

GMS Flash Alert



2018-089 | June 26, 2018

European Union - Steps Closer to Making Paid Paternity Leave Legal

On 21 June 2018, the European Council¹ agreed on a general approach to the Directive on Work-Life Balance for Parents and Carers.² The Council wants to introduce mandatory paternity leave of two (2) months in all European Union (EU) countries of which one-and-one-half (1½) months would be fully compensated.

WHY THIS MATTERS

The introduction of a mandatory minimal threshold for paternity leave across Europe is expected to raise the number of women (working full time) in the work force, to improve the work-life balance in the family, and to help employers keep skilled workers. Ultimately, the change is expected to help boost economic growth in the member states.

Needless to say, if this change is adopted, it would impact all employers across the EU, as well as those employers outside the EU who have EU staff working in their company. Company HR and assignment policies would need to be altered to incorporate this statutory change.

Background

Gender equality is a strategic priority for the EU Council and the Eurostat's Gender Statistics of February 2018 support the need for such focus:

- the employment rate for women is 11.6 percentage points lower than for men;
- the economic loss due to the gender-related difference in the employment rate is estimated at EUR 370 billion in the EU;

- just over 50 percent of women work full-time, while for men that number is 71.2 percent;
- the proportion of women working part-time is 31.5 percent, while it is only 8.2 percent for men.

Further, it has been noted that the EU member states have limited, if any, legislation for paternity leave.³ Paternity leave with compensation in Sweden is 90 days, while in countries like Germany and Austria there is no legislation for paid paternity leave. In the Netherlands, paid paternity leave is only two days, but as of next year it will be five days of paid paternity leave and more changes in this direction are expected in 2020.⁴

KPMG NOTE

The Council will initiate negotiations with the EU Parliament on adopting the changes to the Directive in the near future.⁵ As elections for the EU Parliament take place next year, it is expected that the Parliament will take a position on this initiative before then. Employers should stay abreast of this initiative, since, if it becomes EU law, it will pose a drastic change to the current situation.

FOOTNOTES:

1 The EU Council defines EU's overall political directions and priorities. The members of the Council are the heads of state or government of the 28 EU member states. The president of the Council is Donald Tusk.

2 See the European Council 21 June 2018 [press release](#).

3 For statistics from 2016 from Members' Research Services of the EU Parliament, click [here](#).

4 Ibid. Also, for Sweden, see the government's Försäkringskassan [webpage](#) (in Swedish). For additional information on the Netherlands (in Dutch), see the Ministerie van Sociale Zaken en Werkgelegenheid [webpage](#).

5 The EU Parliament consist of 751 members elected in each EU member state. The EU Parliament and the EU Council constitute the highest legislative body in the EU.

* * * *

Contact us

For additional information or assistance, please contact your local GMS or People Services professional or the following professional with the KPMG International member firm in Denmark:



Daida Hadzic

Director

Tel. +45 5077 0929

Daida.Hadzic@kpmg.com

The information contained in this newsletter was submitted by the KPMG International member firm in Denmark.

© 2018 KPMG 2014 PS, a Danish limited liability partnership company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2018 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. NDPPS 530159

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The KPMG logo and name are trademarks of KPMG International. KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever. The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our GMS practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com>.