifying pension arrangement (such as a company pension scheme or PRSA), will be automatically enrolled in a new state operated retirement savings system. The employer, employee and the State will contribute a percentage of the employee's remuneration, which will increase on a phased basis over a 10-year period.

Auto-enrolment will impact all employers in Ireland and early preparation is key. While many employers have pension arrangements in place, such as a company pension scheme or access to a PRSA, most workplaces nonetheless will have employees who are entitled to join the auto-enrolment scheme. Employers should review existing pension eligibility and coverage, including for new

hires and other employees, to determine who may be eligible for auto-enrolment.

### Retirement age

In March 2024, the General Scheme of a new Bill was published, proposing to prohibit an employer from enforcing a retirement age below 66, where the employee does not consent to it. The objective is to allow, but not compel, an employee to stay in employment until the age of 66. While the Bill itself has not been published, it will be surprising if the new Government does not proceed to introduce such legislation. You can read more about the General Scheme [here](#).

### Updated Code of Practice on employment status

Since the Supreme Court judgment in *Revenue Commissioners v Karshan (Midlands) Limited trading as Domino's Pizza* (read our briefing [here](#)) Revenue issued [guidelines](#) in light of the judgment and more recently, in November, an interdepartmental group comprising of the Department of Social

Protection, Revenue and the WRC published an [updated Code of Practice](#).

Whether a worker is correctly classified as an employee or self-employed has important implications, not only for tax, PRSI, access to state benefits, but also for employment rights. The updated code of practice aims to be of benefit to employers, employees, independent contractors, investigators, decision-makers and adjudicators in the Department of Social Protection, the Office of the Revenue Commissioners, the WRC, their respective appeals bodies, and the courts, along with legal, financial and HR professionals. It's important to note that the Code also states that decisions of the Department of Social Protection, the WRC and Revenue are not binding on each other.

Employment status is likely to remain a contentious issue in a lot of cases and 2025 will see the application of this newly updated Code of Practice.

### **Remote working**

The right to request remote working came into force in March 2024 with the publication of a code of practice and the first WRC decision under the new legislation issued in July 2024, read our briefing [here](#).

Since then, the legislation has been described in the media as “toothless” with no employee having been awarded any compensation to date. This is largely due to the fact that the WRC cannot consider the merits of the employer's response to the request, only whether it followed the correct process. With the programme for Ireland's next government noting that the increase in remote working following the pandemic has been hugely positive for rural Ireland, enabling people to live and work in their own community, it is likely that many employers' approach to remote working will continue to evolve. In the meantime, it is vital that employers have a proper process in place for dealing with requests for flexible and remote working. For more details you can read our briefing on the code of practice [here](#).

### **Corporate sustainability reporting**

The Corporate Sustainability Reporting Directive (**CSRD**) has been transposed into Irish law by the EU (Corporate Sustainability Reporting) Regulations and the European Union (Corporate Sustainability Reporting) (No. 2) Regulations 2024. The CSRD requires all companies in scope to disclose sustainability information, including employment related issues in accordance with the European Sustainability Reporting Standards. Reporting obligations are being phased in on a gradual basis, with the majority of large companies due to report this year (2025). For more information, please visit our [ESG & Sustainability Hub](#).

### **The EU Platform Work Directive**

The [EU Platform Work Directive](#) entered into force on 1 December 2024 and EU member states have two years to implement it into national law. Platform work is work organised through a digital labour platform and performed in the EU. The Directive's key focus areas are a (rebuttable) presumption of employment for those engaged in

platform work and regulating algorithmic management, emphasising transparency, human oversight and data protection. For companies operating in the digital labour sector, the impact of this Directive will be profound. Employers should consider whether they come within its scope and if so, plan their compliance strategy.

### **Updates to equality law including pay transparency**

On 15 January 2025, the [General Scheme of the Equality \(Miscellaneous Provisions\) Bill](#) was published, proposing amendments to equality legislation. Among the proposals are two measures to transpose the obligations under the EU Pay Transparency Directive relating to jobseekers. One to introduce a ban on asking job applicants for information regarding their current or former remuneration and another to ban job advertisements which do not include the remuneration rate or range. It is noteworthy that the second measure differs from what is provided for in the Directive, which requires employers to provide the information in a job vacancy notice, prior to the job interview

or otherwise. Another proposal of note in the General Scheme is an increase in the time limit for bringing a claim under the Employment Equality Acts, from six months to twelve months. It remains to be seen how this General Scheme might progress under the new government.

#### **The Maternity Protection, Employment Equality and Preservation of Certain Records Act 2024**

The provisions of this Act relating to maternity leave and restrictions on the use of non-disclosure agreements (**NDA**s) came into force on 20 November 2024. Employers should ensure their maternity leave policies are up to date to reflect the entitlement to postpone in the event of a serious health condition and that employment agreements are tailored to ensure that they do not prohibit the disclosure of information relating to allegations of discrimination, harassment, sexual harassment or victimisation, or alternatively that an “excepted NDA” is entered into. You can read more in our briefing [here](#).

#### **AI in the workplace**

Finally, the use of AI in the workplace will be high on the agenda for many employers and employees in 2025 and the AI Act will begin to apply from February 2025. The AI Act will have a significant impact, particularly in the areas of recruitment and decision making in the employment lifecycle and it will be essential that employers ensure the obligations contained in the Act are adhered to. You can read more about the AI Act [here](#).

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

## Key contact



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## Resources



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