Basic information

2020/0310(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Adequate minimum wages in the European Union **Subject** 4.10.05 Social inclusion, poverty, minimum income 4.15.04 Workforce, occupational mobility, job conversion, working conditions 4.15.08 Work, employment, wages and salaries: equal opportunities women and men, and for all 4.15.12 Workers protection and rights, labour law 4.15.14 Social dialogue, social partners **Legislative priorities** Joint Declaration 2021 Joint Declaration 2022	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
EMPL Employment and Social Affairs	RADTKE Dennis (EPP) JONGERIUS Agnes (S&D)	09/02/2021 09/02/2021
	Shadow rapporteur SEMEDO Monica (Renew) SATOURI Mounir (Greens/EFA) ZALEWSKA Anna (ECR) BILDE Dominique (ID) DEMIREL Özlem (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
FEMM Women's Rights and Gender Equality	GÁLVEZ Lina (S&D)	11/02/2021

Committee for opinion on the legal basis	Rapporteur for opinion	Appointed
JURI Legal Affairs	DZHAMBAZKI Angel (ECR)	01/07/2021

Council of the European Union	
European Commission	**Commission DG** / **Commissioner** Employment, Social Affairs and Inclusion / SCHMIT Nicolas
European Economic and Social Committee	
European Committee of the Regions	

Key events

Date	Event	Reference	Summary
28/10/2020	Legislative proposal published	COM(2020)0682	Summary
11/11/2020	Committee referral announced in Parliament, 1st reading		
11/11/2021	Vote in committee, 1st reading		
11/11/2021	Committee decision to open interinstitutional negotiations with report adopted in committee		
18/11/2021	Committee report tabled for plenary, 1st reading	A9-0325/2021	Summary
22/11/2021	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
25/11/2021	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72 - vote)		
12/07/2022	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2022)004578 PE734.121	
13/09/2022	Debate in Parliament		
14/09/2022	Decision by Parliament, 1st reading	T9-0316/2022	Summary
14/09/2022	Results of vote in Parliament		
04/10/2022	Act adopted by Council after Parliament's 1st reading		
19/10/2022	Final act signed		
25/10/2022	Final act published in Official Journal		

Technical information

Procedure reference	2020/0310(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Legal basis	Rules of Procedure EP 41 Treaty on the Functioning of the European Union TFEU 153-p2 Treaty on the Functioning of the European Union TFEU 153-p1
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions

Stage reached in procedure	Procedure completed
Committee dossier	EMPL/9/04532

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE689.873	06/04/2021	
Amendments tabled in committee		PE692.765	18/05/2021	
Committee opinion	FEMM	PE691.369	11/10/2021	
Specific opinion	JURI	PE699.235	03/11/2021	
Committee report tabled for plenary, 1st reading/single reading		A9-0325/2021	18/11/2021	Summary
Text agreed during interinstitutional negotiations		PE734.121	15/06/2022	
Text adopted by Parliament, 1st reading/single reading		T9-0316/2022	14/09/2022	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2022)004578	15/06/2022	
Draft final act	00028/2022/LEX	19/10/2022	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2020)0682	28/10/2020	Summary
Document attached to the procedure	SEC(2020)0362	29/10/2020	
Document attached to the procedure	SWD(2020)0245	29/10/2020	
Document attached to the procedure	SWD(2020)0246	29/10/2020	
Commission response to text adopted in plenary	SP(2022)564	20/10/2022	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2020)0682	15/12/2020	
Contribution	CZ_SENATE	COM(2020)0682	22/12/2020	
Contribution	BG_PARLIAMENT	COM(2020)0682	18/01/2021	

Contribution	PT_PARLIAMENT	COM(2020)0682	20/01/2021	
Reasoned opinion	SE_PARLIAMENT	PE663.217	21/01/2021	
Reasoned opinion	MT_PARLIAMENT	PE663.386	22/01/2021	
Contribution	IT_SENATE	COM(2020)0682	25/01/2021	
Reasoned opinion	DK_PARLIAMENT	PE680.727	01/02/2021	
Contribution	IT_CHAMBER	COM(2020)0682	23/04/2021	
Contribution	IT_CHAMBER	SWD(2020)0246	23/04/2021	
Contribution	AT_NATIONALRAT	COM(2020)0682	20/05/2021	
Contribution	EL_PARLIAMENT	COM(2020)0682	02/07/2021	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR5859/2020	19/03/2021	
EESC	Economic and Social Committee: opinion, report	CES5731/2020	24/03/2021	

Additional information

Source	Document	Date
EP Research Service	Briefing	15/06/2022
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
JONGERIUS Agnes	Rapporteur	EMPL	26/01/2024	FNV
JONGERIUS Agnes	Rapporteur	EMPL	28/11/2023	ICTU
JONGERIUS Agnes	Rapporteur	EMPL	02/12/2022	EAKL Estonian Ministry of Social Affairs & Employment
JONGERIUS Agnes	Rapporteur	EMPL	17/11/2022	EZA
JONGERIUS Agnes	Rapporteur	EMPL	17/11/2022	Permanent representation of Belgium to the EU
JONGERIUS Agnes	Rapporteur	EMPL	16/11/2022	CESI
JONGERIUS Agnes	Rapporteur	EMPL	12/11/2022	Campina

JONGERIUS Agnes	Rapporteur	EMPL	27/09/2022	Permanent Representation of the Netherlands to the EU
RADTKE Dennis	Rapporteur	EMPL	06/07/2022	European Confederation of Independent Trade Unions (CESI)
JONGERIUS Agnes	Rapporteur	EMPL	16/06/2022	PES EPSCO
JONGERIUS Agnes	Rapporteur	EMPL	06/06/2022	Ministry of Social Affairs of Sweden
JONGERIUS Agnes	Rapporteur	EMPL	04/06/2022	Permanent Representation of France to the European Union
JONGERIUS Agnes	Rapporteur	EMPL	31/05/2022	Ministry of Social Affairs of Portugal
RADTKE Dennis	Rapporteur	EMPL	30/05/2022	Ständige Vertretung der Bundesrepublik Deutschland bei der EU
RADTKE Dennis	Rapporteur	EMPL	17/05/2022	Arbeiterkammer Burgenland
JONGERIUS Agnes	Rapporteur	EMPL	11/05/2022	ETUC
JONGERIUS Agnes	Rapporteur	EMPL	25/04/2022	ETUC
JONGERIUS Agnes	Rapporteur	EMPL	14/03/2022	ETF
JONGERIUS Agnes	Rapporteur	EMPL	10/03/2022	Voor 14
JONGERIUS Agnes	Rapporteur	EMPL	01/03/2022	Permanent representation of Finland to the EU
JONGERIUS Agnes	Rapporteur	EMPL	28/02/2022	Ministry of Social Affairs of the Netherlands
JONGERIUS Agnes	Rapporteur	EMPL	25/02/2022	Cabinets of Social Affairs ministers
JONGERIUS Agnes	Rapporteur	EMPL	24/02/2022	ETUC
JONGERIUS Agnes	Rapporteur	EMPL	22/02/2022	Cabinets of Social Affairs ministers
JONGERIUS Agnes	Rapporteur	EMPL	17/02/2022	Permanent Representation of France to the European Union
JONGERIUS Agnes	Rapporteur	EMPL	15/02/2022	Permanent Representation of the Netherlands to the EU
RADTKE Dennis	Rapporteur	EMPL	15/02/2022	Permanent Representation of the Kingdom of the Netherlands to the European Union
JONGERIUS Agnes	Rapporteur	EMPL	09/02/2022	Ministry of Social Affairs of France
JONGERIUS Agnes	Rapporteur	EMPL	08/02/2022	Cabinets of PES Ministers
JONGERIUS Agnes	Rapporteur	EMPL	03/02/2022	Ministry of Social Affairs of Sweden
JONGERIUS Agnes	Rapporteur	EMPL	19/01/2022	Permanent Representation of the Netherlands to the EU
JONGERIUS Agnes	Rapporteur	EMPL	14/01/2022	ETUC
RADTKE Dennis	Rapporteur	EMPL	30/11/2021	Kommissariat d dt. Bischöfe
JONGERIUS Agnes	Rapporteur	EMPL	26/11/2021	FNV
JONGERIUS Agnes	Rapporteur	EMPL	25/11/2021	Permanent Representation of France to the European Union
JONGERIUS Agnes	Rapporteur	EMPL	10/11/2021	Permanent representation of Finland to the EU
RADTKE Dennis	Rapporteur	EMPL	09/11/2021	Permanent Representation of Finland to the European Union
JONGERIUS Agnes	Rapporteur	EMPL	03/11/2021	ETUC

JONGERIUS Agnes	Rapporteur	EMPL	03/11/2021	Living wage campaign
JONGERIUS Agnes	Rapporteur	EMPL	28/10/2021	Clean Clothes Campaign
JONGERIUS Agnes	Rapporteur	EMPL	28/10/2021	Ministry of Social Affairs of Sweden
RADTKE Dennis	Rapporteur	EMPL	12/10/2021	IG Metall
JONGERIUS Agnes	Rapporteur	EMPL	12/10/2021	ETUC
JONGERIUS Agnes	Rapporteur	EMPL	12/10/2021	PES EPSCO
RADTKE Dennis	Rapporteur	EMPL	06/10/2021	BDA
RADTKE Dennis	Rapporteur	EMPL	06/10/2021	BDA Bundesvereinigung der Deutschen Arbeitgeberverbände
JONGERIUS Agnes	Rapporteur	EMPL	01/10/2021	Representative of CEEMET
JONGERIUS Agnes	Rapporteur	EMPL	01/10/2021	Permanent representation of Slovenia to the EU
JONGERIUS Agnes	Rapporteur	EMPL	27/09/2021	ETUC
JONGERIUS Agnes	Rapporteur	EMPL	14/09/2021	Permanent Representation of France to the EU
RADTKE Dennis	Rapporteur	EMPL	29/06/2021	Verdi
RADTKE Dennis	Rapporteur	EMPL	22/06/2021	UNI Global Union
RADTKE Dennis	Rapporteur	EMPL	04/06/2021	Landesverband Gartenbau Nordrhein-Westfalen e.V.
RADTKE Dennis	Rapporteur	EMPL	18/05/2021	BDA
RADTKE Dennis	Rapporteur	EMPL	14/04/2021	Gesamtmetall
RADTKE Dennis	Rapporteur	EMPL	25/02/2021	DGB
RADTKE Dennis	Rapporteur	EMPL	25/02/2021	EUROPEAN TRADE UNION CONFEDERATION
RADTKE Dennis	Rapporteur	EMPL	12/11/2020	BDA | DIE ARBEITGEBER | GERMAN EMPLOYERS

Other Members

Transparency		
Name	**Date**	**Interest representatives**
VILLUMSEN Nikolaj	09/12/2021	Fagligt Fælles Forbund
VILLUMSEN Nikolaj	01/10/2021	Fagbevægelsens Hovedorganisation
VILLUMSEN Nikolaj	22/04/2021	Fagbevægelsens Hovedorganisation
VILLUMSEN Nikolaj	15/04/2021	DA
VILLUMSEN Nikolaj	12/03/2021	Fagligt Fælles Forbund
VILLUMSEN Nikolaj	27/11/2020	Dansk Metal
VILLUMSEN Nikolaj	23/10/2020	Fagligt Fælles Forbund
VILLUMSEN Nikolaj	23/10/2020	Fagbevægelsens Hovedorganisation
VILLUMSEN Nikolaj	24/09/2020	EUROPEAN TRADE UNION CONFEDERATION

VILLUMSEN Nikolaj	22/09/2020	Fagbevægelsens Hovedorganisation
VILLUMSEN Nikolaj	18/09/2020	Fagligt Fælles Forbund
VILLUMSEN Nikolaj	28/05/2020	Oplysningsforbundet DEO
VILLUMSEN Nikolaj	04/03/2020	Fagbevægelsens Hovedorganisation

Final act	
Directive 2022/2041 OJ L 275 25.10.2022, p. 0033	Summary

Adequate minimum wages in the European Union

2020/0310(COD) - 18/11/2021 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Employment and Social Affairs adopted the report by Dennis RADTKE (EPP, DE) and Agnes JONGERIUS (S&D, NL) on the proposal for a directive of the European Parliament and of the Council on adequate minimum wages in the European Union.

The proposal for a directive establishes a framework to make minimum wages more adequate and to improve workers' access to minimum wage protection.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Framework established by the directive

According to Members, the directive should aim to improve working and living conditions in the EU for all workers, contribute to upward social convergence and reduce pay inequalities and the gender pay gap in the EU.

To this end, the Directive should establish a framework to:

- **determine the adequate and fair level of minimum wages** to ensure at least a decent standard of living for workers and their families;

- **ensure protection offered by minimum wages**, in the form of: (i) a non-discriminatory statutory minimum wage, where statutory minimum wages exist; (ii) access to collective bargaining for wage setting; and (iii) universally applicable collective agreements, where they exist.

The Directive should apply with due respect for the freedom of association and the right to collective bargaining as recognised in the Charter of Fundamental Rights of the European Union, the European Social Charter and the relevant International Labour Organisation (ILO) conventions. The social partners would retain the right to negotiate, monitor and set wages through collective agreements.

Promotion of collective bargaining for wage setting

In cooperation with the social partners, Member States should also:

- prohibit and take measures to prevent all acts which undermine the right of workers to join a trade union, or which discriminate against workers and trade union representatives participating in collective bargaining on wage setting, and ensure that all workers have appropriate access to the necessary information on their rights;

- prohibit all acts aimed at undermining collective bargaining on wage setting;

- ensure that employers provide trade union representatives with appropriate information and facilities to enable them to carry out their functions in respect of collective bargaining on wage setting;

- support compliance with applicable collective wage agreements, also along the sub-contracting chains, and the provision of collective wage agreements to employers and workers.

Action plan

Member States where the overall collective bargaining coverage regulating remuneration is less than 80% of the workers should ensure conditions conducive to the promotion of collective bargaining, in the form of an action plan, by law following consultation with and in agreement with the social partners.

The action plan should set out a **clear timeline and concrete measures** to effectively ensure the right to collective bargaining to promote and progressively increase the coverage of such collective bargaining to **at least 80% of the workers**. The action plan should be updated at least every two years, after consulting social partners, in agreement with social partners. The Commission should monitor progress and report annually to the European Parliament and the Council in this respect.

Adequacy and fairness of statutory minimum wages

Member States should ensure that statutory minimum wages are adequate and fair and guarantee a decent standard of living. Member States in which statutory minimum wages do not result from collective bargaining should put in place measures to ensure that the setting and updating of such wages contribute to **combating poverty, in particular in-work poverty**, to promoting social cohesion and to reducing wage inequalities.

National criteria

The setting and updating of wages should be based on criteria to ensure adequacy and fairness with the aim of **creating decent working and living conditions, eliminating the gender pay gap and ensuring upward convergence**, taking into account the situation of the labour market concerned.

National criteria should include: (i) the purchasing power of statutory minimum wages, taking into account the cost of living, based on a national basket of goods and services at real prices, including VAT, social security contributions and public services; (ii) the poverty rate, in particular the rate of in-work poverty.

Member States should **assess** and report on the adequacy of statutory minimum wages. Statutory minimum wages should be **updated** in a transparent way, at least once a year.

Members opposed the possibility for Member States to allow different statutory minimum wage rates for specific groups of workers or to allow statutory deductions that reduce workers' pay below the statutory minimum wage.

Monitoring compliance with the Directive

Member States that apply statutory minimum wages should increase the intensity and frequency of on-the-spot checks and inspections and ensure that sufficient resources are available to ensure that such checks and inspections are effective, dissuasive, proportionate and non-discriminatory. Members called for information to be provided in formats accessible to all, in particular to persons with disabilities, and for workers and employers to have access to mediation or dispute settlement.

Adequate minimum wages in the European Union

2020/0310(COD) - 28/10/2020 - Legislative proposal

PURPOSE: to establish a framework to improve the adequacy of minimum wages and to increase the access of workers to minimum wage protection.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: adequate minimum wages are a fundamental component of the European model of social market economy. When set at adequate levels, minimum wages protect the income of disadvantaged

workers, help ensure a decent living, and limit the fall in income during bad times. During economic recessions, such as the COVID-19 crisis, the role of minimum wages in protecting low-wage workers is essential to support a sustainable and inclusive economic recovery.

Principle 6 of the Pillar on ‘Wages’ calls for adequate minimum wages as well as for transparent and predictable wage setting to be put in place, according to national practices and respecting the autonomy of the social partners.

Minimum wage protection can be provided by collective agreements (as is the case in six Member States) or by statutory minimum wages set by law (as is the case in 21 Member States).

However, many workers are currently not protected by adequate minimum wages in the EU. In the majority of Member States with national statutory minimum wages, minimum wages are too low vis-à-vis other wages or to provide a decent living, even if they have increased in recent years. National statutory minimum wages are lower than 60% of the gross median wage and/or 50% of the gross average wage in almost all Member States. In 2018, the statutory minimum wage did not provide sufficient income for a single minimum-wage earner to reach the at-risk-of-poverty threshold in nine Member States.

In this context, the proposed directive aims to ensure that EU workers are protected by adequate minimum wages allowing for a decent living wherever they work.

IMPACT ASSESSMENT: the quantitative analysis carried out on a scenario based on a hypothetical increase of minimum wages to 60% of the gross median wage shows that it would improve the adequacy of minimum wages in about half of the Member States. Between 10 and 20 million workers would benefit from these improvements. In several countries, improvements in minimum wage protection would result in a reduction of in-work poverty and wage inequality by over 10% and a reduction in the gender pay gap by about 5% or more.

CONTENT: the proposed directive establishes minimum requirements at EU level to ensure both that minimum wages are set at an adequate level and that workers can have access to the protection offered by minimum wages, either in the form of a statutory minimum wage or in the form of wages set by collective agreements.

The proposal respects Member States' competence to set higher standards, without prejudice to the role that Member States may entrust to social partners, in accordance with national traditions and in full respect of social partners' contractual freedom.

The proposed Directive:

- would apply to workers with an employment contract or employment relationship as defined by law, collective agreements or practice in each Member State, including workers in atypical forms of employment ;

- would oblige Member States to take measures to promote the capacity of the social partners to engage in collective bargaining on wages to encourage wage bargaining.

In the case of countries where there is a legal minimum wage, the proposal:

- requires Member States to provide for national criteria for setting and updating statutory minimum wages that are defined in a stable and clear manner, regular and timely updates and the establishment of consultative bodies;

- calls on the Member States, in consultation with the social partners to: (i) limit the use of variations in minimum wages and their application over time and their extent and (ii) provide for the protection of statutory minimum wages against unjustified or disproportionate deductions;

- requires effective and timely participation of the social partners in the setting and updating of statutory minimum wages, including through participation in consultative bodies;

- Requires Member States to take the necessary measures to ensure that workers have effective access to the protection offered by statutory minimum wages (e.g. strengthening the system of controls and field inspections, informing workers about applicable statutory minimum wages).

With a view to monitoring the implementation of this Directive, the Commission should report to the European Parliament and the Council its assessment of developments in the adequacy and coverage of minimum wages on the basis of the information provided by Member States.

Adequate minimum wages in the European Union

2020/0310(COD) - 25/10/2022 - Final act

PURPOSE: to improve living and working conditions in the EU, in particular the adequacy of minimum wages for workers in order to contribute to upward social convergence and reduce wage inequality.

LEGISLATIVE ACT: Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union.

CONTENT: this Directive establishes a framework for:

- adequacy of statutory minimum wages with the aim of achieving decent living and working conditions;

- promoting collective bargaining on wage-setting;

- enhancing effective access of workers to rights to minimum wage protection where provided for in national law and/or collective agreements.

The Directive will be without prejudice to:

- the full respect for the autonomy of the social partners, as well as their right to negotiate and conclude collective agreements;

- the competence of Member States in setting the level of minimum wages, as well as to the choice of the Member States to set statutory minimum wages, to promote access to minimum wage protection provided for in collective agreements, or both.

Procedure for setting adequate statutory minimum wages

Member States with statutory minimum wages will establish the **necessary procedures for the setting and updating of statutory minimum wages**. Such setting and updating will be guided by criteria set to contribute to their adequacy, with the aim of: (i) achieving a decent standard of living, (ii) reducing in-work poverty, as well as (iii) promoting social cohesion and upward social convergence, and (iv) reducing the gender pay gap.

Updates of statutory minimum wages will take place at least every two years (or at the latest every four years for those countries which use an automatic indexation mechanism).

To guide their assessment of the adequacy of statutory minimum wages, Member States may use **indicative reference values commonly used at international level**, such as 60% of gross median wage and 50 % of the gross average wage, and/or indicative reference values used at national level.

Promotion of collective bargaining for wage-setting

Member States, with the participation of the social partners and in accordance with national law and practice, will:

- promote the capacity of the social partners to engage in collective bargaining for wage-setting;

- take measures, where appropriate, to protect the exercise of the right to collective bargaining and to protect workers and trade union representatives against acts of discrimination in employment on the grounds that they are participating or wish to participate in collective bargaining for wage fixing.

Where collective bargaining coverage is **below a threshold of 80%**, Member States will establish an **action plan** to promote collective bargaining. The action plan should set out a clear timetable and specific measures for progressively increasing collective bargaining coverage.

Member States will take the necessary measures to ensure that the social partners are involved in setting and updating statutory minimum wages.

Effective access of workers to statutory minimum wages

The Directive provides that Member States will take the following measures to enhance the effective access of workers to statutory minimum wage protection. These measures include:

- controls by labour inspectorates;

- easily accessible information on minimum wage protection and;

- developing the capability of enforcement authorities to prosecute non-compliant employers.

Right to redress and protection against adverse treatment or consequences

Workers and workers' representatives, including those who are trade union members or representatives, will be in a position to exercise their right of defence when their rights relating to minimum wage protection are provided for in national law or collective agreements and have been violated.

Member States will take the necessary measures to ensure that workers have access to effective, timely and impartial **dispute resolution** and a right to redress, as well as **effective judicial and/or administrative protection** from any form of detriment, if they decide to exercise their right of defence.

This Directive will not constitute valid grounds for reducing the general level of protection already provided to workers within Member States, in particular with regard to the lowering or abolition of minimum wages.

ENTRY INTO FORCE: 14.11.2022.

TRANSPOSITION: no later than 15.11.2024.

Adequate minimum wages in the European Union

2020/0310(COD) - 14/09/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 505 votes to 92, with 44 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council on adequate minimum wages in the European Union.

The proposal for a directive establishes a framework for making minimum wages more adequate and improving workers' access to minimum wage protection.

The European Parliament's first reading position under the ordinary legislative procedure amends the proposal as follows:

Framework established by the Directive

The Directive aims to improve living and working conditions in the Union with the objective of contributing to upward social convergence and reducing wage inequalities.

To this end, the Directive establishes a framework for:

- the **adequacy of statutory minimum wages** with a view to achieving decent living and working conditions;

- the **promotion of collective bargaining** for wage-setting;

- **enhancing effective access of workers to rights to minimum wage protection** where provided for in national law and/or collective agreements.

It is clarified that the Directive is without prejudice to the full respect of the autonomy of the social partners and their right to negotiate and conclude collective agreements. The new directive will apply to all workers in the EU who have a contract of employment or an employment relationship. Member States where the minimum wage is already protected by collective agreements will not be obliged to apply these rules or to make these agreements generally applicable.

Promotion of collective bargaining for wage-setting

To increase the coverage of collective bargaining and to facilitate the exercise of the right to collective bargaining for wage-setting, Member States, with the participation of the social partners and in accordance with national law and practice, should:

- **encourage constructive negotiations** on wages between the social partners on an equal footing, in which both parties have access to appropriate information to exercise their functions regarding collective bargaining for wage-setting;

- take measures, where appropriate, to **protect the exercise of the right to collective bargaining** and to promote collective bargaining for wage-setting.

In countries where **less than 80% of workers** are covered by collective bargaining, Member States, in collaboration with the social partners, should draw up an action plan to promote collective bargaining.

Procedure for setting adequate statutory minimum wages

Member States with statutory minimum wages should establish the necessary procedures for the setting and updating of statutory minimum wages. These procedures should be guided by criteria set to contribute to their adequacy, with the aim of achieving a decent standard of living, reducing in-work poverty, as well as promoting social cohesion and upward social convergence, and reducing the gender pay gap.

The national criteria should include at least the following elements: (a) the purchasing power of statutory minimum wages, taking into account the cost of living; (b) the general level of wages and their distribution; (c) the growth rate of wages; (d) long-term national productivity levels and developments.

Member States should use **indicative reference values** to guide their assessment of adequacy of statutory minimum wages. To that end, they may use indicative reference values commonly used at international level such as **60 % of the gross median wage and 50 % of the gross average wage**, and/or indicative reference values used at national level.

Regular and timely updates of statutory minimum wages should take place at least every two years.

Enforcement system

The amended text introduces an obligation for Member States to put in place an effective enforcement system, including reliable monitoring as well as controls and field inspections, in order to ensure compliance with these rules and to combat abusive sub-contracting, bogus self-employment, undeclared overtime or health and safety risks linked to increased work intensity.

Member States will also need to take measures to (i) ensure that, in awarding and performing **public contracts**, economic operators and their subcontractors respect the applicable obligations concerning wages and the right to collective bargaining on wage setting; and (ii) ensure that effective **data collection tools** are in place to monitor minimum wage protection.

Information on minimum wage protection

Information on statutory minimum wages and minimum wage protection provided by generally applicable collective agreements, including information on **redress mechanisms**, should be made available to the public, where necessary in the most relevant language, as determined by the Member State, in a comprehensive and easily accessible way, including to persons with disabilities.