

Labour Law News

In this newsletter we wish to inform you of several developments in the labour law field which occurred recently concerning the length of work week, overtime work and night work. →

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Shortening the work week to 42 hours

An expansion order regarding the shortening of the work week in the labour market (the "Order") was published on 19 March 2018 and will enter into effect on 1 April 2018. It should be noted that the Order applies to all employees in Israel subject to the Hours of Work and Rest Law - 1951.

Below are the main provisions of the Order as well as their general repercussions:

- The work week shall be shortened by one hour, from 43 hours to 42 hours, with no reduction in wages. This will be carried out by reducing one hour of work in one predetermined and permanent day of the week. Such a day will be determined by the employer, in accordance with its needs, and will (to the greatest extent possible) take into account the employees' requests and needs.
- Any work carried out during the decreased hour (on the shortened day of the week) shall entitle an employee to overtime payment.
- The hourly rate of monthly employees shall be calculated on the basis of 182 work hours per month (rather than the current 186 hours), and thus increase accordingly.
- The provisions of the Order shall not result in changes to the employment terms of

employees employed 42 hours or less prior to the commencement of the Order.

It should be noted that the Order raises several interpretative questions that have yet to be officially addressed. For example, the Order surfaces questions as to its effect on the hourly minimum wage as well as on the salary rate of hourly-paid employees engaged 43 hours a week.

In view of the above, we recommend the following:

1. Examining the present work-hour structure in the workplace and establishing, with respect to the employees that are subject to the Order one work day per week that shall be one hour shorter. It is recommended to issue an update to employees on this matter.
2. Updating the scope of working hours in future employment agreements.
3. Examining whether the global overtime component paid to employees requires updating, due to the increase in the hourly rate (and, as a result, a decrease in the hours covered, on the average, by the global overtime pay).
4. Ensuring that the pay slip system as well as the pay slips themselves are properly updated, in accordance with the Order.

A new general permit to employ overtime

In conjunction with the publication of the Order, a general permit regarding overtime work has been published. The permit (which revokes prior general permits relating to overtime work) applies both to work places that practice a five-day work week as well as those who practice a six-day work week.

According to the permit:

- The length of the work day, including overtime hours, shall not exceed 12 hours;
- An employee may not work more than 16 overtime hours per week;
- The length of the work week for an employee who performs night work, shall not exceed 58 hours, inclusive of overtime hours (please see below an update concerning 'night work').

Expanding the possibility to engage employees in 'night work'

On 13 March 2018, amendment no. 17 to the Hours of Work and Rest Law – 1951 came into effect. Among other things, the amendment establishes that, in workplaces where work is carried out in shifts, employers may require employees to perform night work at a scope of one week in every two-week period.

Prior to this amendment, employers were permitted to require employees to perform night work at a maximum scope of one week in every three-week period.

We remind you that "night work" is legally defined as work, at least two hours of which is carried out between 22:00 to 06:00.

This publication should not be regarded as legal advice or be relied upon. You should seek specific professional advice in applying the applicable law to any specific situation.

We will be happy to assist you with any question which may arise.

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