



Legal Update

March 2018

Labor & Employment

New Employment Arrangement for the Israeli Market

On March 29, 2017, the heads of Israeli business organizations and the Histadrut General Federation of Labor signed a collective agreement for the shortening of the work week in the market, a change to the amount of overtime hours and an amendment to the arrangement under the law for nighttime employment.

Now, one year following the signing of the collective agreement, the implementation of the collective arrangement is being expressed in three different ways:

- The release of an extension order on the shortening of the work week for the entire market
- The provision of a general permit for the increase of the number of allowable overtime work hours
- The amendment to the Hours of Work and Rest Law and the amendment to the provisions on nighttime employment.

1) Extension order on the shortening of the work week for the market commencing from March 19, 2018

- The work week in the market was shortened from 43 to 42 hours.
- The shortening of the work week will be carried out by reducing one hour of work from a fixed day during the work week.
- The shortened day will be established in accordance with the needs of the work and what is accepted at the place of employment, and to the extent possible ,in accordance with

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Shortening of Work Week to 42 Hours
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Increase of the number of Allowable Overtime Work Hours
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Amendment to Nighttime Employment Provisions
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the employee's request and needs.

- If on the shortened day the employee is required to work during the reduced hour, then the employee will be paid overtime in accordance with the law.
- The employer will be allowed to change the shortened day when the demands of the work require such change. To the extent possible, the needs and requests of the employees must be considered.
- In places of employment where work is done in shifts, the employer shall determine the work hours of each shift and the work schedules in accordance with the needs of the work place and the provisions of the extension order.
- Employees who work less than 42 hours per week *before* the entering into force of the extension order: The shortening of the work week does not give these employees a claim for additional salary or the reduction of work hours.
- Accumulated rights of an employee (such as vacation and sick days) in places of work where these rights are calculated on the basis of "work hours" will correspond to the reduction of work hours.
- Employees who work for more than 42 hours per week but less than 43 hours per week: The work week will also be shortened to 42 hours. For example: An employee with a work week of 42.5 hours will benefit from a reduction of half an hour to the work week.
- Impact on the hourly wage: In accordance with the reduction of the work week, the hourly wage will be calculated on the basis of 182 work hours per month. It is noted that as of the current time, there is a **dispute regarding the interpretation of this section**, and we expect there to be updates on this matter in the future.

2) General Entitlement to Increase the Number of Overtime Work Hours

- Number of Daily Work Hours – 12 hours (regular hours

and overtime hours). This is the same arrangement that existed prior to the publication of the current general provision.

- Number of Weekly Additional Work Hours – 16 hours. This is the arrangement that increases the number of overtime weekly work hours in comparison to the previous arrangement which allowed the employment of workers for up to 15 overtime hours per week.
- Length of work week for night time employment – 58 hours maximum (regular hours and overtime hours).

3) Hours of Work and Rest Law (Amendment No. 17) – 2018

In places of employment where work is done in shifts, an employee shall not be employed during the night for more than one week during a two week period. This provision replaces the previous arrangement which provided that such worker not be employed for more than one week during a three week period.

We would be happy to answer any questions that you might have.

Sincerely,

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