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2025 Recap of HR & Employment Law

SUMMARY OF EMPLOYMENT LAW CHANGES IN 2025

Increase in Minimum Wage for 2025

Effective: January 2025

The National Minimum Wage Act 2000 establishes a statutory minimum hourly pay rate that must be paid to Employees. It applies to full-time, part-time, temporary, casual Employees and seasonal workers. The National Minimum Wage increased to €13.50 per hour from 1st January 2025. It is due to increase again to €14.15 from 1st January 2026.

What this means for Organisations: From January 2026, this will represent an 11.4% increase over the last two years, exclusive of the additional employer payroll costs. An Employee earning the National Minimum Wage and working a 39-hour week, will soon earn an annual salary of €28,696.

Pause in Expansion of Statutory Sick Pay

The Sick Leave Act is designed to provide Employees who do not have access to paid sick leave, with a minimum level of paid statutory sick leave days. The legislation imposes a legal obligation on Organisations to provide a minimum number of paid sick days annually.

- From 1 January 2024, eligible employees were entitled to 5 paid statutory sick leave days.
- Employers must pay 70% of gross normal earnings, capped at €110 per day.
- Planned to increase to 7 days in 2025 and 10 days in 2026 - change has been paused until further notice due to concerns about rising labour costs.
- To qualify, an employee must have at least 13 continuous weeks of service with the employer and be certified by a GP as unfit to work.
- For employees with variable pay, normal earnings are calculated as the average pay over the 13 weeks before sick leave.
- Normal daily pay includes regular bonuses or allowances that do not vary weekly but excludes overtime and commission.
- Employers must keep statutory sick leave records (dates, times, rate of pay, and length of service) for four years. Failure to meet record-keeping requirements may result in a fine of up to €2,500.

What this means for Organisations:
- They must have a paid sick leave policy that provides at least the minimum entitlements under the Sick Leave Act 2022, or more favourable entitlements.
- Organisations should keep the position under review, pending further updates.
- Organisations with an existing Sick Pay Scheme or a discretionary sick pay approach must be able to demonstrate that their policy is at least equal to, or more favourable than, the statutory entitlements.
- Where an organisation has a contractual sick pay scheme that allows more than 5 days paid sick leave per year, there is no requirement to make changes to the current scheme.
- While legislation states that waiting days do not apply to Statutory Sick Pay, it is common for organisational policies to apply waiting days (e.g. eligibility from the third day of absence).
- The Workplace Relations Commission has issued decisions supporting the view that waiting days may be permissible under the Sick Leave Act where the overall duration of paid sick leave and rate of pay are more favourable to employees.

Living Wage Plan Deferred

In 2022, the Government announced the introduction of a national living wage for employees which was to be set at 60% of hourly median earnings, in line with Low Pay Commission recommendations. The Government planned to introduce the living wage over a four-year period, with full implementation by 2026, at which point it would replace the National Minimum Wage.

In 2025, the new Programme for Government approved short-term measures to address business costs, including a revised timeline for the living wage. The implementation of the Living Wage has been pushed back to 2029.

What this means for Organisations:
Until a Living Wage replaces the existing National Minimum Wage, Organisations should continue to ensure compliance with all applicable minimum wage rates of pay.

Revenue Opportunity to Disclose Misclassification of Employee Tax Status

Effective: September 2025

On 11 September 2025, the Revenue Commissioners announced Employers can correct payroll tax issues for 2024 and 2025 arising from bona-fide classification errors, without imposition of interest and penalty.

What this means for Organisations:
- Employers who, acted in good faith relying on the case law and guidance available prior to the Supreme Court judgment in Revenue Commissioners v Karshan (Midlands) Ltd t/a Domino's Pizza, but who may have misclassified Employees as contractors are encouraged to take this opportunity to regularise their tax affairs.
- Disclosures should be submitted no later than Friday 30 January 2026 and all liabilities should be paid in full, via REVPAY.

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Corporate Sustainability Reporting - Paused

The Corporate Sustainability Reporting Regulations 2024 transpose the Corporate Sustainability Reporting Directive (CSRD), which arises from the European Green Deal's climate change action objectives, to further enhance the disclosure by companies on climate and environmental data.

Key components:
- The Corporate Sustainability Reporting Regulations 2024 transposed the Corporate Sustainability Reporting Directive (CSRD) into Irish law in 2024.
- The CSRD aims to harmonise EU rules for sustainability reporting by Organisations to give investors and other stakeholders access to information to assess investment risks arising from climate change and other sustainability issues.

The regulations came into effect on 6 July 2024 and were due to commence for financial years on or after:
- 1 January 2024 for public interest entities in scope of EU non-financial reporting rules (greater than 500 Employees)
- 1 January 2025 for other large companies (at least 2 of the balance sheet greater than €25 million, turnover > €50 million and Employees > 250)
- 1 January 2026 for listed SMEs, with an 'opt out' possible until 2028

'Stop-the-clock' measures set out in the European Commission's Omnibus Package have delayed the entry into application of the CSRD by two years for (i) large companies that have not yet started reporting, and (ii) listed SMEs. It is expected that this delay will be used to debate and finalise the wider Omnibus Package at the EU level.

What this means for Organisations: Organisations that had been preparing for CSRD are now in a position to pause while the EU Commission develops its proposals to simplify the reporting burden and promote a more business-friendly environment.

Gender Pay Gap Information Act 2021 – Employee Threshold 50+ in 2025

Effective: Phased implementation began in 2022

The Act requires certain private and public sector Employers to report and publish information relating to their Gender Pay Gap, and, where there is a gap, to explain why there is a gap and what measures are being taken to reduce it.

Key components:
- Under the Gender Pay Gap Information Act 2021, employers with 50 or more employees must report on the hourly gender pay gap across multiple metrics.
- Employers must select a snapshot date in June and compile a report using the previous 12 months of payroll data.
- Data must be analysed, presented, and published in a report within six months of the snapshot date.
- Reports must include proposed actions to address and reduce any identified gender pay gap.
- Mandatory reporting through the portal for all organisations with 50+ employees is scheduled to begin in 2026.
- The Attorney General has advised that further legislation is required before employers can be legally obliged to publish reports through the portal on a mandatory basis.

REPORTING THRESHOLDS BY YEAR:

250+ employees: required to report in 2022 and 2023

150+ employees: required to report in 2024

50+ employees: required to report from 2025 onward

What this means for Organisations:
- Organisations in scope of gender pay gap legislation must be prepared to access prescribed data, requiring input from payroll, HR, and stakeholders.
- If an initial assessment indicates a gender pay gap, the organisation must identify proposed action points explaining how it intends to reduce the gap.
- Reasons for a gender pay gap can vary, including sectoral issues, overrepresentation of one gender in senior or higher-paid roles, or a lack of family-friendly working options.
- Each organisation must identify the specific causes of its gender pay gap and the steps it will take to address it.
- Although publication via the government portal is not mandatory this year, in-scope employers are still legally required to publish or make their gender pay gap report available under existing legislation.
- Organisations with a website must publish the report online in a way that is accessible to employees and the public.
- Organisations without a website must make the report available in physical form for inspection during normal business hours at their registered office or principal place of business.

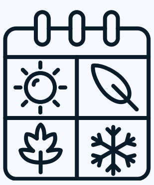
Adare's *Gender Pay Gap Analysis and Reporting Service* includes a full compliance review of your pay data, identification of gaps, strategic insights and preparation of GPG reports ensuring they reflect the challenges faced by each organisation.

Seasonal Employment Permits Pilot Scheme

Effective: February 2025

The 'Employment Permits (Amendment) (Seasonal Employment) Regulations 2025' (the Regulations) came into operation on 19 February 2025. The Regulations set out how the newly introduced seasonal employment permit will operate.

Key components:
- The Seasonal Employment Permit allows non-EEA nationals to work in seasonally recurrent roles (e.g. soft fruit picking) for up to 7 months per year.
- Permits are renewable for up to three years for the same calendar season.
- Employment under the permit is limited from 14 April to 13 November each year.
- Minimum remuneration must be €30,000 per annum or €14.79 per hour.
- Maximum of 6 employers nationwide may be granted "approved seasonal employer" status for any seasonal period in a given year.



What this means for Organisations:
- The Seasonal Employment Permit is in pilot form in 2025, with potential for future expansion.
- Possible developments include wider eligibility across additional sectors, roles, and employers.
- With a competitive labour market, the permit may become a valuable recruitment option in the coming years

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Minimum Wage Changes Under SEO/EROs

Purpose:
- Sectoral Employment Orders place a legally binding floor on terms and conditions of employment in certain industries. Similarly, Employment Regulation Orders fix minimum rates of pay and conditions of employment for workers in specified business sectors.
- Employers in those sectors are then obliged to pay wage rates and provide conditions of employment not less favourable than those prescribed.

Key components: The following changes took place in 2025:

Sectoral Employment Order (Construction Sector) 2024 (S.I. 620 of 2024)
This Sectoral Employment Order increased minimum rates of pay and other conditions (sick pay and pension entitlements) for Employees in the construction sector from 1 August 2025, with further increases due to come into effect on 1 August 2026.

Employment Regulation Order (Security Industry Joint Labour Committee) 2025 (S.I. No. 326 of 2025)
This Employment Regulation Order amends the 2024 Order already in place for the security sector and commenced on 22 July 2025. It provides for a new minimum rate of pay of €15.41 per hour for workers in the sector from that date onwards.

Employment Regulation Order for Contract Cleaning Industry 2025 (S.I. No. 430 of 2025)
This Employment Regulation Order (ERO) came into effect on 17 October 2025 revoking the previous ERO and increasing minimum rates of pay and other conditions (sick pay and pension entitlements) for Employees in the contract cleaning sector.

What this means for Organisations:
- The Construction Sector SEO will introduce enhanced terms and conditions of employment for workers in the construction sector (including craft persons, construction operatives and apprentices).
- Improved benefits are designed to retain Employees in the sector and make construction more attractive to new entrants.
- The increases in pay and pension entitlements will require management of labour costs and a review of employment contracts.

EU (Gender Balance on Boards of Certain Companies) Regulations 2025

Effective: May 2025

The European Union (Gender Balance on Boards of Certain Companies) Regulations 2025 (the Regulations) transpose the EU Gender Balance on Boards Directive (the Directive) into Irish law. The Regulations came into effect at the end of May 2025 and set binding targets for gender representation on the boards of certain listed Organisations.

Key Components:
The Regulations apply to a "relevant listed company" which is defined as an Irish incorporated company that:
- is not a "micro, small and medium-sized enterprise or SME" (defined as a company that employs less than 250 persons and has an annual turnover not exceeding €50,000,000 or an annual balance sheet total not exceeding €43,000,000)
- has its registered office in Ireland, and
- has shares admitted to trading on a regulated market in at least one EU Member State.

The Regulations do not therefore apply to private companies or to Irish companies listed on a market outside the EU.

What this means for Organisations:
By 30 June 2026, Organisations in scope must meet one of two gender balance objectives:
- At least 40% of non-executive director positions must be held by members of the underrepresented sex.
- Alternatively, at least 33% of all board positions (executive and non-executive combined) must be held by members of the underrepresented sex.

Organisations must also set, in writing, individual quantitative objectives with a view to improving the gender balance among executive directors on its board and the steps it proposes to take to achieve those objectives.

In addition, Organisations in scope must, no later than 30 November 2026, publish the written objectives concerning improving gender balance on its board on its website.

There are also reporting obligations. From 30 November 2026, in-scope Organisations are required to report to the Minister for Children, Disability and Equality on an annual basis concerning:
- Gender breakdown of board members
- The measures taken to achieve the 40% non-executive director target
- Reasons gender diversity objectives were not met and measures to achieve those objectives.

These reports must be published on the Organisation's website and included in their corporate governance statement which will be given to the Minister.

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