

## Parliament adopts new rules on adequate minimum wages for all workers in the EU



New EU legislation will ensure minimum wages are protected throughout the EU and lead to a decent standard of living.

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- The minimum wage should ensure a decent standard of living
- EU rules to respect national wage-setting practices
- Collective bargaining to be strengthened in countries where it covers fewer than 80% of workers
- Right to redress for workers, their representatives and trade union members if rules are violated

### **Minimum wages in all EU countries should allow for decent living and working standards, and member states should promote collective bargaining for pay.**

With 505 votes in favour, 92 against and 44 abstentions, Parliament adopted [new legislation](#) on adequate minimum wages in the EU, on Wednesday.

The EU law, agreed with the Council in June, aims to improve working and living conditions for all workers in the EU, as well as promoting economic and social progress. To this end, it establishes minimum requirements for the adequacy of statutory minimum

wages as provided by national law and/or collective agreements, and enhances the effective access of workers to minimum wage protection.

The new directive will apply to all EU workers who have an employment contract or employment relationship. The EU countries in which the minimum wage is already protected exclusively via collective agreements will not be obliged to introduce these rules nor to make these agreements universally applicable.

#### **Adequacy assessment of minimum wages**

Setting a minimum wage remains a national competence but member states will have to guarantee that their national minimum wages allow workers to lead a decent life, taking into account the cost of living and wider pay levels. For the adequacy assessment of their existing statutory minimum wages, member states may establish a basket of goods and services at real prices, or set it at 60% of the gross median wage and 50% of the gross average wage.

#### **Promote collective bargaining**

Sectoral and cross-industry level collective bargaining is an essential factor for achieving adequate minimum wages and therefore needs to be promoted and strengthened, according to the new rules approved by MEPs today. In countries where fewer than 80% of workers are covered by collective bargaining, member states - with the involvement of social partners - will have to establish an action plan to increase the coverage.

#### **Monitoring and right to redress**

The agreed text introduces the obligation for EU countries to set up an enforcement system, including reliable monitoring, controls and field inspections, to ensure compliance and address abusive sub-contracting, bogus self-employment, non-recorded overtime or increased work intensity.

#### **Quotes**

[Dennis Radtke](#) (EPP, DE) said after the vote: *"The current situation clearly demonstrates once again that we need functioning, strong social partnership in Europe. Politics cannot give a comprehensive answer to every aspect of this crisis."*

[Agnes Jongerius](#) (S&D, NL) said: “Prices for groceries, energy bills and housing are exploding. People are really struggling to make ends meet. We have no time to waste, work must pay again. This directive sets the standards for what an adequate minimum wage should look like. At the same time, we are giving a boost to collective bargaining, so more workers will be better protected.”

### Next steps

The Council is expected to formally approve the agreement in September. Member states will then have two years to comply with the Directive.

### Background

In July, Members of the Employment and Social Affairs committee [backed](#) the informal [agreement](#) reached with the Council on 6 June 2022.

The [highest minimum wages](#) are found in Luxembourg, Ireland and Germany; the lowest in Bulgaria, Latvia and Estonia. In the EU, [21 out of 27 countries have a statutory minimum wage](#), while in the other six (Austria, Cyprus, Denmark, Finland, Italy and Sweden) wage levels are determined through collective pay bargaining.

### Further information

[Provisional agreement resulting from interinstitutional negotiations \(15.06.2022\)](#)

[Co-rapporteur Dennis Radtke \(EPP, DE\)](#)

[Co-rapporteur Agnes Jongerius \(S&D, NL\)](#)

[Procedure file](#)

[Watch again: plenary debate \(13.09.2022\)](#)

[Watch again: Press conference with co-rapporteurs on 7 June 2022](#)

[Briefing European Parliament, EPRS, Directive on adequate minimum wages \(15.06.2022\)](#)

[Committee on Employment and Social Affairs](#)

[Free photos, video and audio material](#)


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