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Eurofound

Industrial relations and social dialogue

Minimum wages in 2026: Annual review

Minimum wages in 2026: Annual review

Eurofound

European Foundation for the Improvement of Living and Working Conditions

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Disclaimer: This report compares how EU Member States have approached the transposition of the Minimum Wage Directive. It is based on information provided by the Network of Eurofound Correspondents and on national regulations. While all due care has been exerted to present correct information and to process and analyse the available information adequately, it should be noted that the report provides a comparative overview of approaches based on openly available sources; it does not, however, make any judgements on whether the transposition has been carried out correctly in specific Member States. This is the role of the legal experts within the European Commission.

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Executive summary

Introduction

All EU Member States have minimum wage floors, but two main types of system can be distinguished: most Member States (22) have a national minimum wage, setting a universal wage floor in addition to those that may be negotiated by social partners; 5 Member States (and Norway) have no statutory legal rate and multiple wage floors are set through collective bargaining by social partners for various occupations and, in particular, sectors.

Policy context

Directive (EU) 2022/2041 on adequate minimum wages in the European Union (the Minimum Wage Directive), passed in 2022, provides a common framework for the setting of adequate (statutory) minimum wages, promotes collective bargaining on wage setting and seeks to ensure the effective access of workers to their rights to minimum wage protection, where such protection is provided for in national legislation and/or collective agreements. Member States were required to transpose the directive into their national regulations by 15 November 2024, and most had done so (at least partially) by the end of 2024. In 2023, Denmark (supported by Sweden) filed an action for the full or partial annulment of the directive before the Court of Justice of the European Union (CJEU). The ruling, in November 2025, upheld the validity of the most significant provisions of the Minimum Wage Directive, although it required the elimination of the list of specific elements to be included among the national criteria used to set minimum wages.

Key findings

Minimum wage rates in 2026

- Gross national minimum wage rates increased between January 2025 and January 2026 in 21 of the 22 Member States that have a national minimum wage, Romania being the only one in which the rate remained unchanged (although a 7 % hike was implemented in July as this report was being edited). As in previous years, the most significant increases took place mostly in central and eastern European Member States, which continue their upward convergence dynamic: Slovenia (16 %), Bulgaria, Slovakia, Lithuania and Hungary (around 12 % or 11 %) and Croatia and Czechia (around 8 %). Hikes of more than 8 % were also applied in Cyprus and Germany (in Cyprus, the minimum wage had been frozen in 2025, since reviews of the national minimum wage level take place every two years).
- The average magnitude of this year's increases in nominal national minimum wage rates in the Member States is only slightly below that of last year's, while inflation levels were significantly lower in January 2026 than in January 2025, which has resulted in purchasing power gains among minimum wage earners in all Member States except Romania.
- As price increases had returned to normal levels by the time of this year's uprates in January 2026, the Minimum Wage Directive (rather than inflation) appears to have been a factor driving the minimum wage increases as many Member States aimed to ensure that their nominal rates reached a certain value expressed in relation to average/median wages. This was in line with the directive's requirement that they 'use indicative reference values to guide their assessment of adequacy'.
- The Kaitz index (the ratio of the minimum wage to the average wage) has increased over the past decade in most Member States, which means that national minimum wages have grown more than average wages during this period.
- Tax and benefit systems can lead to significant differences between the gross minimum wage rate and actual take-home pay (the net minimum wage rate). In 2025, the taxation rate for minimum wage earners (including personal income tax and employee social insurance contributions and minus benefits) ranged from less than 5 % in Malta, Belgium and Luxembourg to more than 30 % in Romania, Hungary and Slovenia.

Transposition of the Minimum Wage Directive

- Following the transposition deadline in 2024, a number of Member States implemented for the first time in 2025 the new procedures under their new regulations transposing the Minimum Wage Directive. However, in terms of the process, this did not lead to major changes, and minimum wages for 2026 were largely set following the same playbook as in previous years, through consultation with or deliberation by the same actors.
- Due to the pending ruling of the CJEU on the validity of the Minimum Wage Directive, transposition processes in many Member States stalled during 2025, especially those that had not passed laws before the 2024 deadline. The notable exception was the Netherlands, which passed a bill to transpose the directive in early 2026.

- The effect of the directive on the setting of minimum wages could be clearly seen in the 2026 increases. The majority of Member States used some sort of indicative reference values in setting minimum wages for 2026.

Effects on collective bargaining

- Judging from Eurofound's database on minimum wages for low-paid workers in collective agreements, national minimum wages are increasingly catching up with collectively agreed wage floors. This often results in the compression of the pay scales negotiated by social partners at the lower end of the wage distribution, which may limit their capacity to negotiate significantly higher floors for employees with more experience and skills. This is observed across all low-paid sectors covered by the database, although labour shortages can sometimes mitigate the effect in some sectors.
- Looking at individual agreements reveals that national minimum wages increasingly influence and change collective bargaining outcomes. Observed effects include collectively agreed wage rates being tied to national minimum wages through provisions in collective agreements and an increased focus on non-wage benefits.

Policy pointers

- The Minimum Wage Directive has emerged as an important factor guiding statutory minimum wage setting, as a growing number of Member States are using its indicative reference values when deciding on their uprates. The CJEU ruling is unlikely to change this, since the mention of those reference values has been unaffected.
- The list of elements to be included among national criteria for minimum wage setting has been annulled by the CJEU ruling. It remains to be seen whether Member States that had already included them in their processes will decide to leave them in place.
- In line with the directive's provisions for Member States with collective bargaining coverage rates below 80 %, measures to enhance collective bargaining and the first action plans to promote it started to emerge in 2025. Following the CJEU ruling, which confirms the validity of the provisions on the promotion of collective bargaining, it is important that Member States actively strengthen the role of social partners and promote effective collective bargaining.
- Global tensions, such as the current Strait of Hormuz crisis, and their impact on price levels will partly determine the extent to which the trend in minimum wages in real terms described in this report will hold over the rest of 2026. During the cost-of-living crisis in the years 2022–2024, governments stepped in to protect purchasing power among minimum wage earners, in many cases hiking national minimum wages in the middle of the year. In Belgium, an automatic indexation of the minimum wage has already been triggered, in April 2026.

Introduction

As was the case in the previous year, Directive (EU) 2022/2041 on adequate minimum wages in the European Union (the Minimum Wage Directive) continued to strongly influence changes to minimum wage regulations in 2025 and the setting of new rates for 2026. Discussions about the transposition of the directive (which had to be completed by mid-November 2024) and the necessary changes to national legislation have continued among those EU Member States that had not completed its transposition before the deadline. Another significant event relating to the directive was the ruling of the Court of Justice of the European Union (CJEU), on 11 November 2025, which upheld the legal validity of the directive and resulted only in the excision of the mandatory elements that were to be included among national criteria for setting national minimum wages. The reference to indicative reference values was left unchanged, and a growing number of Member States are deciding on their national minimum wages by making use of such thresholds, setting their rates at a certain relative value defined in relation to average or median wages. This increased the size of minimum wage uprates for 2026, which continue to outpace inflation across most Member States.

Chapter 1 provides the usual comprehensive summary of recent developments in national minimum wages (and collectively agreed minimum wages in countries without a national minimum wage) between January 2025 and January 2026, in nominal and real and gross and net terms. Moreover, a longer-term perspective is adopted to characterise the trends in national minimum wages over the past decade and how changes in them compare with those in inflation and average wages.

Chapter 2 provides a detailed picture of the characteristics of and discussions around minimum-wage-setting processes for 2026. The focus is on new developments, which are partly related to the first implementation of new regulations linked to the Minimum Wage Directive, and on unusual events. The growing importance of the indicative reference values mentioned in the directive can be observed.

Chapter 3 focuses on events affecting minimum wages in the longer term: it discusses the November 2025 ruling of the CJEU on the Minimum Wage Directive and presents information about the changes to regulations and minimum-wage-setting systems that happened during 2025. It also covers noteworthy national debates during 2025 on how wage floors should be set.

Chapter 4 shines a light on the impact of national minimum wages on negotiated wages, first by using the detailed information on wage floors negotiated by social partners between 2015 and 2025 provided by the Eurofound database on minimum wages for low-paid workers in collective agreements. It then uses qualitative sources to identify particular effects and dynamics in collective bargaining that have resulted from the rising relative levels of national minimum wages.

Finally, Chapter 5 offers conclusions.

Moreover, Eurofound's minimum wage country profiles (1), updated this year, complement this report by providing detailed background information on how minimum wage setting is regulated and functions in the Member States and Norway.

(1) See https://www.eurofound.europa.eu/en/topics/minimum-wage#country-profiles.

1 Minimum wages in 2026

This chapter focuses on describing trends in minimum wages in the Member States and Norway, mainly over the past year. All these countries have minimum wage floors, but two main types of system can be distinguished: 22 Member States have a national minimum wage, setting a universal wage floor in addition to those that may be negotiated by social partners; in 5 Member States (Austria, Denmark, Finland, Italy and Sweden) and Norway, there is no statutory legal rate and multiple wage floors are set through collective bargaining by social partners in different sectors and occupations.

The chapter will cover three main areas: first, the trends in gross national minimum wages, in nominal and real terms, together with some estimates of the ratio between minimum wages and average/median wages and the incidence of minimum wage earners in the 22 Member States with a national minimum wage; second, changes in collectively agreed minimum wages in the 6 countries without a national minimum wage, in nominal and real terms; and, third, recent changes in the net values of minimum wages in the 27 Member States.

Gross national minimum wages

National minimum wages continued to grow significantly across most Member States. The magnitude of the increase applied from January 2026 was in most cases smaller than that of the increase applied in January 2025, but not much smaller generally, despite the much lower inflation levels (the annual inflation rate in the EU was slightly below 2 % in January 2026, while it was 2.8 % in January 2025). Against this background of moderating inflation levels, these increases in nominal minimum wage rates have resulted in significant gains in purchasing power among minimum wage earners. And the Minimum Wage Directive emerges as a driver of these changes, as many Member States have continued to apply uprates tied to reference values with the aim of setting their national minimum wages at a higher relative level as a percentage of average or median actual wages.

Gross nominal rates increased significantly

Table 1 provides data on the changes in gross nominal national minimum wage rates between January 2025 and January 2026 for the 22 Member States with a national minimum wage. Nominal rates increased in all but Romania (although a 7 % increase was implemented from July), albeit in varying degrees.

- Above-average increases were recorded in 10 countries, mostly central and eastern European (CEE) Member States: Slovenia (16 % ([2])); Bulgaria, Slovakia, Lithuania and Hungary (around 12 % or 11 %); Cyprus ([3]) and Germany (above 8 %), the only non-CEE Member States in this group; Croatia and Czechia (around 8 %); and Estonia (6.8 %). The uprate applied in Estonia (from April 2026, due to delayed negotiations) was only just above the average increase across the 22 Member States ([4]).
- Significant increases, although of a lower magnitude (from 6 % to 3 %) and below the average, also occurred in another nine Member States, most of them among the older EU-14 group (the 14 Member States, excluding the United Kingdom, that were part of the EU prior to the 2004 enlargement): Greece (6 %), Portugal and Latvia (above 5 %), Ireland, the Netherlands and Belgium (4 % and above), Malta and Spain (above 3 %) and Poland (3 %).
- Modest, routine increases characterise the situation in Luxembourg (2.5 %) and France (1.2 %), two of the Member States with the highest minimum wage levels, where uprates are decided on using set formulas based on objective criteria.
- Romania was the only one of the 22 Member States with a national minimum wage that decided to freeze its rate in January 2026. Nevertheless, while an 8 % increase had been decided on for 2026, effective from July, the increase turned out to be 7 %. The decision to leave the rate unchanged in January 2026 is probably due to the fact that Romania is the Member State where the rate was increased the most last year (by almost 23 %).

(2) In addition to the 16 % increase in the rate set by the government, a new law, passed in November 2025, introduced an annual winter allowance (equivalent to at least half of the national monthly minimum wage), which was to be paid for the first time in December 2025. This meant that the national minimum wage level increased by more than 20 % between January 2025 and January 2026, once the 13.5 rather than 13 yearly instalments paid in Slovenia are taken into account.

(3) In Cyprus, the legislation used to set the national minimum wage level is reviewed every two years, which means the new rate for January 2026 updates the rate set for January 2024, which remained unchanged in January 2025.

(4) This increase is included in the picture for January 2025 to January 2026 because it represents the new rate for 2026; the decision on the new rate was delayed and it could not be applied from January. The Romanian increase, applied from July 2026, is not taken into account in this year’s report because it came much later in the year and had not been applied at the time of writing. For Belgium, only the January 2026 increase is taken into account (while the automatic indexation triggered in April 2026 will be captured in next year’s report).

Table 1: Gross nominal national minimum wage rates, 22 Member States, 2025 and 2026

Member State	Converted monthly values and change			National rates and change			Change 2024–2025 (%)
	2025 (EUR)	2026 (EUR)	Change (%)	2025	2026	Change (%)	
Slovenia (*)	1 384	1 667	16.0	EUR 1 384/month	EUR 1 667/month	16.0	1.9
Bulgaria	551	620	12.6	BGN 1 077/month	EUR 620/month	12.6	15.4
Slovakia	816	915	12.1	EUR 816/month	EUR 915/month	12.1	8.8
Lithuania	1 038	1 153	11.1	EUR 1 038/month	EUR 1 153/month	11.1	12.3
Hungary	707	838	18.6	HUF 290 800/month	HUF 322 800/month	11.0	9.0
Cyprus	1 000	1 088	8.8	EUR 1 000/month	EUR 1 088/month	8.8	0.0
Germany	2 161	2 343	8.4	EUR 12.82/hour	EUR 13.90/hour	8.4	3.3
Croatia	970	1 050	8.2	EUR 970/month	EUR 1 050/month	8.2	15.5
Czechia	826	924	11.9	CZK 20 800/month	CZK 22 400/month	7.7	10.1
Estonia	886	946	6.8	EUR 886/month	EUR 946/month	6.8	8.0
Greece	968	1 027	6.0	EUR 968/month	EUR 1 027/month	6.0	6.4
Portugal	1 015	1 073	5.7	EUR 1 015/month	EUR 1 073/month	5.7	6.1
Latvia	740	780	5.4	EUR 740/month	EUR 780/month	5.4	5.7
Ireland	2 282	2 391	4.8	EUR 13.50/hour	EUR 14.15/hour	4.8	6.3
Netherlands	2 193	2 295	4.6	EUR 14.06/hour	EUR 14.71/hour	4.6	6.0
Belgium	2 070	2 154	4.0	EUR 2 070/month	EUR 2 154/month	4.0	3.8
Malta	961	994	3.5	EUR 221.78/week	EUR 229.44/week	3.5	3.9
Spain	1 381	1 425	3.1	EUR 1 381/month	EUR 1 425/month	3.1	4.4
Poland	1 091	1 139	4.3	PLN 4 666/month	PLN 4 806/month	3.0	10.0
Luxembourg	2 638	2 704	2.5	EUR 2 638/month	EUR 2 704/month	2.5	2.6
France	1 802	1 823	1.2	EUR 1 802/month	EUR 1 823/month	1.2	2.0
Romania	814	795	– 2.4	RON 4 050/month	RON 4 050/month	0.0	22.7

(*) In Slovenia, the value for January 2025 was calculated assuming 13 instalments per year, while that for January 2026 assumes 13.5 instalments per year, after a new winter allowance was introduced in November 2025 and paid for the first time in December 2025. This translates in fact to an increase of over 20 % in the rate of the minimum wage between January 2025 and 2026, although the table reports only the 16 % hike implemented by the government in January 2026.

Notes: 2025 data refer to January 2025 and 2026 data refer to January 2026 (except for Estonia, for which April 2026 is used instead; see below). The columns headed 'Change (%)' present the growth rates between 2025 and 2026. The last column, 'Change 2024–2025 (%)', shows growth rates between January 2024 and January 2025, in national currencies. In most cases, the increase between 2025 and 2026 is due only to a single uprate in January 2026, with some exceptions: the increase occurred in April 2025 in Greece and in May 2025 in Luxembourg; the increase was applied from April 2026 instead of January in Estonia; two increases took place in Belgium (in February 2025 and January 2026) and in the Netherlands (in July 2025 and January 2026). Regarding the converted values, rates for Member States not in the euro area (Czechia, Hungary, Poland and Romania, and Bulgaria in 2025) were calculated to euro by applying the exchange rate applicable at the end of the previous month (December 2024 for 2025 values and December 2025 for 2026 values). Rates for Member States with more than 12 wage payments per year (Greece, Portugal, Slovenia and Spain) were calculated by dividing the annual sum of the minimum wage by 12. Rates for Member States where the minimum wage is defined as an hourly rate (Germany, Ireland and the Netherlands) were converted to monthly rates by applying the average number of usual weekly hours as specified in Eurostat metadata on minimum wages. The rate for Malta was converted from a weekly rate to a monthly rate based on weeks per calendar month (by multiplying by 52/12). The Member States are ordered by the magnitude of the change in their national minimum wages, in national currencies, between 2025 and 2026.

Sources: Network of Eurofound Correspondents and Eurofound calculations.

The average magnitude of this year's uprates in nominal national minimum wage rates is only a little below that of last year's: the average increase between January 2025 and January 2026 was 6.7 % (the median was 5.9 %), while that between January 2024 and January 2025 was 7.5 % (the median was 6.2 %). Increases were smaller this year than last year in most Member States, although in most cases the reduction in magnitude was rather modest. There were some exceptions where the slowdown was significant (Croatia, Poland and Romania, with the minimum wage remaining the same in January 2026 in the latter case). In some Member States, this year's increase surpassed that of last year (Slovenia, Germany, Slovakia, Hungary and Belgium, and also Cyprus, due to adjustments to the rates taking place every second year).

There has been sustained growth in nominal national minimum wage rates, while inflation levels were significantly lower at the beginning of the year than they were a year ago: the annual inflation rate in the EU in January 2026 was less than 2 %, well below that of January 2025 (2.8 %). With price increases returning to normal levels, the Minimum Wage Directive this year played a more important role in influencing minimum wage uprates, as many Member States have adopted increases aimed at ensuring that their nominal rates reach a certain value expressed as a proportion of average/median wages, in line with the directive's requirement that Member States 'use indicative reference values to guide their assessment of adequacy'. This will be explained further in Chapter 2 of this report.

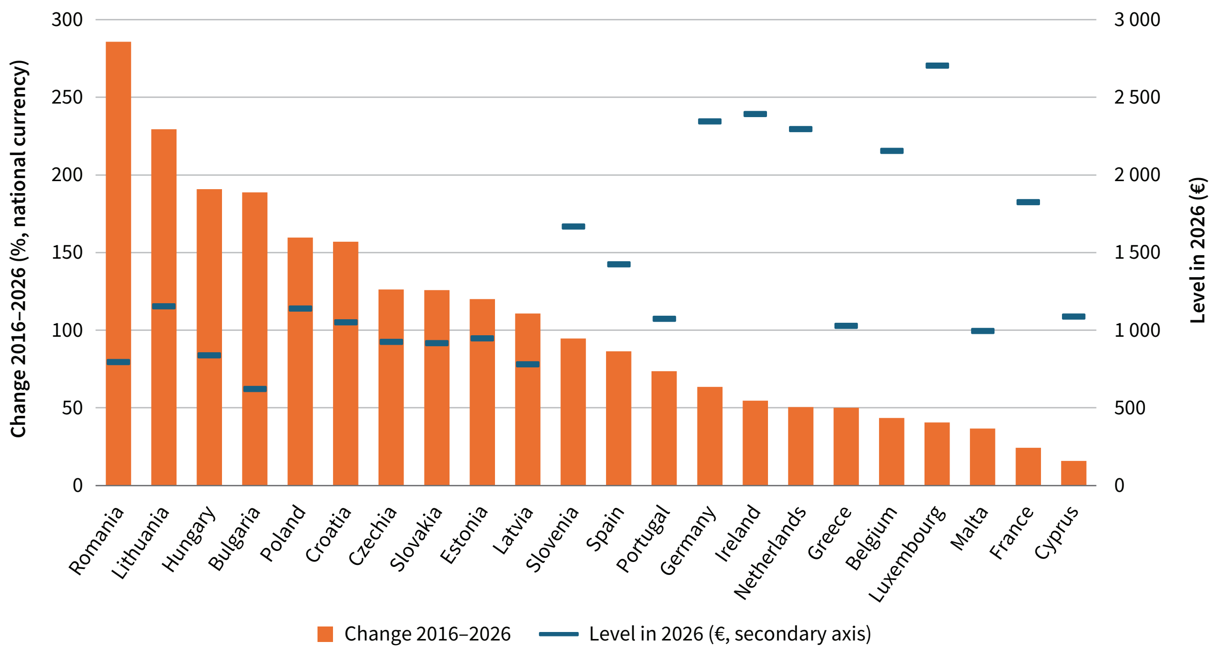
A persistent regional pattern

A clear regional picture emerges: most of the largest hikes observed this year took place in the newer Member States (those that joined in 2004 or later, the EU-13), while uprates tended to be more moderate among the older Member States (the EU-14). This consolidates an ongoing trend, which can be very clearly seen in the accumulated change in national minimum wages over the past 10 years (Figure 1). Two main insights emerge.

First, the progress on nominal national minimum wage levels in CEE Member States over the past decade stands out. Nominal rates have more than tripled in Romania and Lithuania and more than doubled in Hungary, Bulgaria, Poland, Croatia, Czechia, Slovakia, Estonia and Latvia. Progress has also been significant in Slovenia (and in Cyprus, where a statutory rate was introduced only in 2023), while Malta is the only new Member State where progress has been moderate. By contrast, the change has generally been much more moderate in EU-14 Member States, especially in the Benelux countries and France. This regional picture is not (significantly) explained by inflation differentials, since CEE Member States have also achieved upward convergence when minimum wage levels are expressed in real terms, as will be shown.

Second, these developments indicate a strong pattern of convergence in the EU, since minimum wage levels in CEE Member States were much lower at the beginning of the period than those in EU-14 Member States. Despite this process of convergence, disparities among Member States in nominal minimum wage levels still remain significant, as illustrated in Figure 1 and discussed in Box 1.

Figure 1: Gross nominal national minimum wage: level in 2026 (EUR) and change over the past decade (%), 22 Member States



Notes: 2026 data refer to January 2026 (April in the case of Estonia) and 2016 data refer to January 2016 (January 2023 in the case of Cyprus, as its statutory minimum wage was introduced that year). The Member States are ordered by the rate of growth in nominal national minimum wages between 2016 and 2026. The rate of growth is measured using national currency. 2026 data for Slovenia are based on 13.5 instalments per year (instead of 13), following the introduction of the new winter allowance, paid from December 2025.

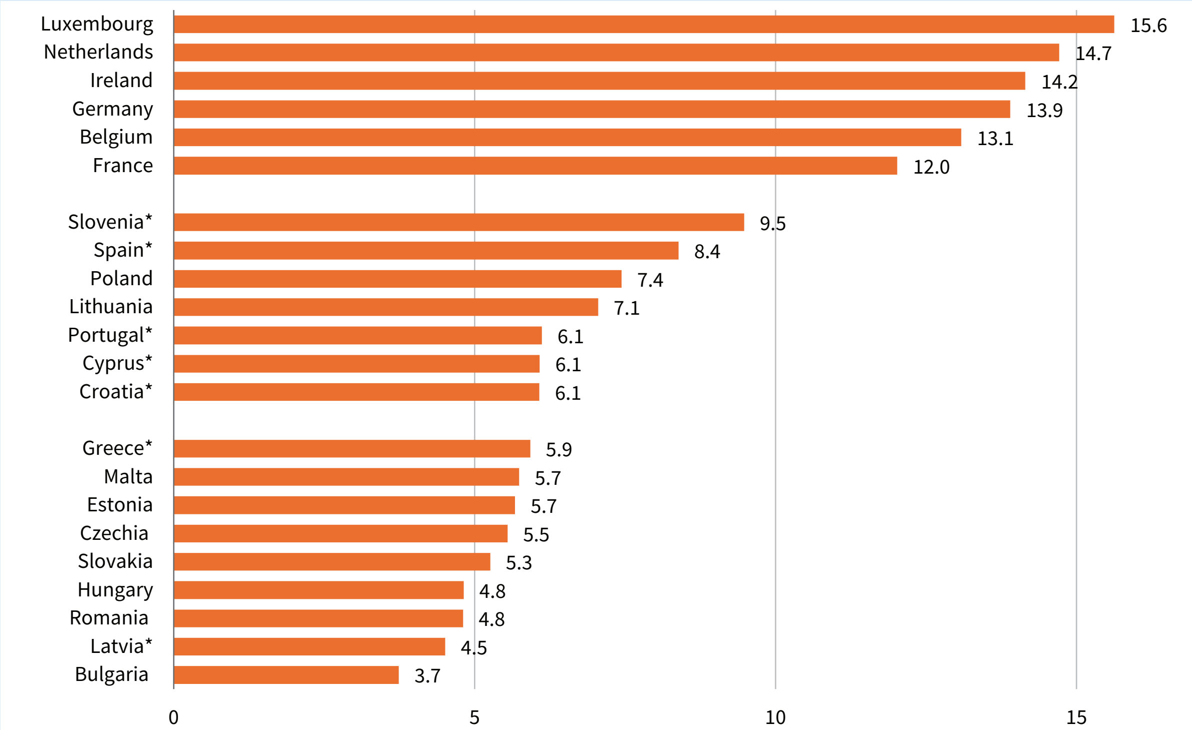
Sources: Network of Eurofound Correspondents and Eurofound calculations.

Box 1: Differences among Member States in hourly national minimum wage levels are still significant

Although the disparities among Member States in the levels of national minimum wages have already been presented above (Table 1), data on the nominal hourly rates provide a more direct picture, better suited to reflecting the situation of minimum wage earners working part-time or reduced hours. Figure 2 shows significant differences among Member States.

- Hourly rates are highest (from more than EUR 15 to EUR 12) in a group of six EU-14 Member States. In this group, nominal rates are just over EUR 15.60 in Luxembourg, almost EUR 15 in the Netherlands, around EUR 14 in Ireland and Germany, just over EUR 13 in Belgium and EUR 12 in France ([5]).
- Hourly rates range from just under EUR 9.50 to just over EUR 6 in a group of seven Member States. This group includes Mediterranean countries in the EU-14 and newer Member States in the EU-13. The hourly rates are just under EUR 9.50 in Slovenia, over EUR 8 in Spain, over EUR 7 in Poland and Lithuania, and just over EUR 6 in Portugal, Cyprus and Croatia.
- Lastly, hourly rates are lowest (below EUR 6) in a group of nine Member States, mainly in the EU-13: almost EUR 6 in Greece (the only EU-14 Member State in this group), Malta and Estonia, and then, in six CEE Member States, ranging from just over EUR 5.50 in Czechia to EUR 3.74 in Bulgaria.

Figure 2: Gross hourly national minimum wage, in nominal terms, 22 Member States, January 2026 (EUR)



(*) In most Member States, hourly minimum wages are legally set at certain rates, sometimes in addition to a monthly rate. For the Member States marked with an asterisk, however, rates have been converted to an hourly rate using the average number of usual weekly hours of work (Eurostat (lfsa_ewhun2)) and 4.33 weeks of work per calendar month. This conversion is based on the average hours worked among all employees, so it could result in an underestimation of minimum wage hourly rates in Member States where working hours among minimum wage workers are below the national average.

Notes: Data refer to January 2026, except for Estonia (April 2026). Data for Slovenia assume 13.5 instalments per year (instead of 13), following the introduction of the new winter allowance, paid from December 2025.

Sources: Network of Eurofound Correspondents, Eurostat and Eurofound calculations.

([5]) As a result of an automatic indexation from April 2026, the current hourly rate for Belgium is EUR 13.30 (the monthly rate is EUR 2 189.81). These national minima rates (as shown here and in Table 1) refer to the national minimum wage (known as the GAMMI, the guaranteed average minimum monthly income), which applies to private sector employees over the age of 18 with an employment contract, as outlined in Collective Agreement No 43. Public sector employees are covered by higher wage floors set by law.

National sub-minimum and higher rates

The national minimum wage rates discussed above set a wage threshold that every employment relationship should meet. However, there are some exceptions to the applicability of the universal wage floor in some Member States, which set lower rates (sub-minimum rates) for specific groups of employees.

Those targeted are typically the youngest people, the rationale being that their employment prospects can be improved by lowering the cost to employers of hiring them. This explains why many Member States introduced sub-minimum rates, particularly against the background of the Great Recession (2007–2009) and its aftermath; the objective was to improve the poor employment outcomes affecting some segments of the workforce, especially the youngest group and lower-skilled workers. As labour markets recovered from the mid-2010s onwards, sub-minimum rates were gradually phased out by many Member States. With the employment situation improving among all groups, the policy discussion has shifted towards the question of whether those sub-minimum rates entail discrimination, since they allow certain groups to be employed at a rate below the general threshold set by the national minimum wage. This change in policy focus has been underpinned by the 2022 Minimum Wage Directive, which discourages the use of sub-minimum rates, stating that 'it is important to avoid variations and deductions being used widely, as they risk having a negative impact on the adequacy of minimum wages' (recital 29).

Table 2 presents information on the sub-minimum rates in effect in January 2026 across some of the 22 Member States with a national minimum wage. Most of them apply to younger workers. In France, the lower rates applying to the department of Mayotte went up from 76 % to 87.5 % of the statutory French minimum wage (SMIC) between January 2025 and January 2026. In the Netherlands, changes to sub-minimum rates will apply from 1 January 2027 onwards, when the relative thresholds (expressed as a percentage of the full rate) will increase so that the gap with the national minimum wage will narrow. In Ireland, the government deferred the decision to abolish the sub-minimum rate for younger workers, a choice made as part of a package of measures intended to preserve Ireland's competitiveness.

Table 2: Sub-minimum rates in certain Member States, January 2026

Member State	Group of workers	Percentage of full rate
Belgium	Workers aged 16 or younger (with or without a student contract)	67
	Workers aged 17 (with or without a student contract)	73
	Workers aged 18 (with a student contract)	79
	Workers aged 19 (with a student contract)	85
	Workers aged 20 (with a student contract)	90
Cyprus	Workers under 18, for casual work not exceeding two continuous months	75
	Workers for whom the employer provides meals and/or accommodation	75
France	People aged 15–17 with less than six months of experience in the sector	80 (15 or 16 years) or 90 (17 years)
	People under 16 working during summer holidays	80
	Young people on professionalisation contracts ([a]) (rate depending on age and previous qualifications)	55–100
	Apprentices, depending on age, seniority and the applicable sectoral agreement	27–78
	Trainees	Not applicable ([b])
	Workers with disabilities employed in specific centres dedicated to the inclusion of such workers	55.7–110.7
	Employees working in the department of Mayotte	87.5
Ireland	Workers aged under 18	70
	Workers aged 18	80
	Workers aged 19	90
Latvia	Convicted people (serving a sentence in a prison)	50
Luxembourg	Workers aged 15 or 16	75
	Workers aged 17	80

Member State	Group of workers	Percentage of full rate
Malta	Workers aged under 17 (in the absence of an applicable wage regulation order)	95.81
	Workers aged 17 (in the absence of an applicable wage regulation order)	97.04
Netherlands	Workers aged 15	30
	Workers aged 16	34.5
	Workers aged 17	39.5
	Workers aged 18	50
	Workers aged 19	60
	Workers aged 20	80
	Apprentices aged 18	45.5
	Apprentices aged 19	52.5
	Apprentices aged 20	61.5
Portugal	Workers in apprenticeships and internships	80
	Workers with disabilities	50

([a]) These contracts enable young employees in France to work while acquiring a professional qualification and are intended to promote the integration or reintegration of young people into the workforce.

([b]) Trainees may not be paid if they work for less than two months. If they work for more than two months, they receive EUR 4.35 per hour.

Source: Network of Eurofound Correspondents, based on national official sources.

A few Member States set rates above the national minimum wage threshold for specific groups of workers, based on occupational categories, seniority, qualifications or the level of job demands (Table 3).

- Hungary and Luxembourg set higher rates for employees depending on their level of skills and qualifications: Hungary applies different national minimum wage rates for skilled and unskilled employees (that for skilled workers is higher and applies to most workers, since a majority of them have some type of training, while that for unskilled workers is the official rate, even though it applies to fewer people); in Luxembourg, a recognised official certificate for the relevant profession (such as a vocational skills certificate or diploma) determines 'qualified' status (which can also be obtained via a specified number of years of practical professional experience).
- In Czechia and Slovakia, different wage floors (known as 'guaranteed wages') exist above the national minimum wage threshold; these become higher with the degree of job demands. In the case of Czechia, there was a move in 2025 from eight to four categories of jobs (graded according to the level of difficulty, responsibility and arduousness of the work) in the public sector only.
- In Romania, there is a higher national minimum wage rate for construction workers. The absolute level of the rate was frozen in 2025 (and all tax breaks were cancelled), so that it will eventually be overtaken by the statutory minimum wage (as happened with the former special rate for workers in the agriculture and food industry, which was discontinued). This is expected to happen around 2027 or 2028.

Table 3: Higher minimum rates in certain Member States, January 2026

Member State	Group of workers	Percentage of full rate
Czechia	Public sector jobs requiring primary education	100
	Public sector jobs requiring secondary education with or without an apprenticeship certificate	120
	Public sector jobs requiring secondary education with a school-leaving examination and higher vocational education	140
	Public sector jobs requiring higher education (a university degree, whether bachelor's or master's)	160
Hungary	Skilled workers in receipt of the 'guaranteed wage minimum'	120
Luxembourg	Qualified workers aged 18+	120
Romania	Construction workers	113
Slovakia	Job demands level 1: for example, performance of ancillary, preparatory work or handling activities according to specific instructions	100
	Job demands level 2: for example, performance of integrated routine service activities or routine professional activities, to be carried out according to instructions provided	113
	Job demands level 3: for example, performance of heterogeneous or comprehensive professional work or independent management of less complicated tasks	125
	Job demands level 4: for example, independent management of professional business or performance of partially conceptual, systemic or methodical work requiring increased mental effort	138
	Job demands level 5: for example, performance of specialised systemic, conceptual, creative or methodical work requiring a high level of mental effort	151
	Job demands level 6: for example, creative performance of tasks in a non-routine manner, including problem solving, without specified outputs and with a high rate of liability for damages and significant societal implications	163

Source: Network of Eurofound Correspondents, based on national official sources.

Minimum wage earners continued to gain purchasing power

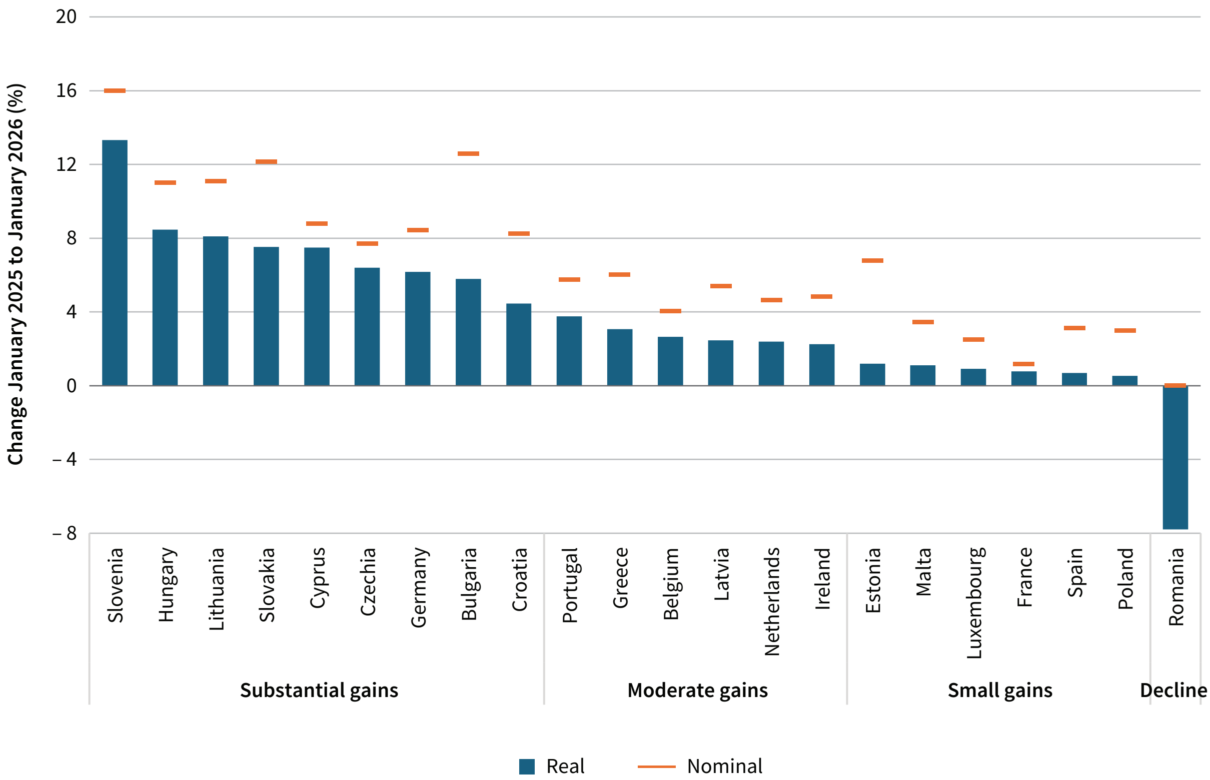
As mentioned earlier, this year's increases in the nominal rates of national minimum wages were on average only a little below those of the previous year (the median increase was 5.9 % between January 2025 and January 2026, slightly below the 6.2 % increase between January 2024 and January 2025). The slowdown in inflation levels has been much more marked, since the inflation rate in the EU fell from 2.8 % in January 2025 to below 2 % in January 2026. As a result, the emerging picture is again one of generalised gains in purchasing power among minimum wage earners.

National minimum wages increased in real terms between January 2025 and January 2026 in all the 22 Member States but Romania (Figure 3).

- The most significant increases (of around 5 % and above) occurred mostly in newer Member States: Slovenia (above 13 % ([6])), Hungary and Lithuania (above 8 %), Slovakia and Cyprus (above 7 %), Czechia and Bulgaria (around 6 %) and Croatia (below 5 %). Germany (above 6 %) is the only EU-14 Member State in this group.
- Moderate gains (of around 4–2 %) took place in several EU-14 Member States – Portugal, Greece, Belgium, the Netherlands and Ireland – and also in Latvia.
- Modest improvements were registered in Spain and Poland, and also in several Member States that use formulas to set minimum wages and ensure they keep up with inflation (Malta, Luxembourg and France). There was also a small increase in purchasing power in Estonia, although in this case changes are measured from January 2025 to April 2026, since the uprate to the national minimum wage for 2026 was delayed until April.
- The purchasing power of minimum wage earners deteriorated only in Romania. However, this will be (partially) offset by the increase in the nominal rate from July (which was planned to be 8 % but turned out to be 7 %), although this will depend on how the inflation rate develops.

([6]) This increase in purchasing power of over 13 % for minimum wage earners is based on the 16 % hike in the nominal rate set by the government in January 2026. However, once the new winter allowance mentioned above is taken into account, the increase in the nominal rate between January 2025 and January 2026 is above 20 %, resulting in a purchasing power gain of almost 18 %.

Figure 3: Gains in purchasing power among minimum wage earners: rate of change in the gross national minimum wage, in real and nominal terms, 22 Member States, January 2025 to January 2026 (%)



Notes: Data refer to the growth rate between January 2025 and January 2026 (except for Estonia, for which April 2026 is used). Real values have been calculated by deflating nominal rates using monthly data from Eurostat's harmonised index of consumer prices (HICP), which can give slightly different results from calculations based on national non-harmonised consumer price indices. The Member States are ordered by the magnitude of the increase in real terms and are grouped into four clusters. The 22 Member States with a national minimum wage are included. Data for Slovenia are based on the new nominal rate set by the government in January 2026 (excluding the effect of the new winter allowance, paid from December 2025).

Sources: Network of Eurofound Correspondents, Eurostat for HICP data (prc_hicp_minr) and Eurofound calculations.

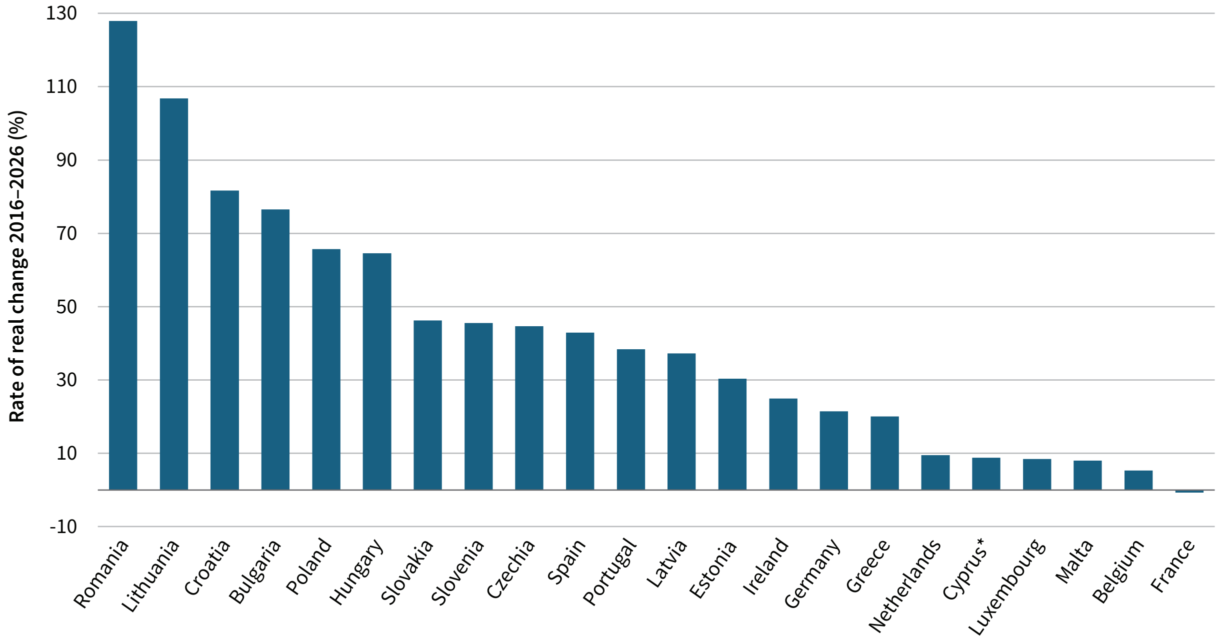
The figures observed this year reinforce the generalised trend of gains in purchasing power among most Member States that has been noted over the past three years, in 2024, 2025 and 2026 (see Eurofound, 2024a, 2025a). When taking a longer view, over a decade, it can be clearly seen that the same regional pattern is emerging (Figure 4).

On the one hand, the purchasing power of minimum wage earners in CEE Member States has greatly improved (although from relatively low initial levels). It has more than doubled in Romania and Lithuania and has nearly doubled in Croatia and Bulgaria; it has increased by more than 60 % in Poland and Hungary and more than 40 % in Slovakia, Slovenia and Czechia. Progress has been significant (around 40 %) in Latvia and in two older Member States: Spain and Portugal.

On the other hand, purchasing power among minimum wage earners has grown more modestly in EU-14 Member States such as Ireland, Germany and Greece (and also Estonia among the EU-13), and particularly in the Benelux countries (and Malta). France is the only Member State where purchasing power among minimum wage earners has actually declined, albeit negligibly, over the past decade, although this is due to the relative level of the nominal rate being high and the government ensuring that this threshold just keeps up with inflation.

Inflation levels started to rise significantly again from March 2026, as a result of the energy crisis caused by the closure of the Strait of Hormuz. This could significantly affect the picture of gains in purchasing power among minimum wage earners that has been provided here, as higher price levels could counteract the increases in nominal rates set for January 2026. Therefore, at the time of writing, there is uncertainty about how inflation will develop over the course of 2026 and whether governments will have to step in to protect the levels of national minimum wages in real terms, as happened during the cost-of-living crisis in 2021–2024. An automatic indexation of the national minimum wage has already been triggered in Belgium, from April 2026, due to growing inflation levels. Box 2 provides a detailed picture of trends in national minimum wages in real terms over the past decade and how purchasing power was protected by governments during the cost-of-living crisis.

Figure 4: Gains in purchasing power among minimum wage earners: rate of change in the gross national minimum wage, in real terms, 22 Member States, January 2016 to January 2026 (%)



(*) Cyprus introduced its minimum wage only in 2023.

Notes: Data refer to the growth rate between January 2016 (January 2023 for Cyprus) and January 2026 (April 2026 for Estonia). Real values have been calculated by deflating nominal rates using monthly data from Eurostat's HICP, which can give slightly different results from calculations based on national non-harmonised consumer price indices. The Member States are ordered by the magnitude of the increase in real terms. The 22 Member States with a national minimum wage are included. Data for Slovenia in January 2026 assume 13.5 instalments per year (instead of 13), following the introduction of the new winter allowance, paid from December 2025.

Sources: Network of Eurofound Correspondents, Eurostat for HICP data (prc_hicp_minr) and Eurofound calculations.

Box 2: National minimum wages have grown faster than inflation over the past decade

A detailed illustration of the trends in national minimum wages between 2016 and 2026 is provided in Figure 5, offering data on national minimum wages in nominal and real terms and comparing them with actual average wages among all employees.

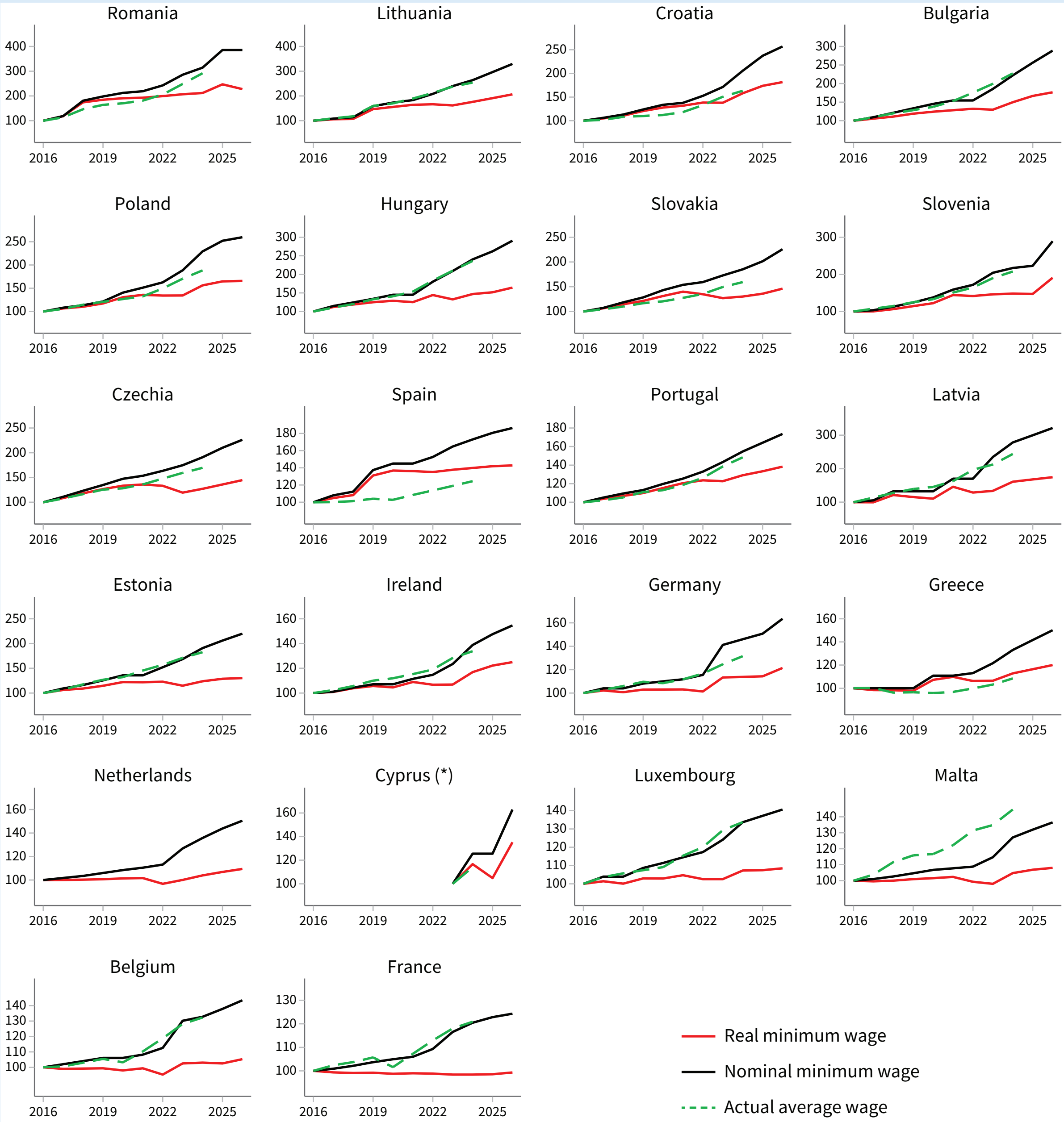
As has been explained, growth in nominal minimum wages has outpaced inflation between 2016 and 2026 in virtually all Member States with a national minimum wage, with the only exception being France. Member States are ordered in the figure based on the magnitude of the increase in purchasing power among minimum wage earners over the past decade, illustrating the clear regional divide already discussed between the older and the newer Member States. However, the growth in national minimum wages in real terms has not been linear and three main sub-periods can be distinguished.

- First, significant gains occurred across most Member States between 2016 and 2021, against a background of notable hikes to nominal rates by governments and continuing relatively low inflation. This progress was somewhat more moderate in 2020 and 2021 (around 3 % on average, down from 5 % in the previous years), mainly due to governments being more cautious when setting nominal rates against the background of the pandemic.
- Second, a cost-of-living crisis emerged in the period 2021–2024, as inflation soared from the end of 2021. As this initially caught some governments by surprise and uprates for the following year had already been discussed, purchasing power among minimum wage earners declined in many Member States in 2022. This occurred in only a few Member States (mainly CEE countries) in 2023, as governments were more aware of the issue and better prepared to step in and tackle inflation levels. Finally, governments increased their nominal rates very decisively in 2024 to compensate for the cost-of-living crisis of the previous two years, which resulted in large gains in purchasing power among minimum wage earners (almost 7 % on average) as

inflation started to moderate significantly. Overall, governments were very proactive during the cost-of-living crisis and in most Member States they managed to not only protect but improve the purchasing power of minimum wage earners between 2021 and 2024. Slovakia and Czechia were the exceptions, as reflected in Figure 6. These were very determined policy interventions, since the necessary hikes in nominal rates to protect purchasing power among minimum wage earners were of a large magnitude.

- Third, the gains in purchasing power in most Member States that took place in 2024 have continued until now. Inflation levels moderated further in 2025 and 2026, to a larger extent than increases in nominal minimum wages, which has resulted in a continuation of growth in real rates (see Eurofound, 2024a, 2025a).

Figure 5: Trends in the national minimum wage, in real and nominal terms, and the actual average wage, 22 Member States, 2016–2026 (index, 2016 = 100)

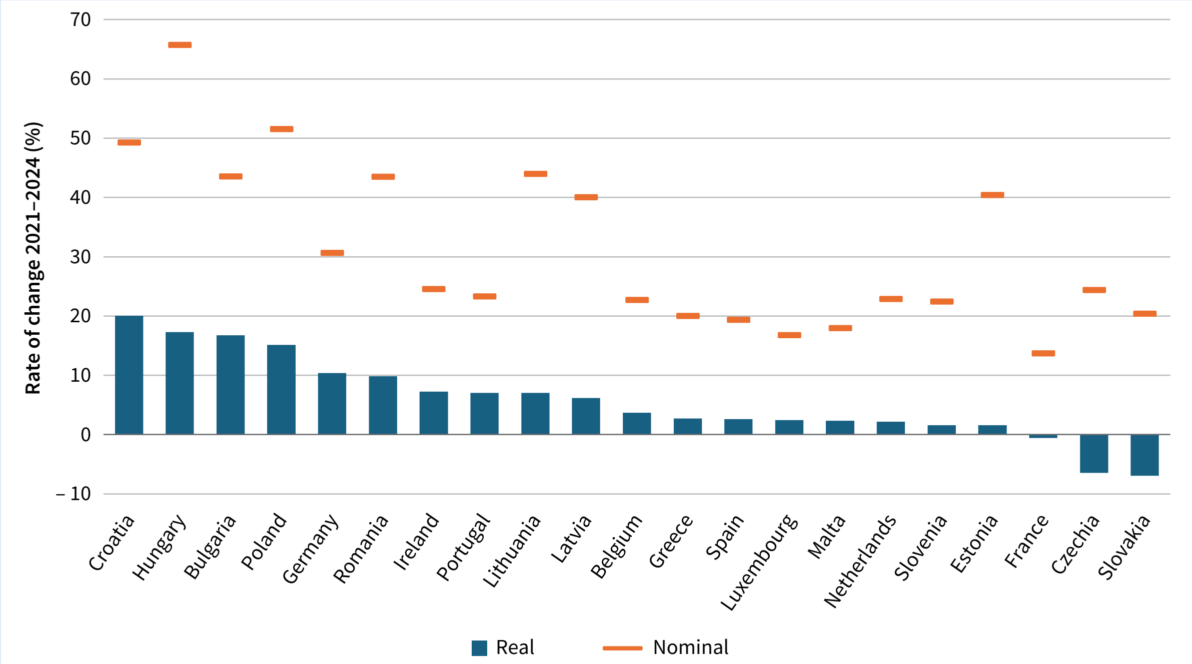


(*) Cyprus introduced its minimum wage only in 2023.

Notes: For national minimum wages, data for January in each year have been used (except for Estonia in 2026, for which April has been used instead). Real values have been calculated by deflating nominal rates using monthly data from Eurostat's HICP, which can give slightly different results from calculations based on national non-harmonised consumer price indices. The Member States are ordered by the magnitude of the increase in real terms between 2016 and 2026. The 22 Member States with a national minimum wage are included. Average wage data from national accounts are available only up to 2024 and are missing for the Netherlands. Data for Slovenia in January 2026 assume 13.5 instalments per year (instead of 13), following the introduction of the new winter allowance, paid from December 2025.

Sources: Network of Eurofound Correspondents for minimum wages, Eurostat for HICP data (prc_hicp_minr) and for average wage data from national accounts (nama_10_fte) and Eurofound calculations.

Figure 6: Gains in purchasing power among minimum wage earners during the cost-of-living crisis: rate of change in the gross national minimum wage, in real and nominal terms, 21 Member States, January 2021 to January 2024 (%)



Notes: Data refer to the growth rate between January 2021 and January 2024. Real values have been calculated by deflating nominal rates using monthly data from Eurostat's HICP, which can give slightly different results from calculations based on national non-harmonised consumer price indices. The Member States are ordered by the magnitude of the increase in real terms. Of the Member States with a national minimum wage, 21 are included (Cyprus has been excluded because it adopted its minimum wage only in January 2023).

Sources: Network of Eurofound Correspondents, Eurostat for HICP data (prc_hicp_minr) and Eurofound calculations.

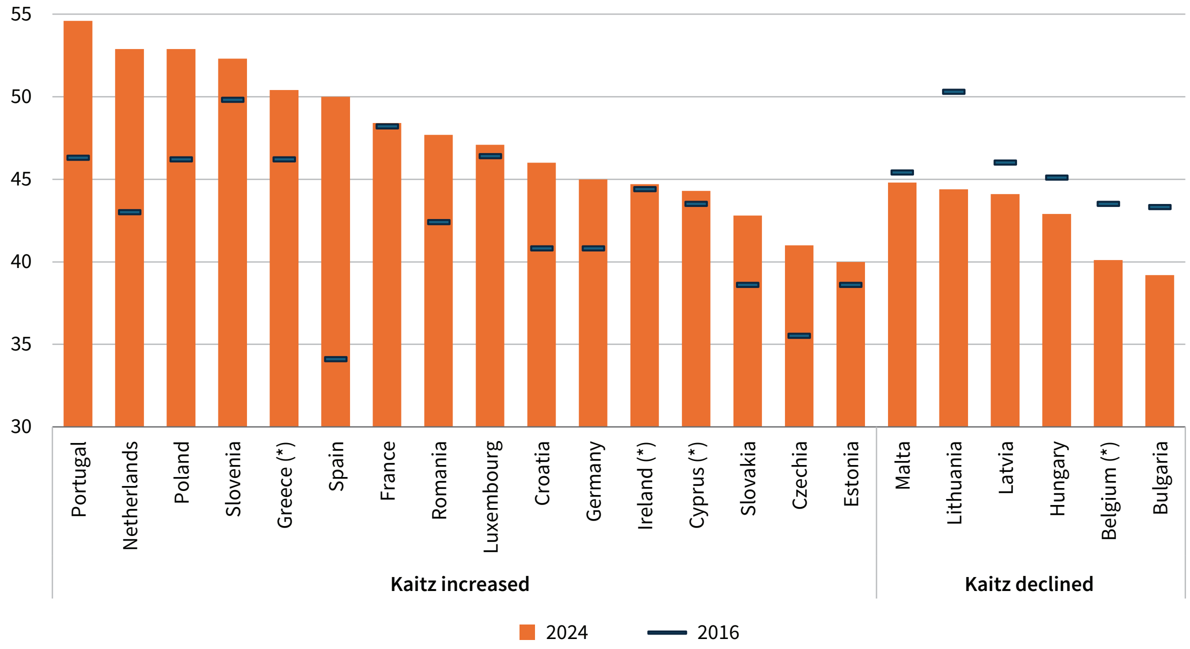
Another insight from Figure 5 is that minimum wage earners have seen their pay levels grow more than those of the general working population. This has occurred in most of the Member States, and in particular in Spain, Greece, Germany and some CEE countries (Croatia, Poland, Slovakia and Czechia), where growth in nominal minimum wage rates outpaced that in average actual wage levels among all employees by a significant margin between 2016 and 2024. There are only a few Member States where the growth in the national minimum wage is around the same as that in the average actual wage (Belgium, Bulgaria, France and Luxembourg) or even lower (Malta). The next section explores this further by looking at Kaitz index values for the Member States using a different data source. Past Eurofound research has shown that the increase in national minimum wages over the past decade has also tended to be greater than that in labour productivity in a majority of Member States, except in some western European countries (Eurofound, 2024a).

Minimum wages in relation to actual wages

The notable progress in recent years on national minimum wage levels, which have grown more than average wages in many Member States, means that minimum wage levels are beginning to bite more (i.e. they are becoming more binding). In other words, the level of the minimum wage relative to the rest of the wage distribution is becoming higher in many Member States. This is reflected by the Kaitz index, which is calculated as the ratio between the national minimum wage and the average or median wage, and which has been growing in most Member States over the past two decades (see Eurofound, 2025a).

Kaitz index data have been gaining attention in the Member States because the Minimum Wage Directive, which seeks to ensure that statutory minimum wages are set at adequate levels, requires Member States to use indicative reference values in assessing the adequacy of minimum wage rates; examples of such reference values provided in the directive are 60 % of the gross median wage and 50 % of the gross average wage. These indicative reference values were not modified by the recent ruling of the CJEU, since the directive does not make the use of these particular reference values mandatory. Nevertheless, such values are becoming more relevant because an increasing

Figure 7: The Kaitz index: ratio of the national minimum wage to the average wage, 22 Member States, 2016 and 2024 (%)



(*) The reference years differ for some Member States: 2018 and 2022 for Belgium; 2023 and 2024 for Cyprus; 2018 and 2019 for Greece; 2020 instead of 2024 for Ireland.

Notes: The Kaitz index values depicted in this figure express the national minimum wage as a percentage of the average wage in the Member State in question (values from 0 % to 100 %). The 22 Member States are split into two groups based on the direction of change and then ordered within each group by 2024 Kaitz index value from highest to lowest.

Sources: Eurostat and Eurofound calculations.

number of Member States are using such thresholds when deciding on their national minimum wage uprates (see Chapter 2 for more details).

Figure 7 depicts the latest estimates of the Kaitz index (expressing the minimum wage as a percentage of the average wage) in Member States with a national minimum wage, based on Eurostat data. Two main insights emerge. First, there are notable differences among Member States, with Kaitz index values in 2024 ranging from 50 % or above for six of them (Portugal, the Netherlands, Poland, Slovenia, Greece and Spain) to 40 % or below for Estonia, Belgium and Bulgaria. Second, the Kaitz index increased in most Member States between 2016 and 2024, reflecting the larger growth in national minimum wages than in average wages. This was the case in particular in Spain, the Netherlands and Portugal, although it occurred to varying degrees in 16 of the Member States with a national minimum wage. There are only six countries, almost all of them newer Member States, where the Kaitz index declined over 2016–2024: Lithuania and Bulgaria saw the largest decreases, but the index also fell in Belgium, Hungary, Latvia and Malta.

It is worth noting that the Kaitz index data have considerable limitations due to the difficulty of obtaining high-quality, reliable and comparable information on actual wages in Member States. This explains why significant differences in Kaitz index values for the same Member State may emerge when different datasets are used; Eurostat and the Organisation for Economic Co-operation and Development (OECD) are two well-known sources of relevant data that are comparable across Member States (see Eurofound, 2025a). Figure A1 in Annex 1 provides the same information as Figure 7 but using OECD instead of Eurostat data.

In addition, it is worth reporting on the latest data available on the Kaitz index in the Member States, as provided by the Network of Eurofound Correspondents. These estimates are shown in Table A1 in Annex 1. The aim is to map the data on the Kaitz index that are used by minimum wage setters to inform their national debates – whether these data come from Eurostat, the OECD or other statistical sources.

Proportion of minimum wage earners

In the context of national minimum wages growing relative to average wages over the past decade, as illustrated by the growing Kaitz index, it is interesting to explore whether the proportion of the workforce earning a minimum wage is expanding.

In principle, if national minimum wage levels are moving closer to average wages in most Member States, the proportions of minimum wage earners in the workforce in those Member States would be expected to increase. But this is not necessarily the case, since collective bargaining raises minimum wage floors and low-paid employees may earn additional income (from extra hours, shift work, bonuses or other wage complements) that pushes their wages above the national minimum wage threshold.

Eurofound regularly estimates the proportions of minimum wage earners among employees in the Member States. For instance, the most recent estimates, from last year's report (Eurofound, 2025a), showed that the proportion of minimum wage earners had increased between 2007 and 2023 in more than half of the Member States for which data were available. It should be highlighted that estimating the proportion of employees earning around the minimum wage is methodologically challenging, given the limitations in the available sources of comparable microdata on the Member States, and therefore results should be interpreted with care. Moreover, estimates may diverge from those obtained using national-level sources of data.

The most up-to-date picture of the situation in the Member States, using European Union Statistics on Income and Living Conditions (EU-SILC) data, is provided in Figure 8, which shows the proportion of minimum wage earners among all employees in each Member State in 2015 and 2023 (based on the 2016 and 2024 editions of EU-SILC). Employees earning the minimum wage are identified as those earning a wage that deviates by ±10 % from the national minimum wage in their country ([7]).

There are significant differences among Member States in the proportions of minimum wage earners. In 2023, they ranged from around 10 % or more in a group of five Member States (Portugal, Slovakia, Poland, Spain and Bulgaria) to less than 5 % in a group made up of newer Member States (Czechia, Romania, Slovenia, Malta and Latvia) and also Belgium and the Netherlands.

There is no clear direction of change over the past decade. On the one hand, the proportion of minimum wage earners increased very significantly in Slovakia, Spain and Greece, and to a lesser extent in Belgium, Malta, Portugal and some other Member States. On the other hand, the prevalence of minimum wage earners shrank in many other Member States, especially in several CEE countries. The drop was significant in Latvia and Lithuania (and Romania, although the data on Romania for 2015 must be interpreted with care) and less so in Croatia, Poland and others.

Figure 8: Proportion of employees earning close to the minimum wage, 21 Member States, 2015 and 2023 (%)

Notes: Member States are split into two groups based on the direction of change and then ordered within each group by the size of the proportion of minimum wage earners in 2023. Cyprus is not included because its statutory minimum wage was adopted only in 2023. Data must be interpreted with care, especially for Romania in 2015, since there is significant variation in estimates for consecutive years.

Sources: EU-SILC, 2016 and 2024 (referring to wage information for 2015 and 2023), and Eurofound calculations.

([7]) Due to data issues, it is not possible to empirically capture with precision those employees earning exactly the minimum wage in each country (see Eurofound, 2014, for full details of the empirical approach applied when using EU-SILC wage data). An employee earning below the minimum wage does not necessarily signal non-compliance with minimum wage regulations, since this could be the result of various sub-minimum rates – lower levels or exemptions from minimum wage regulations among certain groups – or the imprecision of EU-SILC labour income data, which may not reflect the actual monthly wage level.

As stated above, the available datasets of wage microdata comparable across Member States have considerable limitations and estimates must be interpreted with caution. This explains also why different estimates may exist in the literature and present very different values from those given above; these estimates depend on the particular source used. The Network of Eurofound Correspondents was asked, for each Member State with a national minimum wage, to map different estimates of the proportion of minimum wage earners produced by empirical studies using national data sources. These estimates are provided in Table A2 in Annex 1.

Recent trends in countries with collectively agreed minimum wages

Five Member States do not have a national minimum wage: Austria, Denmark, Finland, Italy and Sweden. This section focuses on wages for low-paid workers in those states and in Norway. Minimum wage rates in these countries are determined through a large number of collective agreements, which vary in their bargaining level and scope and in their availability to researchers, analysts and the public in general. The analysis presented here continues to follow the approach developed for and applied in previous reports in this series. It focuses on 10 selected low-paid jobs that employ large numbers of workers. A selection of the most widely applied collective agreements covering these jobs provides the sample of minimum wage rates that is analysed in this section, in order to assess developments in wage floors in these countries. The selected jobs are (1) domestic cleaners, (2) cleaners and helpers in offices, hotels and other establishments, (3) retail sales assistants, (4) waiters and bartenders, (5) cooks, (6) home-based personal care workers, (7) childcare workers, (8) agricultural, forestry and fishery labourers in standard employment, (9) agricultural, forestry and fishery labourers in seasonal employment, and (10) couriers and newspaper or parcel deliverers [8]. See Eurofound (2020, p. 24; 2021, p. 15) for a description of the methodology. The main reasons for employing this limited approach for these annual reviews are the timeliness – data are available into 2026 and can be compiled relatively quickly within the time available to produce this report – and resources.

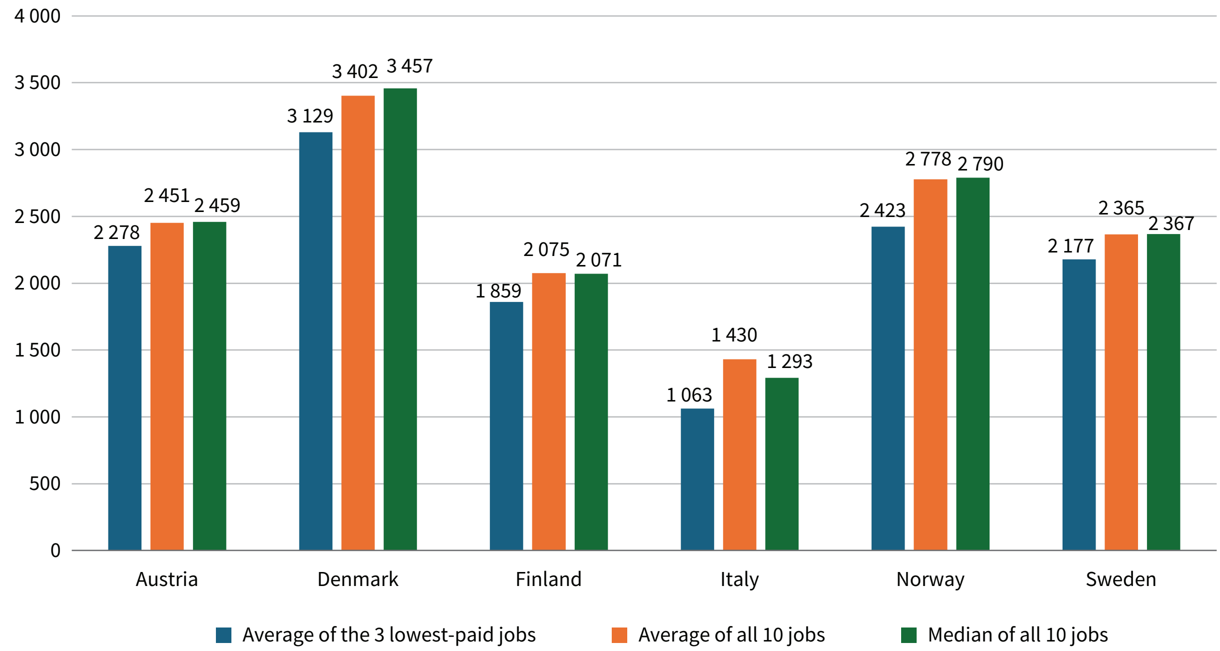
A larger sample of collective agreements covering low-paid sectors in all the Member States, and wage rates contained therein, is collected in the Eurofound database on minimum wages for low-paid workers in collective agreements. See Eurofound (2025b) for different ways to access the data and Eurofound (2024b) for the methodological background and summary statistics [9]. The database was updated in 2025 and now contains data for 2015–2025.

Figure 9 shows different aggregates of minimum wage levels, as calculated using the 10-jobs methodology and converted to euro, for 1 January 2026 (see Table A3 in Annex 1 for a breakdown of the changes in rates between 2025 and 2026 for the 10 individual jobs). The national averages for all 10 low-paid jobs range from EUR 1 430 in **Italy** to EUR 3 402 in **Denmark**. The variation among the countries in wage levels across the 10 selected jobs is also quite significant: the wage for the median job is 22 % above the average wage for the three lowest-paid jobs in Italy. This measure of variation is 15 % for Norway, whereas in **Austria** the difference is only 8 % and in **Sweden** it is 9 %. Larger variations in this regard point to certain jobs paying particularly low wages, whereas smaller variations mean that wage floors are similar across jobs. These differences must be interpreted with caution, however, as the inequality may be under- or overestimated because only a relatively small sample of collective agreements is considered.

(8) Note that for Denmark no data for seasonal agricultural, forestry and fishery labourers are available, as they have no separate wage rate.

(9) A comparison of the results of the 10-jobs approach with data from this larger sample covering 2016–2022, and of those data sources with data on changes in average collectively agreed wages from national statistical offices can be found in Eurofound (2024a, p. 82). The results show that the three methodologies, based on very different samples, result in largely similar estimates of wage levels and accounts of developments, with some deviations by country.

Figure 9: Collectively agreed average and median monthly wages for 10 low-paid jobs, January 2026 (EUR)



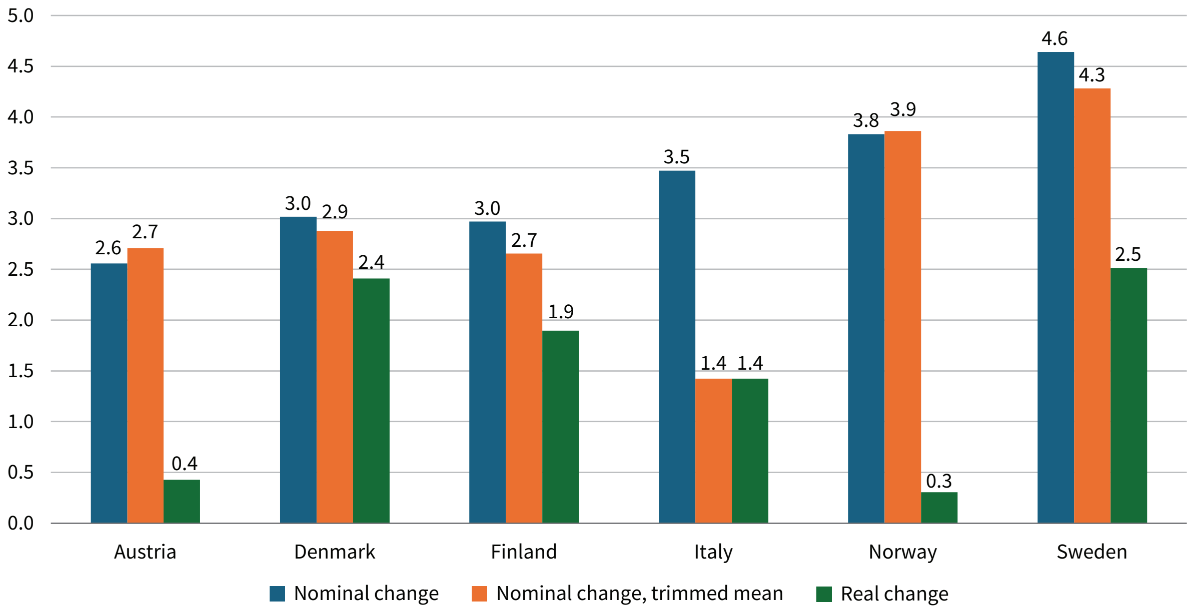
Notes: The figure shows countries with collectively agreed minimum wages. Rates for countries with more than 12 wage payments per year were calculated by dividing the annual sum of the minimum wage by 12. Hourly rates were converted to monthly rates by applying the collectively agreed working hours (or 162.5 hours per month for Norway). Rates for countries not in the euro area were converted to euro by applying the exchange rate applicable at the end of the previous month (December 2025).

Source: Network of Eurofound Correspondents, based on pay rates set in the most widely applied collective agreements covering the 10 jobs.

Figure 10 shows the year-on-year growth rates, in national currencies, between 1 January 2025 and 1 January 2026. The data on nominal rates for **Italy** require careful interpretation this year: taking the average growth rate over all 10 low-paid jobs results in a 3.5 % growth rate for Italy, the third highest among these countries. This is, however, disproportionately influenced by one outstanding increase in collectively agreed wages, namely the increase included in the national collective agreement for domestic cleaning workers (*CCNL lavoro domestico*), signed by the Italian Federation of Domestic Employers (Fidaldo) and the National Association of Families as Employers of Domestic Workers (Domina) and by the four trade unions the Italian Federation of Commerce, Hotel and Service Workers (Filcams CGIL), the Italian Federation of Commercial and Related Services and Tourism (Fisascat CISL), the Italian Union of Tourism, Commerce and Service Workers (Uiltucs UIL) and the Domestic Employees' Federation (Federcolf). The base wage for domestic cleaners increased by 23.3 % in January 2026. Looking at the trimmed mean, which excludes the job with the greatest and the job with the smallest wage change, the average increase in collectively agreed wage floors in Italy between 2025 and 2026 is only 1.4 %, the lowest among the six countries considered here. For the retail sales assistants, waiters and bartenders, and cooks in the sample, negotiated base wages in Italy have not increased since 2024; for agricultural workers, the minimum wages set in the national collective agreement on agricultural and horticultural workers have not increased since 2022.

Turning to the other countries, the average nominal increases for 2026 range from 2.6 % for Austria to 4.6 % for **Sweden**. The latter figure is also partly accounted for by two exceptional increases: the collectively agreed base wages for home-based personal care workers in elderly care in the private sector increased by 8.8 % and those for retail sales assistants increased by 7.7 % on average. In **Austria**, the comparatively low average increase is heavily influenced by the collective agreement in the private care, health and social sector negotiated by the employer organisation Social Economy Austria (SWÖ) and the Union of Private Sector Employees (GPA) and by the Vida union, the latest version of which came into effect in April 2026, which means that wage floors taken from this agreement show 0 % growth between January 2025 and January 2026. In **Denmark**, both domestic and industrial cleaners covered by the national collective agreement (*serviceoverenskomsten*) saw their minimum wages increase by 6.6 % in April 2025. On the other side of the spectrum, the wage floor for untrained waiters covered by the Danish sectoral agreement for hotels and restaurants decreased. The agreement, between the Association of the Hotel, Restaurant and Tourism Industry in Denmark (HORESTA) and the United Federation of Danish Workers (3F), was renewed in March 2025. The minimum wage for untrained waiters

Figure 10: Change in average monthly minimum wages set in collective agreements for 10 low-paid jobs, in nominal and real terms, January 2025 to January 2026 (%)



Notes: The figure shows countries with collectively agreed minimum wages. The growth rates were calculated using national currencies. Many agreements will be renewed during the year, and rates agreed after 1 January 2026 have not been taken into account. The 'trimmed mean' is an arithmetic mean that omits the job with the highest and the job with the lowest growth rate for each country, thus taking into account only eight jobs per country. Real values were calculated using monthly inflation data and comparing price levels in January 2025 and January 2026.

Sources: Network of Eurofound Correspondents, based on collective agreements, and Eurostat for HICP data (prc_hicp_minr).

was reduced by 3.6 %, from DKK 24 442.33 (EUR 3 272.24) per month to DKK 23 571.25 (EUR 3 155.62) (10). The background is a restructuring of the wage groups, designed to create incentives for untrained waiters to get formal training and thus move up to the newly introduced next wage group up (achieving *tillært*, or 'trained', status), which offers a significant wage premium (DKK 27 618.45 (EUR 3 697.45)).

Inflation levels in these six countries differed significantly over the relevant period, which means that there are differences in how the nominal increases translate into real terms. First, it should be noted that, on average, wage floors increased more than price levels in all six countries, meaning that low-paid workers can generally afford more in 2026 than they could in 2025. However, in **Norway** an increase in consumer prices of 3.5 % between January 2025 and January 2026 means that the nominal increase in collectively agreed base wages of 3.8 % translates into a real increase of only 0.3 %. Similarly, in **Austria**, inflation, at 2.1 % in January 2026, was only barely lower than the nominal increase in minimum wages, which in real terms increased by only 0.4 %. In **Denmark**, in contrast, prices only rose by 0.6 %, far less than the nominal increase in negotiated wage floors of 2.9 %, which translates to 2.4 % in real terms.

It should also be noted that in **Finland**, **Norway** and **Sweden** all individual wage rates observed in the sample increased by more than the increase in consumer prices in the year ending in January 2026, reflecting the established and responsive collective bargaining structures in these countries.

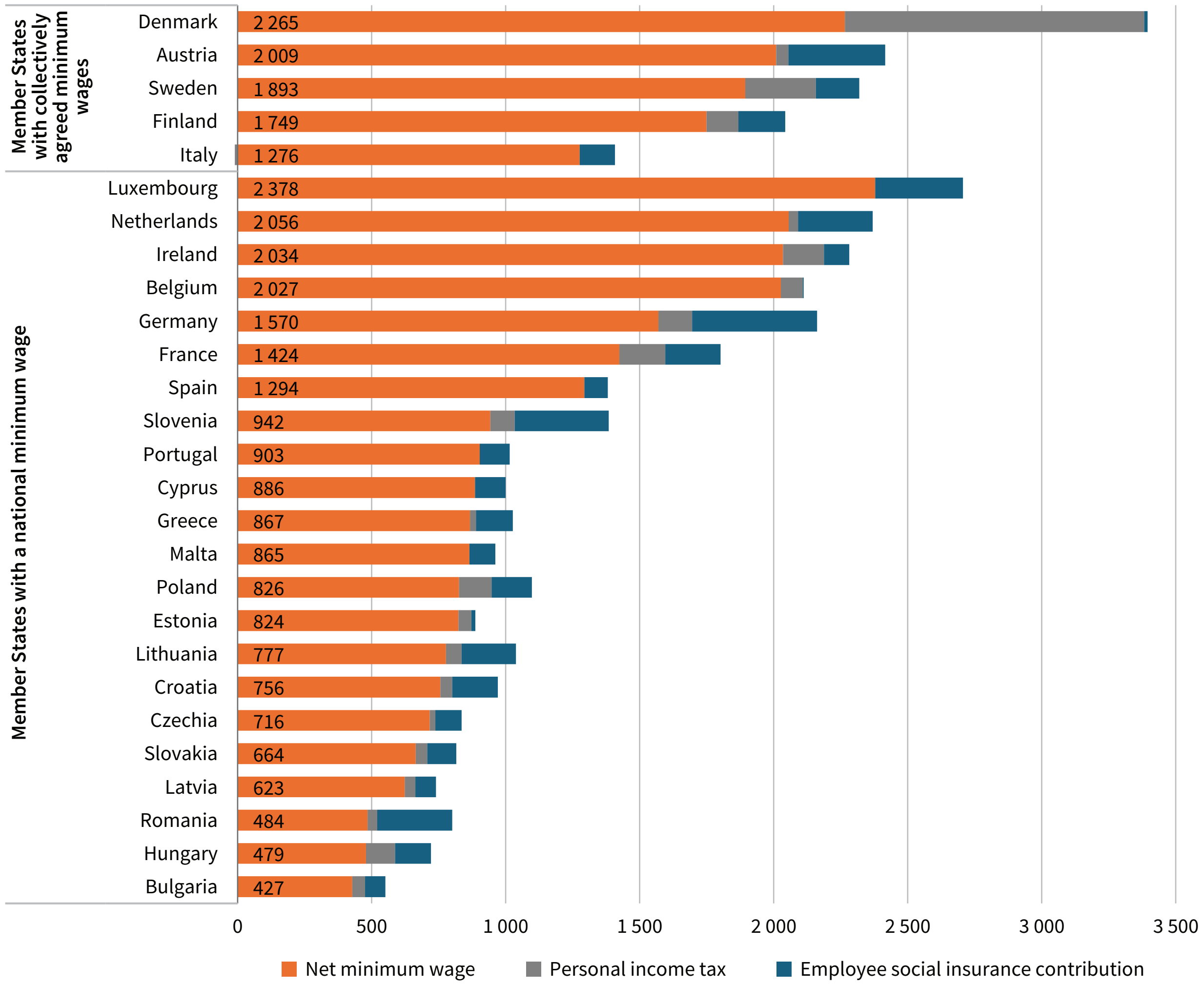
Net values of minimum wages in 2025

The data presented so far on gross minimum wages, whether set by governments or negotiated by social partners, do not provide a clear picture of the wages that actually go into the pockets of minimum wage earners. In order to do so, the effects of tax and benefit systems, which vary significantly across Member States, need to be taken into account. These effects shape the differences between minimum wages in gross and net terms.

(10) Amounts in national currencies other than the euro have been converted using the euro exchange rate at the end of 2025.

The take-home pay of minimum wage earners (or net minimum wages) in the Member States can be calculated by deducting personal income tax and employee social insurance contributions from the gross minimum wage rate. This can be done using the EUROMOD tax–benefit microsimulation model, the latest edition of which includes data for 2025, presented in Figure 11 (11). Member States without a national minimum wage have been included in the analysis, although the results are not strictly comparable with those of the Member States with a national minimum wage, and they must be interpreted with caution (12).

Figure 11: Breakdown of the monthly gross minimum wage into net minimum wage, personal income tax and employee social insurance contributions, EU-27, June 2025 (EUR)



Notes: The total length of the bar refers to the gross monthly minimum wage (broken down into net minimum wage, personal income tax and employee social insurance contributions paid from the gross minimum wage). For Member States with more than 12 national minimum wage payments per year (Greece, Portugal, Slovenia and Spain) and those with collectively agreed minimum wages (with more than 12 wage payments per year as stipulated in the relevant agreements), the amount of the gross monthly minimum wage was calculated by dividing the annual sum of the minimum wage by 12. Data refer to June 2025, which is the reference month for the EUROMOD model. An 8 % holiday allowance has been added to the Netherlands' minimum wage. For Member States without a national minimum wage, the average minimum wage for 10 low-paid jobs is used as the reference value. For Member States not in the euro area, the minimum wages in their national currencies were converted to euro by applying the exchange rate applicable at the end of the previous month (May 2025). The Member States are ordered by the value of their net minimum wage.

Source: Eurofound calculations based on EUROMOD J2.0+.

(11) The calculations are made assuming a household consisting of a single 40-year-old without children, working full time as an employee, earning the national minimum wage and living in their own main residence (see Eurofound, 2023, p. 18, for a detailed description of the methodology). The model can be found at https://euromod-web.jrc.ec.europa.eu.

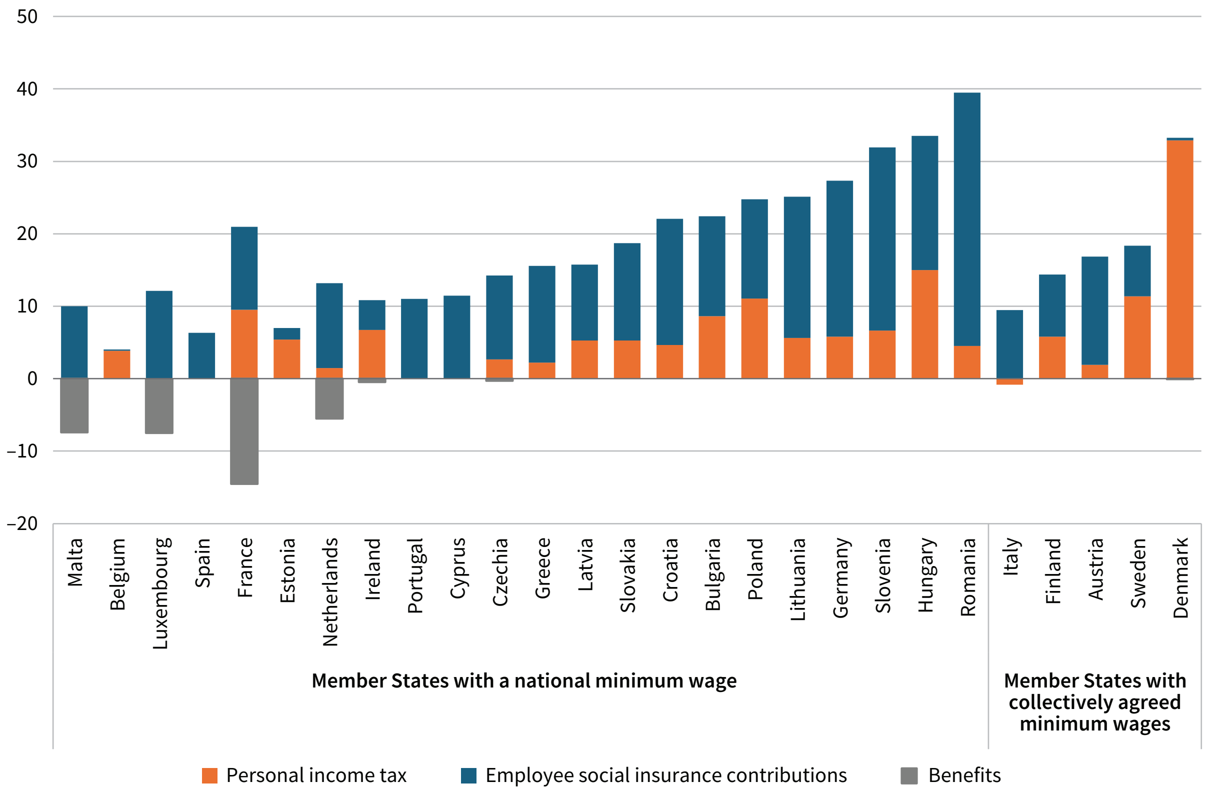
(12) In countries without a national minimum wage, a single wage floor has been calculated based on the average of the collectively agreed wages across the 10 lowest-paid jobs in those countries, as provided by the Network of Eurofound Correspondents. This is a statistical construction, since no single minimum wage level exists in these countries, and therefore the results should be treated with caution, because they do not necessarily represent the precise situation of an employee covered by a particular collectively agreed wage floor.

The Member States are ordered in the figure by net minimum wage values, from highest to lowest. The ranking of the Member States with a minimum wage is very similar to that which emerges when gross minimum wages are compared (see Figure 2). Nevertheless, differences among Member States in their tax and benefit systems introduce some discrepancies that are worth noting. For instance, Germany and Belgium had similar gross rate levels in 2025; however, employee social insurance contributions are very significant in Germany and negligible in Belgium, which results in Belgium having higher net minimum wages than Germany for 2025 [13]. Similarly, the gross minimum wage level was almost the same in Spain and Slovenia in 2025, but the take-home pay for minimum wage earners was much higher in Spain (due to Slovenia's minimum wage earners paying personal income tax and, in particular, larger employee social security contributions).

A more detailed picture of the impact of tax and benefit systems can be obtained by looking at the total taxation on minimum wage earners (see Figure 12, where the Member States are ordered by the rate of taxation applied to minimum wage earners, from lowest to highest). The taxation rate is calculated as the employee tax rate (including personal income tax and employee social insurance contributions) minus the benefits minimum wage earners receive. Among the Member States with a national minimum wage, it ranges from less than 5 % in Malta, Belgium and Luxembourg to more than 30 % in Romania, Hungary and Slovenia.

On the one hand, the employee tax rate includes personal income tax and employee social security contributions. In 2025, personal income tax on minimum wage earners in Member States with a national minimum wage was highest in Hungary, Poland and France (close to or above 10 %), while several Member States did not apply personal income tax to the gross minimum wage in 2025: Cyprus, Malta, Luxembourg, Portugal and Spain. Employee social insurance contributions were paid in all Member States, but varied significantly, from rates of 35 % in Romania,

Figure 12: Average personal income tax, employee social insurance contributions and benefits as a percentage of the gross minimum wage for a single person, EU-27, June 2025 (%)



Notes: Data refer to June 2025, which is the reference month for the EUROMOD model. For Member States without a national minimum wage, the average minimum wage for 10 low-paid jobs is used as the reference value. The Member States are ordered by the total taxation rate (from lowest to highest), calculated as the sum of personal income tax and employee social insurance contributions, minus benefits.

Source: Eurofound calculations based on EUROMOD J2.0+.

(13) The Netherlands had the third-highest monthly gross minimum wage rate in 2025, but it moves here to second position in the ranking due to the EUROMOD model including an 8 % holiday allowance, which makes it necessary to hike the statutory minimum wage by that amount.

25 % in Slovenia and around 20 % in Germany, Lithuania, Hungary and Croatia to less than 5 % in Belgium, Estonia and Ireland.

Among those countries with collectively agreed wage floors, personal income tax was above 30 % in Denmark and above 10 % in Sweden, but negligible in Austria and non-existent in Italy. Employee social security contributions were especially significant in Austria and negligible in Denmark. However, as noted, results for countries without a national minimum wage must be interpreted with care.

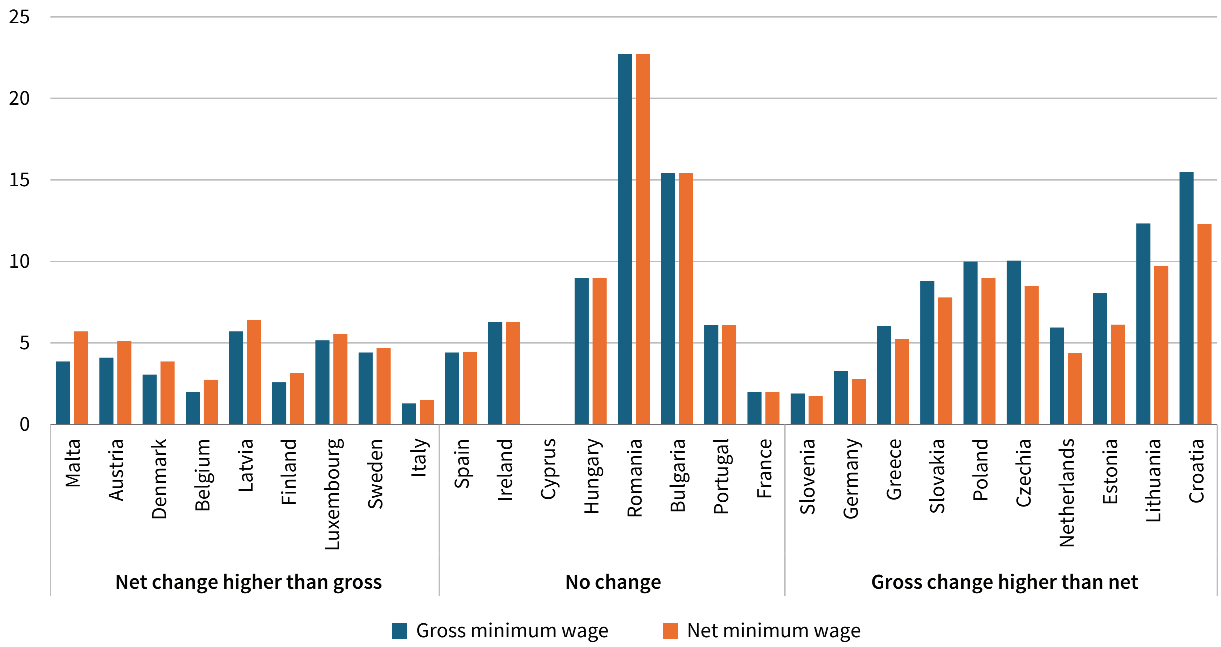
On the other hand, in 2025 there were only a few Member States where minimum wage earners were entitled to some type of in-work or social benefits (because they fell below certain income thresholds, triggering benefits that were included in EUROMOD's modelling). Those Member States were France (the benefit rate reached almost 15 % of the gross monthly minimum wage), Malta and Luxembourg (around 7.5 %), the Netherlands (below 6 %) and, to a much lesser extent, Ireland and Czechia. Detailed information on the benefits included in EUROMOD's modelling is available in the EUROMOD country reports [14].

How tax and benefit systems affect minimum wage earners across Member States changes over time. To observe developments worth noting, the changes in gross and net minimum wages between 2024 and 2025 can be compared, in order to spot discrepancies (Figure 13).

On the one hand, there is a group of Member States where changes in tax and benefit systems benefited minimum wage earners, in the sense that their take-home pay grew more than the gross minimum wage rate. This was especially the case in Malta, and it happened to a lesser extent in Belgium, Latvia and Luxembourg (and also in Austria, Denmark and the rest of the Member States with no statutory minimum wage).

On the other hand, a relative increase in the taxation of minimum wage earners occurred between 2024 and 2025 in some Member States. This happened in more countries and to a more significant extent than in the previous group (where the opposite effect occurred) and resulted in more moderate growth overall in net than in gross minimum wage levels. The effect was pronounced in Croatia and Lithuania, still significant in Estonia, the Netherlands, Czechia, Poland and Slovakia and less so in Greece, Germany and Slovenia.

Figure 13: Changes in net and gross minimum wages, EU-27, June 2024 to June 2025 (%)



Note: Member States are clustered into three groups based on the difference between the changes in the net and the gross minimum wage rates.

Source: Eurofound calculations based on EUROMOD J2.0+.

(14) The benefits included in EUROMOD in these countries are a housing benefit (*prispevek na bydleni*) in Czechia, the activity allowance (*prime d'activité*) for low-income workers in France, energy/heating benefits to address the rising cost of living in Ireland, Luxembourg and Malta, and a care allowance in the Netherlands. See https://euromod-web.jrc.ec.europa.eu/resources/country-reports for the EUROMOD country reports.

2 Setting minimum wages for 2026

This chapter summarises how minimum wages were set during 2025 across the EU and Norway, providing a picture of the processes for, and new developments in, setting the rates for January 2026 (April 2026 in the case of Estonia) discussed in the previous chapter. See Table A4 in Annex 1 for an overview of the various regulations that determined updates to national minimum wages in the Member States with such systems.

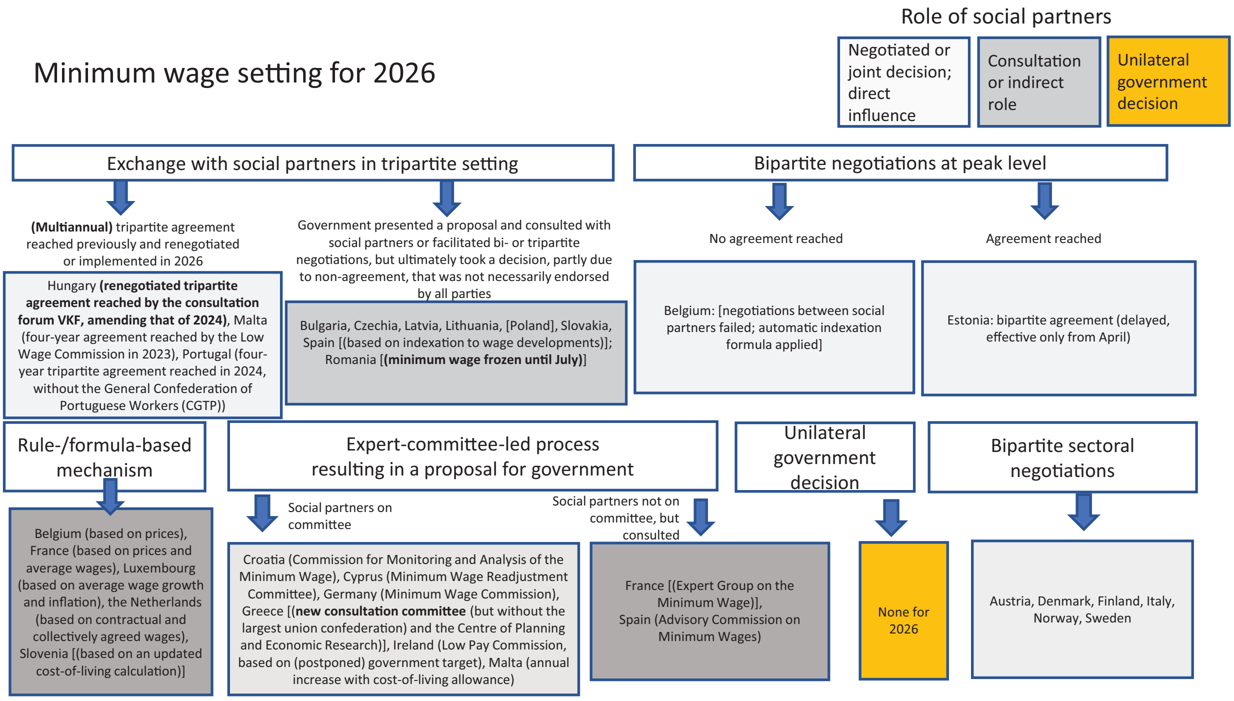
The structure of the chapter is as follows: it first describes the processes that led to the setting of the 2026 minimum wages, focusing mostly on new developments and deviations from established traditions. Second, the influence of the indicative reference values suggested in the Minimum Wage Directive on the setting of 2026 minimum wages is discussed in more detail. Third, wider-ranging assessments of the adequacy of minimum wages are summarised. Lastly, an overview of noteworthy developments in countries without a national minimum wage is provided.

In the rounds of discussions on the setting of minimum wages that took place in 2025 for 2026, the effects of the Minimum Wage Directive were more evident than in previous years, as most Member States transposed it in time for the official deadline in November 2024. Overall, however, the transposition of the directive has not led to major changes in the systems and methods used to set minimum wages; rather, it has resulted for the most part in adjustments to existing national practices (see Eurofound, 2025a). It was mostly the impact of Article 5 of the directive, which provides that 'Member States shall use indicative reference values to guide their assessment of adequacy of statutory minimum wages', that was clearly visible in the 2026 updating processes. Apart from the addition of the use of these indicative reference values, minimum wages for 2026 were largely set in accordance with the established procedures or laws in the Member States (for more details on these, see Eurofound's country profiles on minimum wages (Eurofound, undated)). Nonetheless, there were also some noteworthy and unexpected deviations.

Processes for setting minimum wages for 2026

The processes for setting national minimum wages for 2026, and the involvement of social partners in them, mostly did not differ from previous years, although there were a few new developments. Figure 14 provides an overview of the institutions and processes involved and an indication of the role of social partners.

Figure 14: Institutions, processes and social partners involved in minimum wage setting for 2026, EU-27 and Norway



Notes: Refers to minimum wages valid in January 2026, except for Estonia, where the new rates came into effect in April. Bold indicates that a country's approach changed from that of the previous year. Square brackets indicate a secondary approach, rather than the more usual one for the country. VKF, Permanent Consultation Forum of the Private Sector and the Government.

Source: Eurofound.

This section begins with a discussion of the Member States that made no significant changes to their processes. Changes to processes are then presented in two groups: first, changes that were directly linked to the transposition of the directive are outlined and, second, changes and deviations from processes that were more ad hoc and/or not directly linked to the directive are summarised. Given this structure, some Member States feature more than once, because their processes for 2026 involved both kinds of changes.

Largely business as usual

In most Member States with tripartite negotiations and consultations, the regular consultation and negotiation procedures took place, after which governments took the final decisions. This happened in **Bulgaria**, **Latvia**, **Lithuania**, **Poland**, **Slovakia** and **Spain** (although with some delay for Spain). In **Malta** and **Portugal**, an agreement negotiated in a tripartite setting in a previous year (2023 in Malta and 2024 in Portugal) determined the level of the minimum wage in 2026. In **Czechia**, 2026 was the second year for which the minimum wage was set using the new valorisation mechanism, which calculates the new rate based on wage projections and a coefficient set by the government in 2024 after consultation with the social partners.

In Member States where the process is led by an expert committee and/or guided by a formula, new rates were determined during 2025, including in **Belgium** (for the private sector), **Croatia**, **Cyprus**, **Germany** (for 2026 and 2027), **France**, **Ireland**, **Luxembourg**, **the Netherlands** and **Slovenia**.

Changes to regulations and procedures, and noteworthy deviations from established practices, are outlined in the following subsections.

First-time applications of altered minimum-wage-setting regulations following the transposition of the Minimum Wage Directive

In some Member States, new regulations on the setting of minimum wages, introduced to transpose the Minimum Wage Directive, were followed for the first time in setting rates for 2026. As mentioned previously, these changes did not radically alter the established procedures. Instead, they represented a formal alignment on the part of the Member States with the requirements and suggestions for setting minimum wages established by the directive. See Eurofound (2025a) for a detailed overview of how Member States transposed the directive.

In **Greece**, the minimum wages for 2026 were the first that were set following the procedure under the 2024 law (Law 5163/2024) that transposes the Minimum Wage Directive. Under this new national framework, the minimum wages are set following a formal oral consultation between social partners in the newly established consultation committee for the minimum-wage-setting process, chaired by the Organisation for Mediation and Arbitration. In practice, however, the consultation procedure on the 2026 minimum wages did not differ substantially from that of the year before, as most of the organisations present in the new committee were also part of the consultation process in previous years, with the only exception being the additional participation of the Greek Confederation of Public Servants (ADEDY). Under Law 5163/2024, the period 2025–2027 is treated as a transitional phase ahead of the full implementation of the new system in 2028 (for more details, see Eurofound’s minimum wage country profile for Greece (Eurofound, undated)).

In **Hungary**, Government Decree 308/2024, which transposes the directive, was applied for the first time during the setting of minimum wages for 2026. This did not radically change the previous process but, rather, formalised it (for more detailed information on the process, see the Eurofound minimum wage country profile for Hungary (Eurofound, undated)). Apart from designating the tripartite Permanent Consultation Forum of the Private Sector and the Government (VKF) by law as the official forum for minimum wage negotiations, which it had been de facto since 2012, the new law formalises the process for minimum wage setting by:

- specifying the criteria to be taken into account when setting the minimum wage;
- laying down the precise procedure and conditions for minimum wage negotiations;
- stating that the aim should be for the minimum wage to reach 50 % of the average regular gross wage.

In some other Member States, the procedures for minimum wage setting stayed the same except that, due to the transposition, additional criteria had to be considered in the process. Amendments to Article 141(3) of the Labour Code in **Lithuania** that had entered into force in late 2024 were applied for the first time in setting the 2026 minimum wage. These changes provide that the government, when approving the new rates, must take into account not only the recommendation of the Tripartite Council, but also the economic development scenario published by the Ministry of Finance and the indicators of the country’s economic development published by Statistics Lithuania. Furthermore, it must take into consideration criteria such as purchasing power in relation to the cost of living, the overall level of wages and their distribution, the speed of growth in wage rates, and long-term levels of and developments in labour productivity.

In **Slovakia**, Act No 289/2024 on the minimum wage has been in effect since 1 January 2025. The main change it introduces is that the reference value for the automatic indexation mechanism for setting the minimum wage is to be 60 % of the average nominal monthly wage in the previous full year; this mechanism comes into force should the social partners not reach an agreement. As this was the case in the 2025 consultation, the minimum wage for 2026 was set to 60 % of the 2024 average wage. The reference value stipulated by law had already been at 60 % in 2020; it was then changed to 57 % in January 2021, under Act No 294/2020, only to be returned to 60 % for the 2025 process.

Similarly, in Ireland the process for 2026 was largely as in previous years: the Low Pay Commission carried out a public consultation and then made a recommendation to the Minister for Enterprise, Trade and Employment ([15]), which was subsequently accepted. However, the criteria that the Low Pay Commission has to consider in making its recommendation on minimum wage setting have changed slightly due to Statutory Instrument No 633 of 2024, the regulation that transposes the Minimum Wage Directive in **Ireland**. Those criteria must now include changes in employees' earnings in the Irish economy during the relevant period (including their growth rate, general levels and distribution), the purchasing power of the national minimum hourly rate of pay (taking into account the cost of living), long-term national productivity levels and developments, and indicative reference values used at international or national levels, such as 60 % of the gross median wage.

In **Croatia**, the Minister for Labour, who takes the final decision on the minimum wage each year, this year had to take into account two additional criteria: (1) the level of inflation or changes in the purchasing power of the minimum wage and (2) developments in productivity. This was due to the Amendment to the Minimum Wage Act (OG 152/24).

Changes to and deviations from established processes unrelated to the transposition of the directive

Despite the 2026 minimum-wage-setting processes mostly following the procedures set out in the (sometimes new) minimum wage regulations in the Member States, there were a few notable exceptions and deviations from normal protocol that were not due to the transposition of the directive.

In **Greece**, the national peak-level organisation representing private sector workers, the Greek General Confederation of Labour (GSEE), did not participate in the 2025 consultations in the newly formed consultation committee, although its participation was expected under the new framework of Law 5163/2024. In a letter to the President of the Organisation for Mediation and Arbitration, the GSEE argued that it had abstained because, in its view, since 2012 the minimum wage has been set through unilateral government decisions rather than meaningful social dialogue.

In other Member States, social partner negotiations on national minimum wages took longer than usual or failed altogether. In **Estonia**, there was considerable delay in national social partner representatives reaching an agreement on the minimum wage for 2026. They had signed a non-binding agreement to raise the minimum wage to 50 % of the average wage by 2027, with a plan to reach 47.5 % in 2026. However, despite several rounds of negotiation, they did not agree on a wage rate for 2026 during 2025, so negotiations were continued through the mediation of the Estonian State Conciliator, an appointed civil servant whose tasks include resolving complex labour disputes. Only on 16 February 2026 was an agreement reached – to increase the monthly national minimum wage to EUR 946 from 1 April 2026.

In **Belgium**, minimum wage negotiations in the National Labour Council during 2025 were conducted alongside the general wage negotiations by the Group of Ten, consisting of representatives of the trade unions the Confederation of Christian Trade Unions (ACV-CSC), the General Labour Federation of Belgium (ABVV-FGTB) and the General Confederation of Liberal Trade Unions of Belgium (ACLVB-CGSLB) (since renamed Synova), and the employer organisations the Federation of Belgian Enterprises (VBO-FEB), the Union of Self-employed Entrepreneurs (UNIZO), the Union of Middle Classes (UCM) and Boerenbond (a professional association of farmers). These general wage negotiations happen every two years, and the social partners in the Group of Ten are also represented on the National Labour Council. The negotiations on a minimum wage increase ultimately collapsed in 2025 because the social partners failed to reach an agreement, so responsibility shifted to the federal government. The government then adopted the 0 % 'wage norm' (which establishes the possible margins within which wages can increase) proposed by the Central Economic Council through a royal decree. This confirmed that the minimum wage would rise only through automatic indexation and not through any negotiated additional increase.

([15]) The ministry name changed to the Department of Enterprise, Tourism and Employment in mid-2025.

In **Slovakia**, social partners failed to reach an agreement by the 15 July deadline. As a result, the minimum wage for 2026 was set automatically by law at 60 % of the gross average monthly wage in 2024.

In **Spain**, negotiations ran into 2026 and eventually the government reached a bipartite agreement with trade unions only, setting the minimum wage increase for 2026 despite opposition from employer organisations. The resulting increase of 3.1 % was at the lower end of the range proposed by the ad hoc Expert Committee on the Minimum Wage.

In **Lithuania**, in an effort to promote bipartite agreements on minimum wages, the Ministry of Social Security and Labour actively encouraged social partners to reach a bipartite agreement on the level of the monthly minimum wage for 2026, promising that, if an agreement on a specific level was reached, the government would approve it. Another new development was that employer organisations for the first time actively participated in negotiations and even presented a draft agreement on minimum wages to trade unions. This proposal was aimed at enabling longer-term planning and reducing uncertainty for social partners, and critically it also entailed a review of the non-taxable income threshold. However, a decision on this last issue was postponed by the government to 2027 and ultimately no agreement between the social partners could be reached. The government therefore set the minimum wage for 2026.

In **Romania**, despite the newly established mechanism for setting minimum wages (Government Decision 35/2025, see also ‘Procedural changes to national minimum wage systems’ in Chapter 3), which stipulates that minimum wages be updated yearly in January, an exception was made for 2026 and the update was postponed to July. There was no increase in January 2026. In addition, as per Emergency Ordinance 89/2025, the tax exemption for minimum wage earners will be reduced from RON 300 (around EUR 59) to RON 200 (around EUR 39) from July 2026.

In **Hungary** and **Slovenia**, newly available economic data that deviated significantly from earlier projections meant that the update mechanism had to be adapted for 2026.

In **Hungary**, negotiations between social partners on the 2026 minimum wage rate started relatively early, in May 2025, as a three-year agreement negotiated in 2024 had to be reassessed. The original agreement specified that, after a 9 % increase in 2025, the minimum wage would rise by 13 % in 2026 and 14 % in 2027, conditional on gross domestic product growth and developments in inflation and gross nominal wages. As inflation was higher than anticipated (4.6 % versus a projected 3.0 %) and economic growth lower (0.3 % versus a projected 4.1 %), the agreement had to be renegotiated, resulting in only an 11 % increase for 2026.

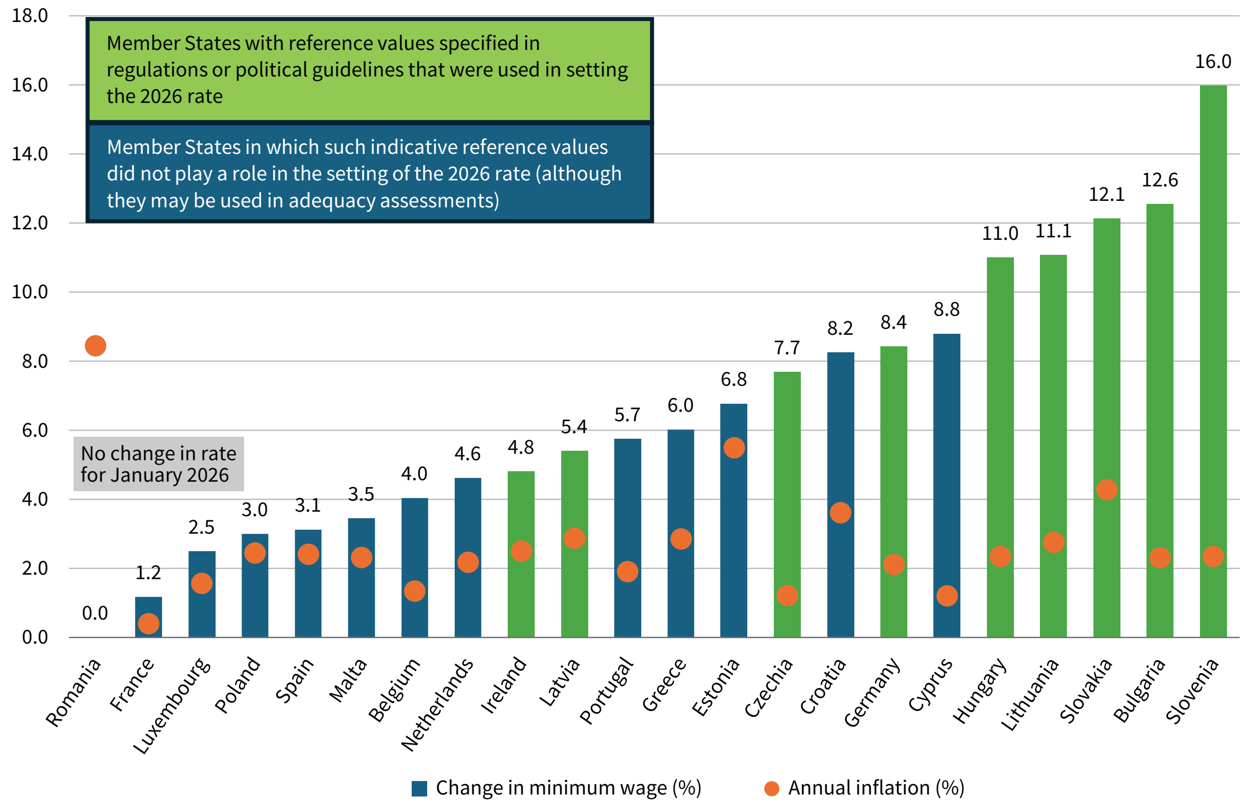
Minimum wages in **Slovenia** are based on a basket-of-goods-based calculation of minimum living costs and the purchasing power of the statutory minimum wage. By law, this calculation is to be updated only every six years, and the next update had been scheduled for 2028; however, due to pressure from trade unions and a conclusion adopted by the Economic and Social Council, the Ministry of Labour updated the calculation of minimum living costs in 2025 and published the results in December. These minimum living costs were determined to have risen by 18.1 % since 2022, much more than had been anticipated. This increase formed the basis of the Minister for Labour’s decision to substantially increase the statutory minimum wage for 2026, by 16 % compared with the 2025 level.

Use of indicative reference values in setting 2026 minimum wages

Most Member States with a national minimum wage have recently adapted their legislation or practices to account for the provisions of the Minimum Wage Directive, in line with the November 2024 deadline for transposition. With respect to the setting of national minimum wages for 2026, this meant that the setting and updating processes increasingly took into account the indicative reference values suggested in Article 5 of the directive ([16]). Member States that had added such specific reference values to their regulations on minimum wages and that explicitly referred to them in deciding on their 2026 update tended to see larger increases in minimum wages than others (Figure 15). It must be cautioned that the use of indicative reference values was not the only or even the main driver of minimum wage increases: east–west convergence, other economic and political factors and the 2025 level of the minimum wage also played an important role in determining increases. Inflation, however, which traditionally has a big impact on the yearly updates, can arguably not explain the large differences among Member States in uprates for 2026 (see the orange dots indicating the level of inflation in Figure 15).

([16]) There is technically no requirement to use any reference values in the regular updating process. The directive merely states that Member States must use such ‘indicative reference values’ in assessing the adequacy of minimum wages, which does not have to happen with every update and could be a separate exercise. However, if the indicative reference values that a Member State has chosen to use are readily available, it of course makes sense to consider them as part of the regular updating process.

Figure 15: Increase in the national minimum wage for 2026 and consideration of indicative reference values, with rate of inflation, 22 Member States (%)



Notes: The increase shown for Cyprus is for 2026 and 2027. For Estonia, the increase for 2026 only came into effect in April, so the inflation figure also represents the change between January 2025 and April 2026. Belgium has stipulated reference values for the public sector only. In Romania, this figure focuses on the freeze in minimum wages in the first half of 2026; an increase of 7 % was applied in July 2026. The figure categorises Member States based on whether indicative reference values both are enshrined in the relevant regulations and were used in the determination of the increase for 2026. This is of course an imperfect gauge of the impact of the directive, as, for example, the official statements on the 2026 increases in Croatia and Greece mentioned such reference values. However, in both cases the wage setters were not actually required to respect the reference values under the relevant regulations. Requiring that both the criteria of inclusion in the regulations and use in this year's updating process be fulfilled for a Member State to be categorised as using indicative reference values can be interpreted as the most prudent way of assessing the influence of Article 5.

Sources: Network of Eurofound Correspondents, based on national regulations, and authors' calculations, based on Eurostat.

In particular, the large increases in **Slovenia** (16.0 %), **Bulgaria** (12.6 %), **Slovakia** (12.1 %), **Lithuania** (11.1 %), **Hungary** (11.0 %), **Germany** (8.4 %) and **Czechia** (7.7 %), more than double the inflation figures, can be linked to changed procedures that now target a specific reference value. Most of these Member States have taken a staged approach, planning to reach target values gradually over the course of several years (see Table 4 for more details).

In other Member States, reference values also played a role, albeit a less immediate one. In **Croatia** (8.2 %), despite there being no reference values set in the minimum wage laws or regulations, the government decision that announced the 2026 minimum wage referred to target values of 50 % of the average and 60 % of the median wage as part of the justification for the new rate. In 2024, a ratio of 54.1 % to the gross average wage had already been achieved, however. The increase in 2026 was thus mostly related to steep general wage increases in 2025 rather than to increasing the relative value of the minimum wage (Government of the Republic of Croatia, 2025). In **Estonia**, **Hungary**, **Ireland** and **Romania**, increases to approach an indicative reference value that had been set as a target at an earlier stage were not implemented as planned for 2026. Instead, uprates were delayed (Estonia and Romania) and/or slowed down (Estonia, Hungary and Ireland), which in the case of **Estonia** was due to the reference values being specified in a non-binding agreement between social partners from 2023, which could be contested by employer organisations for 2026.

In another group of Member States, indicative reference values did not play a role in the updating process for 2026. This was in some cases because the directive had not yet been fully transposed into national law (in **Luxembourg**, **the Netherlands**, **Poland** and **Portugal**), in some cases because adequacy reviews or uprates other than to account for inflation are conducted only every four years (**Belgium** (as regards the public sector), **France** and **Malta**) and in some cases because the values targeted by wage setters were widely regarded as having been achieved (**France** and **Spain**). Some of the lowest minimum wage increases of 2026 – in percentage terms – happened in Member States that did not target reference values (see Figure 15). Note, however, that Belgium, France and Luxembourg are among the Member States with the highest minimum wage levels; consequently, the magnitude (in percentage terms) of yearly increases tends to be less than in Member States with a lower minimum wage. They also use automatic indexation mechanisms in updating their minimum wages, which essentially keeps increases in line with inflation and general wage trends.

Table 4 gives an overview of the use of indicative reference values in the updating processes that happened during 2025 in order to set the 2026 rates, for all Member States with a national minimum wage.

Table 4: Use of indicative reference values (as per the Minimum Wage Directive) in the setting and updating of national minimum wages for 2026

Member State	Use of indicative reference values to decide the uprate for (January) 2026	Indicative reference values specified in minimum wage regulations	Comments
Belgium	No	No (only for the public sector)	There are no reference values for the private sector, for which minimum wages are set solely through collective bargaining. For the adequacy assessment of minimum wages in the public sector, which happens every four years, four ‘objective criteria’ for minimum wage setting are listed in the Royal Decree of 10 July 2024. One of these is the indicative target of 50 % of the average wage.
Bulgaria	Yes	Yes	The minimum wage for 2026 was set according to a formula: 50 % of the gross average wage, calculated over a 12-month period, including the final two quarters of the previous year (2024) and the first two of the current year (2025).
Croatia	Yes	No	No indicative reference values are specified by the minimum wage laws. However, the government’s explanation for the 2026 increase referred to the examples mentioned in the directive (50 % of the average and 60 % of the median wage) and to the value of 54 % of the gross average wage, reached in 2024.
Cyprus	No	No	The government set the 2026 minimum wage based on cost-of-living calculations for 2024 and 2025 and general wage increases. No indicative reference value was used.
Czechia	Yes	Yes	The Ministry of Labour and Social Affairs is targeting 47 % of the gross average wage by 2029, with the milestone for 2026 being 43.5 %.
Estonia	Yes (for April)	No	Social partners signed a non-binding agreement in 2023 specifying that the minimum wage would reach 50 % of the average wage by 2027, with the 2026 milestone set at 47.5 %. However, during the 2025 negotiations on the 2026 minimum wage increase, there was considerable disagreement between social partners: the Estonian Employers’ Confederation (ETK) proposed postponing the goal of reaching 50 % by 10 years, with which the Estonian Trade Union Confederation (EAKL) did not agree. The diverging positions resulted in unusual delay in reaching an agreement, with minimum wages in 2026 increasing not in January but in April.
France	No	Yes	Yearly updates are based on a formulaic indexation mechanism. An adequacy assessment, which has to take into account reference values of 60 % of the median and 50 % of the average net monthly wage for full-time employees, as per Decree No 2024-1065 of 26 November 2024, must take place only every four years.
Germany	Yes	Yes	Since 21 January 2025, the Minimum Wage Commission, as per its rules of procedure, has been required to take into consideration a reference value of 60 % of the gross median wage for full-time employees when formulating its suggested minimum wage increase, alongside other criteria.

Member State	Use of indicative reference values to decide the uprate for (January) 2026	Indicative reference values specified in minimum wage regulations	Comments
Greece	No (only for reference, not to guide decision-making)	No	In the 2026 minimum-wage-setting process carried out in 2025, no reference value was applied. The transitional provisions of Article 15 of Law 5163/2024 and Article 134C of the Code of Individual Labour Law were applied. The process was based on a number of consultations, scientific documentation and criteria such as (1) the situation of and outlook for the Greek economy, including productivity, competitiveness, prices, incomes and wages, and employment and unemployment rates; and (2) the purchasing power and adequacy of the minimum wage, taking into account the cost of living, the general level of wages, the wage distribution and wage growth. The full automatic mechanism is expected to apply after 2028; however, it does not include a specific indicative reference value. According to the Centre of Planning and Economic Research in its consultation report, following the 2026 uprate under Ministerial Decision 8233/2025, the minimum wage in Greece can be estimated to fall somewhere between 55 % and 65 % of the average wage, thus exceeding one of the indicative reference values specified in the directive.
Hungary	Yes	Yes	Government Decree 308/2024 states that social partners must endeavour to ensure that the statutory minimum wage reaches 50 % of the average gross wage in the preceding year, without giving a specific time frame. Social partners signed an agreement in 2024 to reach this target by 2027. However, due to worse-than-expected economic developments, the initially agreed increase of 13 % for 2026 was subsequently reduced during renegotiations to 11 %.
Ireland	Yes	Yes	The government had intended to introduce a 'living wage', set at 60 % of the median wage, in 2026; in April 2025, however, it decided to extend the timeline to 2029. The Low Pay Commission took this into account in its analysis and recommendation for 2026. In addition, a value derived from a basket of goods and services, known as the Minimum Essential Standard of Living (MESL), was considered and this living wage rate was published by the Living Wage Technical Group.
Latvia	Yes	Yes	The reference value for the national minimum wage is 46 % of the average wage 'for the last 12 available months' (Regulation No 730, Article 2, Part 2.1), with 12 other macroeconomic, social and labour market criteria also having to be taken into account. When setting the rate for 2026, the reference value of 46 % was closely adhered to and the minimum wage level was set almost exactly to this value.
Lithuania	Yes	Yes	The formula used by the Tripartite Council for its minimum wage recommendation states that it must be between 45 % and 50 % of the average wage. The stated government goal is to gradually reach a value of 50 % over the coming years. It should be noted that the basis for the reference values used in minimum wage setting are wage projections for the year in question (so 2026 for setting the 2026 minimum wages), as published by the Ministry of Finance.
Luxembourg	No	No	At the end of 2025, the Minimum Wage Directive had not yet been transposed into Luxembourgish law, and no indicative reference values feature in the current formulaic process for setting minimum wages.
Malta	No	No	No indicative reference values feature in minimum wage regulations or in the agreement reached by the Low Wage Commission in 2023, which largely also determined the 2026 minimum wage. Only a cost-of-living-allowance is to be added yearly, which is not based on indicative reference values. Malta has notified the European Commission that it has transposed the Minimum Wage Directive.
Netherlands	No	Yes (since January 2026)	The legislation to transpose the directive was still under discussion at the time of setting the 2026 minimum wage. For 2026 it was set – as in previous years – strictly according to a formula that is mostly based on wage developments in a selection of collective agreements. Following the transposition of the directive at the end of January 2026, the newly amended Minimum Wage and Minimum Holiday Allowance Act features reference values in both absolute terms (128 % of necessary living costs) and relative terms (50 % of the median wage). These are, however, to be used only for the adequacy assessment every four years, not in the yearly updating process. See Box 4 for more details.

Member State	Use of indicative reference values to decide the uprate for (January) 2026	Indicative reference values specified in minimum wage regulations	Comments
Poland	Yes	No	In January 2026, a draft of the new Minimum Wage Act, which includes provisions transposing the directive, was still under discussion and no indicative reference values featured in the current regulations. With regard to the minimum wage increase in 2026, the government – which decided on the increase because the Social Dialogue Council did not reach an agreement – mentioned in its justification a ratio of 51 % between the minimum wage and the projected average wage for 2026. It argued that this was sensible, as the proposed new Minimum Wage Act includes a reference value of 55 %, which would be a reasonable step up from 51 % in the coming years.
Portugal	No (apart from an absolute euro value)	No	In January 2026, the directive had yet to be transposed into national law, and no indicative reference values featured in the minimum wage regulations. The tripartite agreement for 2025–2028 proposes an annual increase in the official monthly minimum wage of EUR 50 for each year between 2025 and 2028, which was implemented by the government for 2026. (Note that, for comparability reasons, the data presented in Chapter 1 are adjusted for the 14 annual wage payments in Portugal, resulting in an increase of more than EUR 50 per month.)
Romania	No	Yes	In force since February 2025, the new procedure for applying the mechanism establishing and updating the minimum wage features a target range for the minimum wage of 47–52 % of the national average wage, as well as a requirement for a yearly update in January. However, for 2026, the government decided to postpone the minimum wage increase to July.
Slovakia	Yes	Yes	The new Minimum Wage Act (Act No 289/2024) sets the reference value at 60 % of the gross average wage. After failed social partner negotiations on the rate for 2026, the government set the minimum wage at this reference value, following the process prescribed by the Minimum Wage Act.
Slovenia	Yes	Yes	Slovenia has opted for an indicative reference value suggested in recital 28 of the Minimum Wage Directive, namely utilising a basket of goods and services to determine the ‘cost of living with the aim of achieving a decent standard of living’. The net minimum wage is to be set at between 120 % and 140 % of these minimum living costs, which are recalculated every six years (Social Assistance Benefits Act). An unscheduled re-evaluation of the minimum cost of living carried out in 2025 (three years earlier than planned) revealed that it had increased significantly more than consumer prices since September 2022, leading to a larger increase in minimum wages for 2026.
Spain	Yes	No	Since 2021, the government has mandated the relevant expert committee to assess whether the minimum wage ensures a ‘sufficient’ or ‘decent’ standard of living. This instruction has explicitly referenced a target value of 60 % of the net average wage of a full-time worker, which the expert committee is tasked with calculating in making its yearly proposal. However, this has been done on an ad hoc basis and is not enshrined in any regulation. Spain has not yet fully transposed the directive.

Note: The Minimum Wage Directive does not prescribe any specific indicative reference values that Member States must use, nor does it prescribe the use of any indicative reference values for the setting of new rates. It only states that ‘Member States shall use indicative reference values to guide their assessment of adequacy of statutory minimum wages’, which does not have to happen yearly and could be a separate exercise from the updating of the rates.

Source: Network of Eurofound Correspondents.

Assessing the absolute adequacy of minimum wages

Article 5 of the Minimum Wage Directive requires Member States to set up procedures for setting adequate statutory minimum wages. What ‘adequacy’ means is not strictly defined in the directive. However, the official report on the transposition of the directive cites recital 28 of the Minimum Wage Directive in outlining both a relative and an absolute dimension of adequacy: ‘Minimum wages are considered to be adequate if they are fair in relation to the wage distribution in the relevant Member State and if they provide a decent standard of living for workers’ (European Commission: Directorate-General for Employment, Social Affairs and Inclusion, 2023). The relative dimension refers to the type of indicative reference values that measure the level of national minimum wages in relation to the general wage distribution among all employees.

Complementing this, the absolute dimension of adequacy refers to the extent to which national minimum wages provide a decent standard of living for workers. In this regard, the report on the transposition of the directive again cites the directive, which states that using ‘a basket of goods and services at real prices established at national level can be instrumental to determining the cost of living with the aim of achieving a decent standard of living. In addition to material necessities such as food, clothing and housing, the need to participate in cultural, educational and social activities could also be taken into consideration.' Note that the directive does not require Member States to assess the absolute adequacy of their minimum wages with a particular regularity or even at all. Indeed, thus far only a few Member States have attempted to assess this absolute dimension of adequacy. This section summarises the efforts made in this regard since the directive entered into force.

As mentioned in Table 4, **Slovenia** is the most prominent example; minimum living costs serve as the central national reference value for setting the minimum wage. The calculation is based on a nutritionally adequate basket of food and actual transaction prices for essential goods and services, and the net minimum wage must be set at between 120 % and 140 % of these regularly recalculated costs. The calculation was updated in 2025 and must be carried out at least every six years.

In **Ireland** in 2025, in formulating its recommendation on the national minimum wage for 2026, the Low Pay Commission examined the MESL (Irish Low Pay Commission, 2025). This is a 'formal needs-based approach, in which a basket of goods needed to achieve an agreed standard of living is chosen and the wage needed to reach this standard is then designated as the living wage' (Irish Low Pay Commission, 2022, p. 6). This living wage rate, calculated using the MESL approach, has been published on an annual basis by the Living Wage Technical Group since it was established in 2014. In 2025, the national minimum wage was estimated to be 91.53 % of the living wage under the MESL model.

In both **the Netherlands**, which formally transposed the directive in early 2026, and **Czechia**, an assessment of the national minimum wage against a basket-based cost of living has been done in previous years. In **the Netherlands**, the evaluation of the statutory minimum wage carried out by the Ministry of Social Affairs and Employment in 2023 compared the disposable household income of minimum wage earners with minimum sample budgets for various household types, as computed by the National Institute for Family Finance Information (Nibud). It was found that, on average, disposable income exceeds necessary living expenses, although some groups, especially single-earner couples with children, face limited surpluses or potential shortfalls (Netherlands Ministry of Social Affairs and Employment, 2023). In **Czechia** in 2024, the Research Institute of Labour and Social Affairs conducted an adequacy analysis of the 2023 minimum wage, which included an evaluation of the minimum wage against minimum living and housing costs. The criteria used by the institute in its overall assessment included the adequacy of the minimum wage in relation to the cost of living, the general level of wages and their distribution, the rate of wage growth, the long-term national level of labour productivity, employment, the risk of poverty and income inequality. The study concluded that the minimum wage was insufficient to cover basic needs.

Developments in countries without a national minimum wage

Systems in which minimum wages are set exclusively through sectoral or otherwise partitioned collective bargaining – as is the case in Austria, Denmark, Finland, Italy, Norway and Sweden – differ fundamentally from systems in which one uniform national minimum wage is set. This is due to the involvement of multiple actors and the fact that rounds of bargaining, while scheduled and coordinated in some countries, can occur at various points throughout the year.

In most Member States without a national minimum wage, these systems of setting minimum wages exclusively through agreements negotiated through collective bargaining are widely supported by social partners and governments, and there is little debate about introducing a national minimum wage. In Italy, however, where collective bargaining is particularly fragmented, the debate is ongoing and influenced the setting of wage floors for 2026. Furthermore, the averages provided in the section 'Recent trends in countries with collectively agreed minimum wages' in Chapter 1 conceal variations among sectors and occupations. These become more apparent when looking at developments in particular collective agreements and the conditions under which collective bargaining takes place.

In **Italy**, the increasingly heated debate around a statutory minimum wage, partly fuelled by the Minimum Wage Directive, has led to a wave of regional governments seeking to partly remedy the lack of a national minimum wage by enacting regional laws setting a EUR 9 gross hourly minimum wage for work carried out under all public procurement tenders (Lavorosì, 2026). At the time of writing, this has happened in Lazio (2024), Apulia (2024), Tuscany (2025) and Sardinia (April 2026). The region of Campania also presented a similar proposal in April 2026. The cities of Florence and Naples pioneered these efforts in 2024 by requiring contractors to verify that their collective agreements met the EUR 9 per hour threshold. The advances in both Apulia and Tuscany were challenged by the national government before the Constitutional Court. In December 2025, the court declared the government's case against Apulia inadmissible, arguing that the regional law does not introduce a general minimum wage but only concerns public procurement in the region. This means that the new law remains in force. The ruling on the case against Tuscany had not been delivered at the time of writing.

Important agreements with significant coverage of workers that were renewed in 2025 in Italy included that for domestic workers, which features annual automatic wage increases between 2026 and 2028 tied to inflation and the cost of living, and the national agreement for the cleaning, integrated services and multiservices sector, which also covers 2026–2028 and provides for annual wage increases in line with inflation. Finally, the agreement for employees of ‘artisanal enterprises’ that provide services in cleaning, disinfection, pest control, rodent control and sanitation services (*pulizia artigiane*) was also renewed, covering the period to the end of 2028.

In **Austria**, due to a slow recovery after two years of recession, increases in wages agreed through collective bargaining mostly only accounted for inflation or were below the rolling inflation rate (over the previous 12 months). Other notable outcomes included the renegotiation of a two-year agreement signed in 2024 for the large retail sector; the agreement’s provision on the minimum wage increase for 2026 had to be revised because inflation in 2025 was higher than originally forecast, which would otherwise have resulted in wage decreases in real terms for employees in 2026. In addition, in the public sector, the negotiated wage increase of 3.3 % will come into effect only in July, rather than having the usual January start date, due to the excessive deficit procedure that the EU has placed Austria under.

In **Denmark**, against the background of a newly negotiated wage increase for employees covered by the services and retail sectoral agreements, a new collective pay agreement in the restaurant sector included a decrease in wage levels for workers with less than one year of experience. This reflected deliberate restructuring by social partners to incentivise upskilling and encourage low-skilled workers to gain formal qualifications. Skilled workers in the sector did see substantial wage increases. For couriers in the Capital region, negotiations between the Danish Media Association and the trade union 3F initially failed to result in a negotiated settlement, due to unresolved disagreements (Keiding, 2025). Consequently, the agreement was renewed through a mediation proposal issued by the Public Conciliator (a state body tasked with preventing or resolving labour disputes and strikes during collective bargaining negotiations).

In **Finland**, the benchmark-setting agreement in the technology industry was renegotiated for a three-year period, providing for a 7.8 % wage increase over the whole period. This approach was largely followed in a number of other agreements negotiated by trade unions under the peak-level blue-collar union confederation, the Central Organisation of Finnish Trade Unions (SAK), in 2025, including agreements covering the commerce sector (following significant strikes in February 2025); post and logistics; real estate services; hotels, restaurants and catering; the food industry; and rural industries. The private early childhood education and care sector established its first dedicated collective agreement in December 2025, after more than a year of negotiations. The general collective agreement covering employees of municipal authorities between 2025 and 2028 introduced a new ‘level pay system’ (*tasopalkkajärjestelmä*) for 120 000 employees, categorising roles into three levels based on skills and responsibilities, allowing for additional increases in pay levels through local bargaining and preventing a decrease in wages for any current employee.

The peak-level agreement in **Norway** between the central employer organisation the Confederation of Norwegian Enterprise (NHO) and the Norwegian Confederation of Trade Unions (LO) set the standard for wage increases in 2025, which was determined to be 4.4 %. This translates to a general flat-rate pay increase of NOK 5 (EUR 0.42) per hour for employees to whom the NHO–LO agreement applies directly. In addition, the central agreement favours low-paid sectors without the right to firm-level bargaining, in an effort to counteract inequality: for workers in bargaining areas with less than 90 % of the average wage in the manufacturing sector (NOK 545 963 (EUR 46 206) yearly), an additional NOK 2 (EUR 0.17) per hour was agreed on for those with the right to negotiate at firm level (for instance, workers in the hotel and restaurant sector, the green sector and nurseries), while NOK 4 (EUR 0.34) per hour was agreed on for those without firm-level bargaining (for example, workers in cleaning, security services and laundries) (Norwegian Ministry of Labour and Social Inclusion, 2025).

The 2025 central bargaining rounds in **Sweden**, affecting nearly the whole Swedish labour market, resulted in a two-year agreement, with the wage-norm-setting industries agreeing on a benchmark increase (*märket*) of 6.4 % over two years. This is one of the highest wage increases in the 30-year history of the industrial agreement in Sweden (Bengtsson, 2025). The new collective agreements concluded in 2025 by the trade unions under the peak-level blue-collar Swedish Trade Union Confederation (LO) included a low-wage initiative (*låglönesatsning*) guaranteeing increased wages for anyone earning below a certain amount per month (SEK 29 100 (EUR 2 692) for 2025 and SEK 30 031 (EUR 2 779) for 2026).

3 Minimum wage systems: regulatory developments and debates

This chapter summarises regulatory changes and developments that will affect minimum wage systems beyond 2026. First, it summarises the ruling of the CJEU on the Minimum Wage Directive and the initial reactions of social partners and stakeholders to it, as of January 2026. Then it describes changes to regulations and minimum-wage-setting systems that happened during 2025, before summarising noteworthy national debates on how wage floors should be set.

In comparison with the widespread efforts to transpose the provisions of the Minimum Wage Directive in 2024, there was much less change to minimum-wage-setting mechanisms and regulations in 2025. This was at least partly due to the pending ruling of the CJEU on the validity of the directive, which was expected to be delivered in late 2025. Member States were generally waiting for the verdict before continuing debates and implementing any further changes to their national systems.

Ruling of the Court of Justice of the European Union

Proposals to introduce any form of regulation on minimum wages or collective bargaining had been met with resistance from actors in the Nordic countries, even before the proposal for an EU directive (Eurofound, 2014, 2021; Furåker, 2020; Hyman et al., 2024). These countries have no national minimum wage and minimum wage setting (although differences exist among Nordic countries) is predominantly based on sectoral and company-level collective agreements, which are negotiated and implemented by social partners. Against this background, any form of interference from national governments or the EU is regarded as a threat to the prevailing model of industrial relations and social partners' autonomy.

The Minimum Wage Directive takes account of such differences in minimum wage systems across Member States by addressing several of its key provisions only to Member States with a statutory minimum wage (for example, Articles 5–8) and by clarifying that it does not require Member States to introduce a statutory minimum wage or declare collective agreements universally applicable (recital 19).

Following the passing of the directive by majority vote in the Council of the European Union (Denmark and Sweden voted against the adoption of the directive; Hungary abstained), Denmark went to the CJEU in 2023 and requested the annulment of the directive (in Case C-19/23); Sweden subsequently supported Denmark in this action. If the court would not consider a full annulment, Denmark alternatively proposed removing Article 4(1)(d) and/or Article 4(2), which address the requirement to protect unions' and employer organisations' right to collective bargaining and the requirement for Member States with bargaining coverage rates below 80 % to establish action plans for the promotion of collective bargaining. One of the main arguments supporting the request for full annulment was that the directive interfered with Article 153(5) of the Treaty on the Functioning of the European Union (TFEU), which excludes pay from the areas in which the EU can intervene.

In early 2025, Nicholas Emiliou, Advocate General of the CJEU, delivered a legal assessment in the form of an opinion advising the court to give right to Denmark's claim ([17]). The CJEU, which often follows such opinions, but is not bound to do so, took further time to deliberate and ultimately delivered its ruling on the case on 11 November 2025. Taking a different view, it confirmed the legal validity of the directive, at least in large part.

With the ruling, the court confirmed that the legal basis – Article 153(1)(b) TFEU – for a measure on working conditions is sound. By applying a test of 'direct interference' (which sought to establish whether the directive's objective lies within the powers conferred on the EU by Member States), it also clarified the boundaries of the exclusion of pay and the right of association from the EU's competences under the TFEU. According to the ruling, two specific aspects related to Article 5 on the setting of statutory minimum wages did not pass the test of direct interference and were in conflict with the exclusion of pay from the EU's competences, since the court considered they could have a direct impact on the level of wages and involve

([17]) Opinion of Advocate General Emiliou of 14 January 2025 in *Denmark* v *Parliament and Council (Adequate minimum wages)*, C-19/23, ECLI:EU:C:2025:11, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:62023CC0019.

Box 3: Contents of the directive affected by the CJEU's partial annulment

The following lines in Article 5 of the Minimum Wage Directive, 'Procedure for setting adequate statutory minimum wages', were affected by the CJEU ruling (the parts that were annulled have been crossed out):

1. *Member States with statutory minimum wages shall establish the necessary procedures for the setting and updating of statutory minimum wages. Such setting and updating shall 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. Member States shall define those criteria in accordance with their national practices in relevant national law, in decisions of their competent bodies or in tripartite agreements. The criteria shall be defined in a clear way. Member States may decide on the relative weight of those criteria,* ~~*including the elements referred to in paragraph 2,*~~ *taking into account their national socioeconomic conditions.*

~~2.~~ ~~*The national criteria referred to in paragraph 1 shall 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.*~~

3. *Without prejudice to the obligations set out in this Article, Member States may additionally use an automatic mechanism for indexation adjustments of statutory minimum wages, based on any appropriate criteria and in accordance with national laws and practices*~~*, provided that the application of that mechanism does not lead to a decrease of the statutory minimum wage*~~.

The remainder of the text was left as is. Note in this regard that the court can perform a partial annulment of an EU act (under Article 264 TFEU) only if the illegal parts are strictly severable from the rest of the measure and such annulment does not alter the substance of the act. For more detailed legal comments on the ruling, see in particular Menegatti (2025).

Sources: Minimum Wage Directive and Judgement of the Court of Justice of 11 November 2025, *Denmark v Parliament and Council (Adequate minimum wages)*, C-19/23, ECLI:EU:C:2025:865, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:62023CJ0019.

harmonisation among Member States in an area in which the EU has no competence. As a result, two parts of Article 5 were annulled, namely:

- the **mandatory elements**, specified in Article 5(2)(a)–(d), that were to be included among national criteria (otherwise to be freely selected) for minimum wage setting (Member States were required to adhere to these in setting and uprating statutory minimum wages);
- the conditionality clause in Article 5(3) regarding the use of a system of automatic wage indexation, which specified that **the use of such a mechanism must not lead to a lowering of the minimum wage**.

For more details on the annulment applied to some of the text of the directive, see Box 3.

The court established the validity of the remainder of the directive, including both Article 4 on the promotion of collective bargaining and its two contested provisions, which Denmark had requested be included in any partial annulment, and Article 5(4), which states that 'Member States shall use indicative reference values to guide their assessment of adequacy of statutory minimum wages'. The directive specifies that, to that end, Member States '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'. The court upheld the validity of this provision, as these are 'merely reference parameters for assessing the adequacy of statutory minimum wages, from which the Member States may, moreover, freely choose'. This is significant since, as has been shown, a growing number of Member States are using such indicative thresholds (expressed typically in relation to average wages and to a lesser extent in relation to median wages) when deciding on their yearly uprates to national minimum wages.

National reactions to the ruling

By January 2026, no government in the EU had indicated that it intended to change or adapt current minimum wage regulations or practices in response to the CJEU ruling. This includes the large number of Member States that had transposed the criteria set out in Article 5(2)(a)–(d) into legislation, regulations or formulas, often verbatim (see Eurofound, 2025a, Table 10, for an overview of how these criteria were transposed).

Changes to and reversals of these regulations may still happen in future. There have, however, already been multiple statements from social partners and government officials on the CJEU ruling.

In many Member States, major trade unions welcomed the ruling and the fact that most of the directive was upheld. These included unions in Austria (the Austrian Trade Union Federation (ÖGB) and the Austrian Federal Chamber of Labour (AK)); Belgium (ACV-CSC, ABVV-FGTB and ACLVB-CGSLB); Croatia (the Union of Autonomous Trade Unions of Croatia (SSSH) and Independent Trade Unions of Croatia (NHS)); Cyprus (the Pancyprian Federation of Labour (PEO) and the Cyprus Workers' Confederation (SEK)); Czechia (the Czech-Moravian Confederation of Trade Unions (ČMKOS) and the Czech Metalworkers' Federation (OS KOVO)); Estonia (EAKL); Finland (SAK, the Finnish Confederation of Professionals (STTK) and the Confederation of Unions for Professional and Managerial Staff in Finland (Akava)); France (the General Confederation of Labour (CGT) and the French Democratic Confederation of Labour (CFDT)); Germany (the German Trade Union Confederation (DGB)); Ireland (the Irish Congress of Trade Unions (ICTU) and the Services, Industrial, Professional and Technical Union (SIPTU)); Lithuania (Solidarumas); Malta (the General Workers' Union (GWU)); the Netherlands (the Netherlands Trade Union Confederation (FNV)); and Spain (the General Union of Workers (UGT)).

The CGT in **France** also explicitly stated that it '[regretted] the CJEU's annulment of the provisions of the directive that defined harmonised criteria at European level for raising minimum wages' (CGT, 2025). The large FNV trade union in **the Netherlands** described the ruling as 'fantastic news with major consequences', interpreting it as meaning that a significant increase in the minimum wage would be required to comply with the indicative reference values suggested by the directive. The union also called for the abolition of the statutory youth minimum wages [18] and for an end to the deduction of housing costs from migrant workers' wages (de Boer, 2025).

Employer organisations' reactions were more mixed. The Confederation of **German** Employers' Associations (BDA) explicitly expressed a negative opinion on the ruling, saying that 'continuing this policy will not make Europe a success story' (BDA, 2025). In its view, minimum wages and collective bargaining agreements fall solely within the competence of the Member States, although it did stress the importance of promoting collective bargaining. The **Spanish** Confederation of Business Organisations (CEOE) also urged caution, stressing national collective bargaining autonomy and expressing relief that the legal uncertainty around the directive had ended. It also interpreted the ruling as confirming that wage setting should primarily remain with national legislators and social partners, a position that is shared by the Confederation of **Netherlands** Industry and Employers (VNO-NCW) and MKB Netherlands, the organisation representing employers in small and medium-sized enterprises (VNO-NCW, 2025). The Director of the Labour Department of the Lewiatan Confederation in **Poland**, another employer organisation, stressed the importance of its being permissible for an automatic indexation mechanism to lead to a reduction in minimum wages (Leśniak, 2025).

In **Cyprus**, the tripartite technical committee that was tasked by the government with reviewing and providing feedback on the draft law transposing the Minimum Wage Directive into national legislation reacted to the ruling by resuming and concluding its work: the government representatives on the committee reviewed the input of the social partner organisations and prepared a final proposal.

In Member States without a national minimum wage, where wage floors are decided exclusively through collective bargaining, positions are more mixed.

The **Danish** government, which together with the Swedish government had brought the action before the CJEU, had hoped that the entire directive would be annulled. The Minister for Employment, Kaare Dybvad Bek, stated in connection with the ruling that the outcome could therefore be regarded only as a partial victory (Danish Ministry of Employment, 2025a). The employer organisations Danish Industry (DE) and the Danish Chamber of Commerce (DI) and the Danish Trade Union Confederation (FH) had had similar expectations. They considered that the directive, even in its reduced form, entailed a risk that the EU might move into areas that in Denmark are traditionally regulated by the social partners. In their responses, the employer organisations emphasised that the Danish model plays a central role in ensuring companies' competitiveness and labour market stability (DI, 2025; DE, 2025), while FH stressed that the Danish model has historically ensured both high employment and economic stability, and therefore argued that the EU should show restraint in this area (Baunehøj, 2025).

In contrast, the **Italian** General Confederation of Labour (CGIL) called for the government to implement a national minimum wage as a result of the confirmation of the validity of most of the directive (CGIL, 2025a). The Italian Labour Union (UIL) stressed that the directive stipulates that workers have a right to decent,

(18) The government had already been examining the issue of the youth minimum wages. An exploratory study published in March 2025 had concluded that different rates for different age groups remained lawful provided that a clear and objective justification was given for the distinction. The study also considered the option of abolishing the youth minimum wages entirely. The debate is expected to continue into 2026.

adequate wages and mentioned the indicative reference values in its call on the government to strengthen collective bargaining on wages (UIL, 2025a). Even the largest business association, the Italian General Federation of Companies, Professional Activities and Self-employment (Confcommercio), emphasised that the decision was an opportunity to address contractual wage dumping, which undermines fair competition between enterprises and collective bargaining on wages in Italy (Confcommercio, 2025).

In **Sweden**, the ruling received positive reactions from social partners on both the employer and the trade union sides. Although they had opposed the directive, the peak-level social partners stated that the ruling had provided greater legal clarity, offering both clarifications to the text and stronger guarantees that the EU cannot meddle in the Swedish wage-setting model (Arbetsvärlden, 2025a, 2025b).

Changes to regulations on minimum wages and collective bargaining coverage

This section summarises the few changes to regulations on minimum wages that happened during 2025. Some have already affected minimum wages for 2026, and some are aimed at ensuring adequate minimum wages in future through promoting collective bargaining. The changes described are due to various national initiatives or they relate to the required transposition of the Minimum Wage Directive.

Following the considerable overhaul of legislation and other forms of regulation during 2024 as Member States transposed the directive into national law – documented in Eurofound (2025a) – only a few Member States changed aspects of their regulations on national minimum wages during 2025 (beyond the regular updating of the rates and some minor adjustments). This is notable, as it highlights the fact that most of the Member States lagging behind the transposition deadline (November 2024) did not proceed beyond the stage of further debates (see Table 5 and Mueller, 2025,

Table 5: Status of transposition of the Minimum Wage Directive in Member States that had not yet (fully) transposed it on 1 January 2026

Member State	Status of transposition	Comment
Bulgaria	Partial	Bulgaria has not yet fully transposed the Minimum Wage Directive into law, although in February 2023 it amended Article 244 of its Labour Code to establish that the minimum wage must be set at 50 % of the gross average wage. A formal draft law to fully transpose the directive was introduced for public discussion by the Ministry of Labour and Social Policy on 26 September 2025. This proposal focused on promoting collective bargaining at the sectoral level, improving working conditions and granting the labour inspectorate new powers to monitor compliance.
Cyprus	Incomplete	A tripartite technical committee resumed and concluded its work on the transposition following the November 2025 CJEU ruling. A new draft law exists, but, according to trade unions, it currently leaves several 'hot-button issues' – such as the determination of an hourly minimum wage – unaddressed, with the government intending to regulate these through a decree after the law's enactment.
Luxembourg	Incomplete	The government introduced Bill No 8437 to amend the Labour Code and transpose the directive. As of late 2025, the bill was still being examined by the parliamentary committee on labour. Progress was temporarily paused in mid-2025 to await the CJEU ruling on the directive's legal basis.
Netherlands	Complete	Bill 36.545 (the Implementation Act) was adopted by the House of Representatives in October 2024. However, in January 2025, the Senate postponed the vote on the bill to await the CJEU ruling. On 20 January, following the ruling, the Senate finally passed the bill to transpose the directive. See Box 4 for more details.
Poland	Incomplete	A draft of the new Minimum Wage Act was presented by the government on 26 August 2024. In April 2026, this draft was still under review by the legislature. When the legislature's review is complete, it will be forwarded to the Standing Committee of the Council of Ministers for consideration.
Portugal	Incomplete	An initial bill submitted in November 2024 was halted due to the dissolution of parliament. On 24 July 2025, the new government presented a preliminary draft law on the reform of labour legislation to social partners, which includes provisions transposing the directive. This draft is currently under discussion within the tripartite Social Concertation Standing Committee, and no timetable has been set for its submission to parliament.
Spain	Transposition not necessary, according to the government, but some new legislation is under discussion	The Spanish government argues that the current minimum-wage-setting policy, which includes an expert advisory committee that takes an indicative reference value into account, is already fully compatible with the EU directive. However, it is preparing a reform to change the rules on compensation for and absorption of minimum wage increases through reduced wage complements. The objective is to make sure that the increase in the minimum base wage is not offset by employers reducing complements and allowances.

Source: Network of Eurofound Correspondents.

for a more detailed treatment). The notable exception is the Netherlands.

Some new regulations in 2025 concerned procedural changes to the setting of minimum wages, either by law, as in Romania in February, or through delegation to consultative bodies, such as the German Minimum Wage Commission or the Slovenian tripartite Economic and Social Council. More far-reaching is the Italian parliament's approval of an act on minimum wages, which is intended to bring to an end the long-standing debate about the introduction of a statutory minimum wage (see, for example, Eurofound, 2021, p. 30, and Eurofound, 2024a, p. 43). Legislative changes in Austria, Denmark and Poland seek to expand the coverage of collective agreements to additional groups of workers, in an effort to act in accordance with Article 4 of the directive.

Procedural changes to national minimum wage systems

Following the ruling of the CJEU on the validity of the directive, the Senate of **the Netherlands** resumed the debate on and eventually passed the bill to transpose the Minimum Wage Directive, on 20 January 2026. The bill does not fundamentally change the procedure for minimum wage setting; rather, it introduces some minor adjustments to comply with the directive (see Box 4 for more details). Notably, the amended Minimum Wage and Minimum Holiday Allowance Act does include verbatim the elements specified in the (former) Article 5(2)(a)–(d) of the directive, although they have been annulled by the CJEU ruling.

Both the **German** and the **Slovenian** governments have taken the view that no legal changes are required to transpose the directive. The implementation of its requirements regarding statutory minimum wage uprates were delegated to the Minimum Wage Commission in Germany, which acted accordingly and changed its rules of procedure (*Geschäftsordnung*) on 21 January 2025. In particular, the Commission will consider – in addition to the criteria it is already required to take into account – the reference value of 60 % of the gross median wage for full-time employees, to achieve the objectives of the directive in addition to the objectives set out in the national minimum wage law (German Minimum Wage Commission, 2025).

In addition, Slovenia introduced a new statutory winter allowance in 2025, requiring employers to pay all employees a cash bonus of at least 50 % of the monthly minimum wage each year (by mid-December). This complements the existing holiday allowance, which constitutes a mandatory annual payment of at least the monthly statutory minimum wage, to be paid before the summer. For both allowances, the entitlement applies to all employees (including part-time workers and those working part of the year on a pro rata basis). Both allowances are also given preferential tax and social security contribution treatment and create a binding employer obligation, with penalties for non-compliance, although limited deferrals are allowed in cases of financial difficulty.

In **Romania** in February 2025, the government adopted a procedure for applying the mechanism establishing and updating the minimum wage through Government Decision 35/2025, which finalises the transposition of the directive. The procedure establishes a structured, data-driven approach to minimum wage updating, stipulating that the minimum wage is to be updated once per year, at the beginning of January, by a percentage equal to the sum of forecast annual inflation and forecast labour productivity growth. The minimum wage is to be equal to between 47 % and 52 % of the average wage, leaving room for negotiations between nationally representative social partners. Annual impact assessments are to be conducted by an institute subordinated to the Ministry of Labour. However, the new procedure was not implemented for January 2026, as it was decided to postpone the update to the minimum wage by six months.

In **France**, a law was passed regarding the minimum wage in the overseas department of Mayotte, in the Indian Ocean (Law No 2025-797 of 11 August 2025). It sets out a path towards economic and social convergence, with the net minimum wage for Mayotte set to align with the statutory minimum wage for metropolitan France by December 2031. There is an intermediate stage, with the Mayotte minimum wage to reach 87.5 % of the main national one on 1 January 2026. The law sets the increase in the minimum wage for Mayotte at 3.90 % for 2026, effective from 1 January and raising the gross hourly rate to EUR 9.33.

In **Ireland**, the government decided in April 2025 to extend the timeline for the national minimum wage reaching the level of the living wage (currently set at 60 % of the median wage) from 2026 to 2029, due to economic circumstances. This eased the pressure on the Low Pay Commission, which settled on a 65-cent increase in the hourly minimum wage for 2026.

In **Croatia**, the Amendment to the Minimum Wage Act (OG 152/24), which entered into force on 1 January 2025, repealed Article 8 of the act. That provision had previously allowed collective agreements to set a minimum wage lower than the statutory minimum, provided that it was not less than 95 % of the amount prescribed by the relevant government regulation. Its repeal means that collective bargaining can no longer serve as a basis for lowering the statutory minimum wage. This change confirms the mandatory nature of the minimum wage in Croatian law.

Box 4: Transposition of the Minimum Wage Directive in the Netherlands

After a delay in transposition following political debate during 2024 (see Eurofound, 2025a, for more details), on 28 January 2025 the Senate adopted a motion to postpone the vote on the relevant bill until the CJEU had ruled on the validity of the directive. Following this ruling in November 2025, Bill 36.545 to transpose the directive was finally passed on 20 January 2026 (Senate of the Dutch Parliament, 2026).

Protection of workers from retaliation if they claim minimum wage rights

The first addition to the Minimum Wage and Minimum Holiday Allowance Act (Article 6a) specifies that employers may not disadvantage an employee because they assert rights granted under the act, assert their right to a minimum wage as granted by a collective agreement, provide assistance to such claims or file a complaint regarding these matters.

Criteria adhered to in order to ensure adequacy

The new Article 14(16) of the Minimum Wage and Minimum Holiday Allowance Act (inserted by Amendment B) now formally codifies four criteria for evaluating the minimum wage level: they are the elements from Article 5(2)(a)–(d) of the directive, which have been annulled by the CJEU ruling. They are to be applied during the evaluation that must take place every four years and must also be reassessed in the event of any extraordinary policy-driven adjustment. This does not change existing practice in the Netherlands, however, but merely codifies the criteria into law, as they were already applied in practice, for example in the four-yearly evaluation in 2023.

Notably, no relative weights for the four criteria are made explicit, so the wage setters retain some flexibility as to how exactly the criteria need to be applied.

Indicative reference values to assess adequacy

The amendment to the Minimum Wage and Minimum Holiday Allowance Act specifies that indicative reference values are to be determined by ministerial regulation (to be issued by the Ministry of Social Affairs and Employment) and must be used as guidance when assessing whether the minimum wage is adequate.

The ministerial regulation of 18 February 2026 establishes two indicative reference values.

- **Absolute dimension (living standard).** The net disposable income of full-time minimum wage earners is to amount on average to 128 % of necessary living costs. This value was determined based on a comparison (using budget data from the National Institute for Family Finance Information) of the net disposable income of minimum wage earners (including wages, tax credits, allowances and child benefits) with necessary living expenses, across six representative household types.
- **Relative dimension (wage distribution).** The gross statutory minimum wage is to amount to 50 % of the median wage. This is tracked by the OECD and is based on gross amounts only (no fiscal corrections). The reference data point was 49.14 % (2023 OECD data); 50 % was chosen as a rounded reference value.

The values are to be assessed as part of the four-yearly evaluation.

Designation of a consultative body

The Netherlands continues to rely on its existing situation, where the tripartite Social and Economic Council and the bipartite Labour Foundation already fulfil the consultative function envisaged by the directive. They are, however, not explicitly designated as the relevant consultative bodies in the new regulations.

Action plan to promote collective bargaining

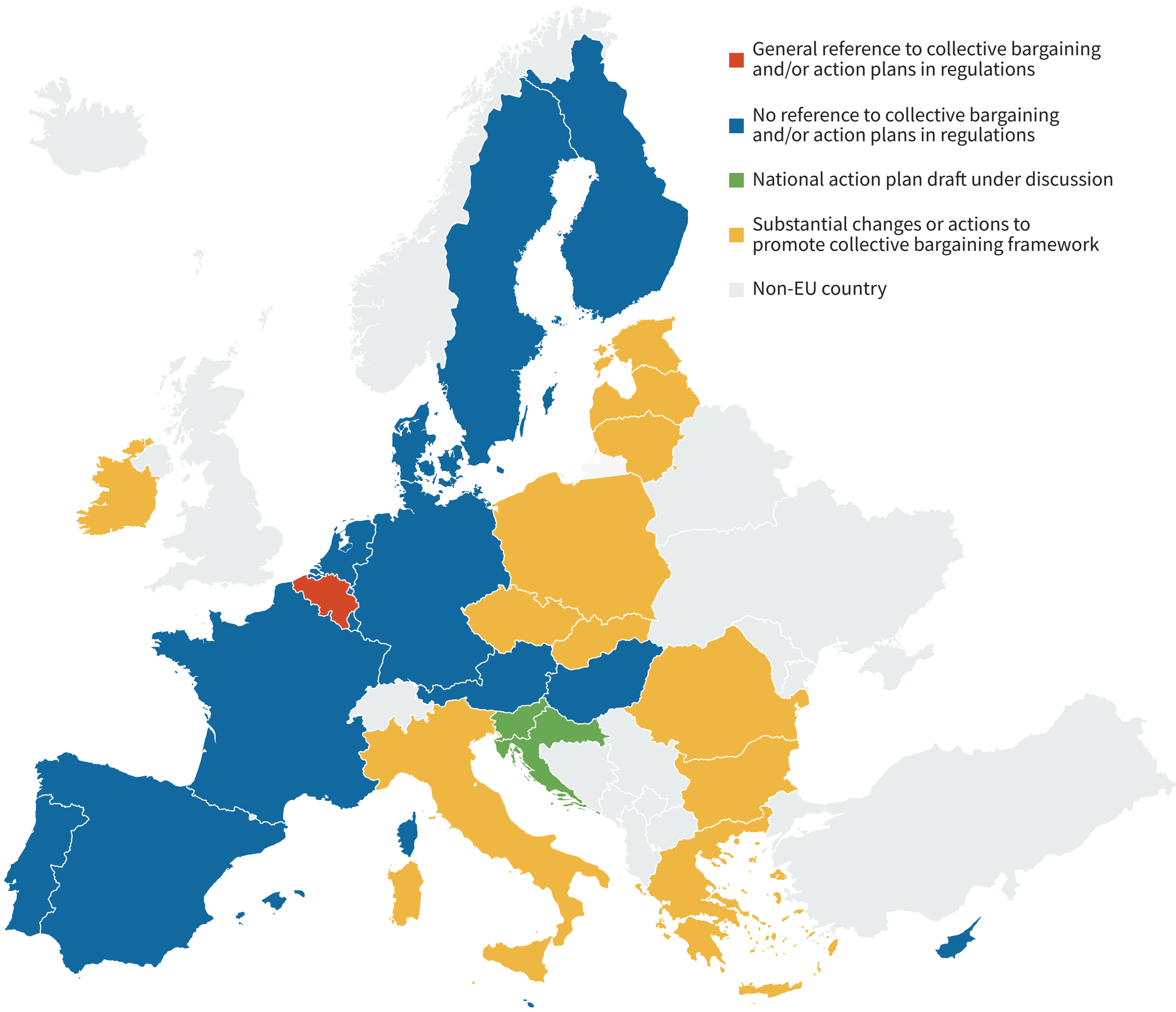
The new bill does not make reference to an action plan to promote collective bargaining. While the Minimum Wage Directive provides that such a plan must be drawn up if the collective bargaining coverage rate falls below 80 %, it does not need to be anchored in national legislation. Such an action plan is mentioned in the explanatory memorandum (*memorie van toelichting*) on Bill 36.545, however, where the need for one is made explicit, as research is quoted that shows that the collective bargaining coverage rate is below 80 %. No such action plan had been published by May 2026.

Expanding the coverage of collective wage agreements, and national action plans

Article 4 of the Minimum Wage Directive aims to promote collective bargaining, especially in Member States with a coverage rate below 80 %. The Member States without a statutory minimum wage all already have a high bargaining coverage rate, in excess of this threshold, but some workers are still not covered. The recent changes to regulations in Austria, Denmark and Italy address – and can potentially reduce – some of these gaps (as discussed below).

Member States that do not meet the threshold of an 80 % collective bargaining coverage rate, which includes most of the Member States that have a national minimum wage, are required to develop a national action plan to promote collective bargaining (Article 4). Although it does not explicitly state it, the directive is commonly interpreted as implying that these Member States are required to notify the European Commission of the establishment of such an action plan by the end of 2025 (see European Commission: Directorate-General for Employment, Social Affairs and Inclusion, 2023). To the authors' knowledge, in Croatia and Slovenia draft action plans have been put forward and are currently under discussion at the national level. Other Member States have already started changing regulations. Figure 16 gives an overview of how Member States have approached the transposition of Article 4 of the directive so far.

Figure 16: Overview of how Member States have approached the transposition of Article 4 of the Minimum Wage Directive



Source: Authors, based on national regulations and information from the Network of Eurofound Correspondents.

In **Poland**, a new law (Dz.U. 2025 poz. 1661) on collective labour agreements and collective bargaining, passed in December 2025, aims to expand the scope of collective agreements and streamline procedures. This adds Poland to the small group of Member States that have substantially transposed Article 4 of the Minimum Wage Directive into law (see Figure 16 and compare with Figure 14 in Eurofound, 2025a). Collective agreements in Poland can now cover not only employees under traditional employment contracts but also individuals working under certain non-employment arrangements, such as 'contracts of mandate' (*umowa zlecenie*). The new law also simplifies the procedures for concluding and recording agreements, provides for the possibility to use the support of a mediator in negotiations and permits the regulation of areas of working conditions that could not be covered before. Lastly, it has introduced a requirement for collective agreements to be added electronically to a central registry (Polish Ministry of Family, Labour and Social Policy, 2025).

This last point is similar to a development in **Croatia**, where, since 1 September 2025, a new ordinance on the procedure for the 'delivery, publication and method of record-keeping' of collective agreements has been in force. In an effort to improve the transparency of the collective bargaining system, the ordinance stipulates the creation and mandatory use of a publicly accessible electronic database of signed collective agreements.

The **Italian** parliament initially approved an act on the minimum wage on 25 September 2025 (Law No 144/2025) ([19]), which sought to extend the minimum compensation under the 'most widely applied' collective agreements to workers not covered by sectoral bargaining. However, following much backlash from trade unions (see, for example, CGIL, 2025b; UIL, 2025b), the government ultimately decided not to implement it and abandoned its purely quantitative criterion to avoid the risk of systemically legitimising 'pirate' collective agreements. These are agreements signed by organisations that lack genuine or established representativeness and are often widely applied to cut labour costs and drive down regulatory and economic protections for workers (Faioli, 2026). Instead, on 30 April 2026, the government enacted Decree-Law No 62/2026 ([20]). It defines the fair wage (*salario giusto*) as a comprehensive form of remuneration (*trattamento economico complessivo, TEC*), as taken from the collective agreements signed by the 'comparatively most representative' unions and employer organisations at national level, thus officially discarding the 'most applied' metric. It also introduces a system of incentives whereby access to tax or social security contribution reductions is strictly conditional on paying workers no less than the TEC. Furthermore, Decree-Law No 62/2026 tackles the issue of expired agreements by establishing an automatic adjustment mechanism (linked to inflation) if an agreement is not renewed within 12 months. Lastly, it introduces measures to improve wage transparency and enable a special system of monitoring by the labour inspectorate to ensure compliance.

In **Bulgaria**, the Ministry of Labour and Social Policy introduced a plan for promoting collective bargaining for 2026–2030 in order to fulfil the requirement under Article 4 of the directive (Bulgarian Ministry of Labour and Social Policy, 2025), which was adopted by the Council of Ministers in February 2026. The stated objective of the plan is to increase the collective bargaining coverage rate to 20 % by the end of 2030. It includes 24 specific measures, 9 of which change the legal framework, including the Labour Code, and 15 of which cover other measures, such as training initiatives, information campaigns and capacity building for social partners.

In **Ireland**, the action plan to promote collective bargaining for 2026–2030 was launched in November 2025 (Government of Ireland, 2025). It was developed in collaboration with the ICTU and the employer organisation Ibec. The plan respects Ireland's voluntarist model, meaning employers are still not legally required to recognise trade unions for collective bargaining purposes. Instead, it focuses on over 20 targeted actions, organised across 5 strategic pillars, namely 'Understanding impact' (focusing on research to measure the economic and social benefits of collective bargaining); 'Empowering and encouraging' (capacity-building programmes, funding for productivity-enhancing agreements, and recognition of best practices); 'Promoting' (public awareness campaigns, a new code of practice and exploration of tax incentives to support union membership); 'Protecting' (legislative reviews to safeguard workers' rights and strengthen protections for trade union representatives); and 'Supporting institutions' (investment in digitalisation, enhanced dispute resolution and modernisation of the Workplace Relations Commission and the Labour Court).

The government of **Slovakia** presented its 2026–2030 action plan on supporting collective bargaining in December 2025 (Government of the Slovak Republic, 2025). It proposes mainly 'soft law' measures (e.g. recommendations, guidelines) and coordination measures: social partners and the Ministry of Labour, Social Affairs and Family will analyse practical and legal barriers to bargaining, and a regular tripartite working group will monitor problems and conduct an annual

([19]) https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:2025;144.

([20]) https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:legge:2026;62.

evaluation of progress; potential legislative changes will be prepared if analyses show they are needed, and workshops will be organised to address practical and legal issues. The plan also emphasises transparency and awareness raising through the annual publication of coverage data on the ministry website, publicity campaigns by unions, employer organisations and the ministry, and stronger monitoring by the labour inspectorate of compliance with collective bargaining rules, including identifying obstruction or non-cooperation.

In **Austria**, which has nearly full bargaining coverage, the (relatively small ([21]) and often low-paid) group of freelance workers whose employment relationship is partly employee-like (*freie Dienstnehmer:innen*) had not been covered by collective agreements. From 2026 on, they can be included in collective agreements (either through inclusion in existing collective agreements or by concluding their own). This relates also to workers in the platform economy. The amended paragraph 1 of the Labour Constitution Act, which introduces the change, applies only to new freelance contracts that have been concluded from 1 January 2026 onwards (and not to pre-existing ones). Besides their inclusion in collective agreements, further improvements for this group of workers have been implemented under Section 1159, paragraph 6, of the General Civil Code, which introduces more favourable provisions on the termination of the freelance service relationship (ÖGK, 2025). The changes in the law do not lead to the automatic inclusion of these workers in collective agreements, so it remains to be seen whether and how freelance workers will be included in collective agreements in the course of 2026 and the years to come.

In **Denmark** in 2025, the government presented a new collective agreement scheme, which will be implemented in 2026. The scheme aims to facilitate easier access to foreign labour for Danish employers, while ensuring that such employment takes place in accordance with Danish regulations on wages and working conditions. Under the new rules, employers who wish to make use of the expanded access to recruit foreign workers from selected countries must be covered by a collective agreement concluded between the Confederation of Danish Employers (DA) and the union confederation FH. This reinforces the institutional position of the Danish labour market model, in which collective bargaining has a strong role (Danish Ministry of Employment, 2025b).

In **Norway**, minimum wages for those not covered by a collective agreement are secured through the general application of collective agreements. As in former years, minimum wage rates set in nine agreements have been extended beyond workers covered by those agreements. From 1 June 2025, the extended collective agreement in freight transport was applied to all drivers of vehicles with a total weight of between 2.5 and 3.5 tonnes.
In December, the trade union confederation LO asked for the minimum wage in the collective agreement to be extended to workers in car detailing. The Tariff Board sent a proposal for consultation at the end of 2025, and it has still not been decided whether LO's request will be granted (Norwegian Tariff Board, 2025).

Policy debates on minimum wages

National debates on the transposition of the Minimum Wage Directive – mostly in anticipation of the CJEU ruling – continued throughout 2025. Other topics included the possible introduction of a national minimum wage (Finland and Italy) or its abolition (in Estonia), the extension of collective agreements (Italy) and how minimum wage systems should react to high inflation (Croatia), high labour costs (Slovakia) or political pressure (Germany).

Debates and exchanges on aspects of the draft laws to transpose the directive continued during 2025 in **Bulgaria** (with regard to the promotion of collective bargaining), **Cyprus**, **Luxembourg**, **the Netherlands**, **Poland** and **Portugal**, with varying degrees of intensity (see Table 5).

Related to the setting or updating of minimum wages

In **Poland**, at the time of writing, the progress of the consultation on the draft of the new Minimum Wage Act could be followed online ([22]). Among other things, the topics of discussion include whether (in addition to taking into account developments in consumer prices) the purchasing power criteria might be operationalised in an absolute way, using the annual average minimum living costs of a one-employee household, a figure that is published by the Institute of Labour and Social Affairs. The current proposal for the new law also includes changes to the advisory structure, with the Labour Market Council set to assume responsibility for minimum wage advisory functions.

In **Finland**, the business association representing small and medium-sized enterprises, Suomen Yrittäjät, continues to argue for the introduction of a statutory minimum wage, most recently in July 2025, as it would clarify and improve the rights of those 200 000 private

([21]) These workers totalled 14 869 people in Austria in 2025, according to statistics from the Austrian Economic Chambers (WKO) (https://www.wko.at/statistik/bundesland/freiedienstn.pdf).

([22]) There is a dedicated page on the website of the Government Legislation Centre: https://legislacja.rcl.gov.pl/projekt/12388700/katalog/13077189#13077189.

sector employees who are currently outside the collective bargaining system (Suomen Yrittäjät, 2025). According to its survey, the population shows support (43 % of respondents being in favour) but also opposition (19 %), and a large share of respondents are uncertain (39 %). The call for a statutory minimum wage is backed by the political party the Left Alliance (Vasemmistoliitto), which suggests introducing a EUR 15 statutory minimum wage (Yle, 2025). Neither call gained much traction, and both remained largely uncommented upon by other actors and social partners.

In **the Netherlands**, following a study commissioned by the Ministry of Social Affairs and Employment on the youth minimum wages, the government published a decision on 24 April 2025 to raise the relative levels of the youth minimum wages from 1 January 2027. At the time of writing, the proposal is still under 'internet consultation' and may thus still be altered, depending on stakeholder feedback. The percentage level of the youth minimum wage for each age group, as measured as a percentage of the adult minimum wage, is proposed to increase (for example, from 60 % to 75 % for 19-year-olds) to improve young people's 'livelihood security' (*bestaanszekerheid*). In addition, the lower rates for apprentices are to be abolished from 2027 (Government of the Netherlands, 2025).

In **Croatia**, two distinct proposals for reforming the minimum-wage-setting process emerged in 2025. The NHS formally requested that the government and parliament amend the Minimum Wage Act to provide for twice-yearly uprating rather than the current annual cycle, arguing that more frequent adjustments would better preserve the real value of wages in the context of ongoing inflationary pressures. At the same time, the SSSH proposed replacing the single national minimum wage with three separate minimum wage rates, each corresponding to a different level of job complexity. Under this proposal, the rates would range from approximately EUR 1 000 per month for less complex roles to EUR 2 000 per month for more demanding ones, with the aim of more accurately reflecting the varying requirements of different jobs.

The **Estonian** Association of Small and Medium-sized Enterprises (EVEA) proposed the abolition of the national minimum wage in 2025, contending that the two bodies responsible for negotiating the minimum wage, the ETK and the EAKL, lack sufficient representativeness. EVEA argued that the ETK primarily represents large companies, while the EAKL accounts for only a small share of the workforce, meaning that the minimum wage is effectively set by actors not directly affected by its consequences. EVEA further maintained that the current arrangement restricts entrepreneurial freedom and worsens living conditions in rural areas. The proposal was submitted to the Council for Efficiency and Economic Growth, with EVEA suggesting alternatives including linking the minimum wage to regional or sectoral average wages or indexing it to economic growth indicators. The EAKL strongly opposed the proposal, arguing that the minimum wage plays an important role in reducing in-work poverty and warning that the introduction of regional minimum wages would deepen existing inequalities.

In **Germany**, the debate in the run-up to the June 2025 decision on the minimum wage rate for 2026 centred on the independence of the Minimum Wage Commission. The coalition agreement concluded in April 2025 between the political parties the Union (CDU/CSU) and the Social Democratic Party (SPD) set out a political objective of raising the minimum wage to EUR 15 per hour by 2026, prompting the commission's chair, Christiane Schönefeld, to publicly reaffirm the body's independence. Parliamentary groups formed of representatives of the Greens (Bündnis 90/Die Grünen) and the Left (Die Linke) similarly advocated for a EUR 15 minimum wage and submitted motions to that effect. Schönefeld, alongside BDA chief executive Steffen Kampeter, criticised what they characterised as significant political and media pressure on the commission's deliberations. Trade unions took a more favourable view of the coalition's stated objective; the DGB welcomed the reference to EUR 15 as an important political signal, while acknowledging that the final determination of the minimum wage level remained the prerogative of the commission.

In **Portugal**, the tripartite agreement for 2025–2028 broadened the tax incentives available to companies that raise wages, including a 50 % corporate tax deduction on wage increase costs, exemptions from income tax and social security contributions on productivity bonuses and a gradual reduction in corporate tax rates. These measures largely reflected demands from employer confederations, namely the Confederation of Portuguese Farmers (CAP), the Portuguese Commerce and Services Confederation (CCP), the Confederation of Portuguese Business (CIP) and the Portuguese Confederation of Tourism (CTP). The General Confederation of Portuguese Workers (CGTP) rejected the agreement, arguing that employer incentives are no substitute for direct improvements to base wages and workers' rights. The General Union of Workers (UGT) was more measured in its criticism, but raised concerns about the absence of tax neutrality measures, noting that wage increases often result in higher tax burdens for workers, and called for further strengthening of the national minimum wage.

Following the comparatively large increase in the **Slovak** minimum wage in 2026, employer organisations proposed several measures to ease the effect on labour costs. Both the Federation of Employers' Associations of the Slovak Republic (AZZZ SR) and the Association of Industrial Unions and Transport (APZD) have demanded that the minimum wage no longer be used as the basis for calculating statutory wage supplements (such as those for weekend or night work). Currently, these supplements increase automatically whenever the minimum wage rises, significantly driving up total labour costs. The organisations suggest using a fixed value for these calculations instead. In addition, employers have proposed moving to a single minimum wage rate and abolishing the existing five higher minimum wage levels based on job demands, which mandate higher pay for more complex or arduous roles.

On what counts towards the minimum wage: allowances and deductions

In several Member States, the debate in 2025 moved beyond the level of the minimum wage to focus on what counts towards the minimum wage and whether existing arrangements provide adequate protection for all categories of workers.

In **Poland**, the debate centred on the question of which pay components should count towards the minimum wage. Under existing rules, functional and special allowances, bonuses and awards can be counted towards the minimum wage, a system that the trade unions and affected workers have criticised on the grounds that such payments lose their function as recognition of experience, qualifications or additional responsibilities when they are absorbed into the statutory minimum. The government has been preparing a new Minimum Wage Act (as discussed above) that would exclude all such allowances from counting towards the minimum wage. Employer organisations objected, warning of sharp increases in labour costs, and several ministries raised concerns that too rapid a change could strain public institutions and private enterprises. Consequently, the government extended the implementation timeline: functional allowances are to be excluded from 2027, other allowances from 2028 and bonuses from 2029 (Włodarczyk, 2025).

In both Sweden and the Netherlands, the debate focused on whether the minimum wage offers equal protection to all workers, with labour migrants at the centre of controversies.

In **Sweden**, debate over the wage floor applicable to work permits for labour migrants continued in 2025. The government revised its earlier proposal, lowering the proposed threshold from 100 % to 90 % of the median wage, which would set the wage floor at slightly above SEK 33 000 (EUR 3 052.50) per month. Parliament has not yet approved the revised proposal, and the current level remains at 80 % of the median wage. Motions in the Riksdag challenged the government’s approach: a motion from Social Democrat members proposed making the wage floor adjustable through collective agreements, while a motion from a Christian Democrat member proposed linking it to the lowest collectively agreed minimum wage. Both were scheduled for parliamentary debate in early 2026. A further point of contention concerned exemptions for certain occupations. The Swedish Migration Agency identified 152 shortage occupations with average wages below the national median, including soldiers, certain categories of nurses, teachers and cooks, as potentially eligible for exemption. The final proposal retains the possibility of exemptions but confines them to individual professions rather than broader occupational categories. Employer organisations continued to oppose the wage floor requirements and were critical of the proposed increase, although the Swedish Federation of Business Owners (Företagarna) indicated some relief at the reduction of the proposed threshold to 90 % (from the original proposal of 100 %).

Meanwhile, in **the Netherlands** a significant debate arose concerning the permissibility of deductions from the minimum wage for housing provided to labour migrants. While such deductions are generally prohibited under Dutch law, long-standing exceptions have been made for labour migrants, governed by the provisions of the Act on Tackling False Employment Relations and the Minimum Wage and Minimum Holiday Allowance Act. The Minister for Social Affairs and Employment had initially moved to phase out this exception, citing concerns about worker dependency and the prevalence of problematic business models in sectors with high concentrations of migrant workers. However, in October 2025, the incoming minister reversed this position, contending that abolishing the deduction could reduce transparency, diminish the quality of employer-provided accommodation and discourage employers from offering housing altogether. The reversal prompted sharp criticism in parliament, culminating in a debate and a motion of no confidence, which was ultimately not carried. The matter remains unresolved and is expected to be revisited by the subsequent government.

4 Effects of national minimum wages on collective wage bargaining

Following the discussions of minimum wages for 2026 and recent developments in minimum wage systems in the previous chapters, this chapter takes a longer-term view of a closely related topic: trends in collectively agreed wage floors, especially in low-paid sectors, and the interplay with national minimum wages. To this end, it first gives an empirical overview of developments over the past decade, based on Eurofound's database on minimum wages for low-paid workers in collective agreements, before describing more nuanced developments and dynamics by way of some selected examples of collective agreements affected by minimum wages.

Developments in the relationship between national and collectively agreed minimum wages

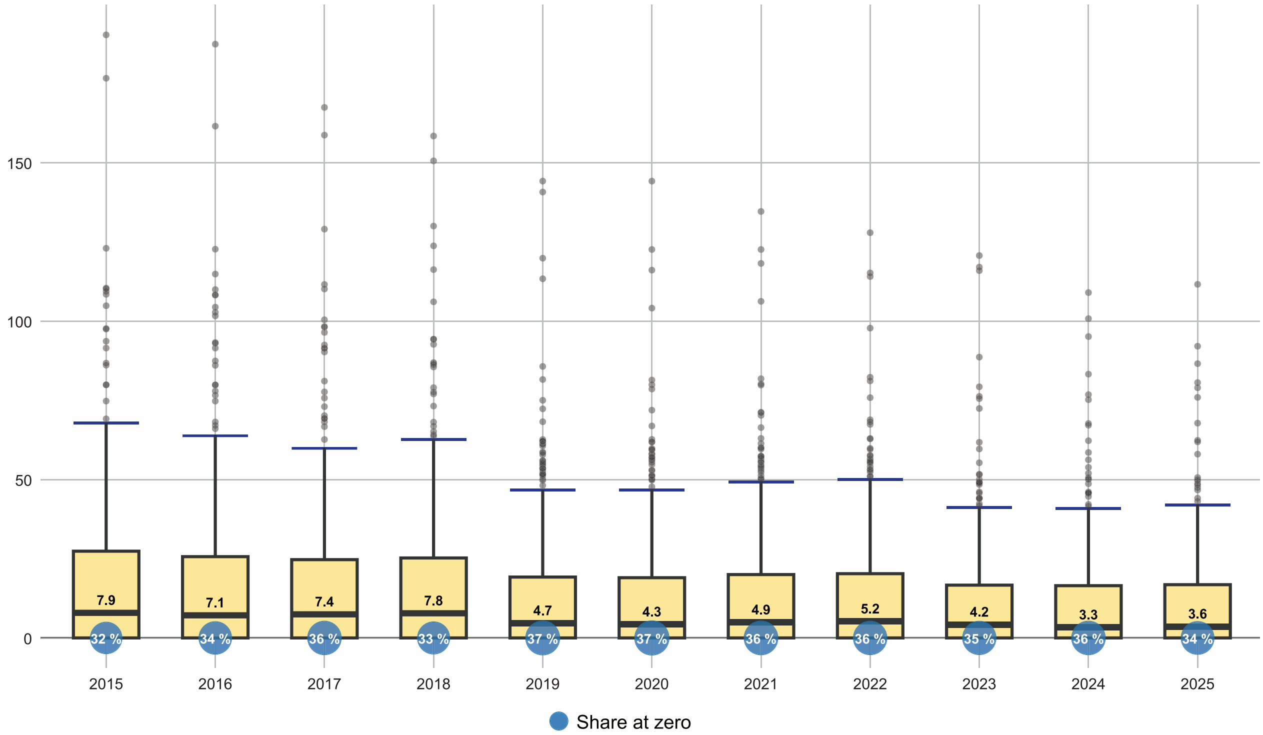
Collective bargaining on wages aims to establish wage levels above the minimum wage. When national minimum wages grow considerably, however, as they have done in many Member States over recent years, they tend to get closer to collectively agreed minimum wages (and actual average wages, as shown in Chapter 1), particularly in low-paid sectors. As a result, while some wage compression at the bottom of the wage distribution is expected, there is also the concern that national minimum wages could reduce the room for increasing wages through collective bargaining and reduce the autonomy of social partners. This could in an extreme case lead to the 'crowding out' of collective bargaining – that is, wage bargaining agreements would not be renewed any longer (see, for example, Kahancová et al., 2021). Eurofound has recently carried out substantive research on this question and found that negotiated minimum wages also tend to increase when national minimum wages are increased (Eurofound, 2025c). However, this average result masks the diversity of situations and systems in different Member States and sectors, in some of which the space between the lower limit set by the national minimum wage and negotiated wages is getting increasingly tight. Given the continuous uprating dynamics in national minimum wages (see Chapter 1), it is worth investigating their impact on collective wage bargaining in low-paid sectors and jobs in a more granular way.

The following analysis is based on Eurofound's database on minimum wages for low-paid workers in collective agreements (Eurofound, 2025b). It covers a total of 691 coded collective agreements over the period from 2015 to 2025 in all 27 Member States and across 24 typically low-paid sectors (at NACE two-digit level (NACE being the general industrial classification of economic activities within the EU); see Table A5 in Annex 1 for an overview), although it must be noted that not all agreements are available over the whole time period. Sampling approaches were non-probabilistic, based on country-specific availability of registers and informed expertise, resulting in a sample that can claim to represent collective bargaining in low-paid sectors well for most Member States (the exceptions are Czechia, Estonia, Hungary, Latvia, Luxembourg, Poland and Romania, where the representativeness of the sample is likely to be low). More information on the methodology and the sample is available in Eurofound (2024b).

Figure 17 shows how the gaps between collectively agreed and statutory minimum wages developed between 2015 and 2025, based on the collective agreements in the abovementioned Eurofound database (for example, a value of 50 % means that the collectively agreed wage floor is 50 % more than the national minimum wage). A decreasing pattern can be observed, meaning that national minimum wages have continuously drawn closer to collectively agreed wage floors. The median gap decreased from 7.9 % in 2015 to 3.6 % in 2025.

Interestingly, the share of agreements in which the explicitly negotiated wage floor is set at the same level as the national minimum wage is relatively stable over time (at around 37–32 %). This is puzzling given the clear decreasing trend in the gaps between the two wage floors. In effect, this means that the wage distribution is increasingly compressed just above but not at the national minimum wage level. One explanation may be that setting pay at a rate above the national minimum wage, even by an ever-decreasing margin, may be a matter of principle in many collective wage bargaining settings.

Figure 17: Relative gap between collectively agreed and national minimum wages (% of national minimum wage), 2015–2025



Notes: Based on all agreements with wage-rate information in the database, covering all Member States with a national minimum wage and sampled sectors. The number of agreements varies slightly between years. Negative gaps, where the (outdated) negotiated minimum is lower than the national one, are set to zero, as the latter represents the effective wage floor. The lower and upper hinges correspond to the first and third quartiles (the 25th and 75th percentiles). The upper whiskers extend from the hinge to the largest value no further than 1.5 × IQR from the hinge (where IQR is the interquartile range, or distance between the 25th and 75th percentiles). The bold lines represent the median. The blue dots show the share of gaps that are zero.

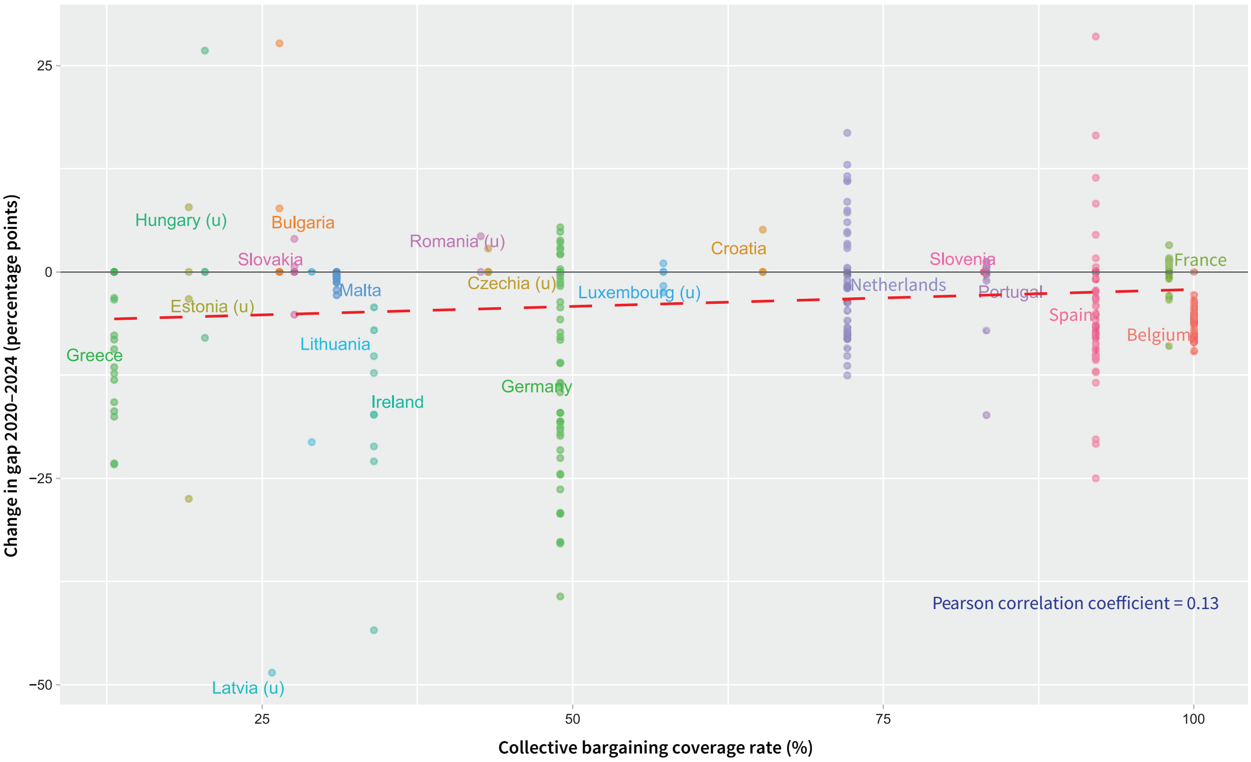
Sources: Eurofound (2025b) and authors' calculations.

Collective bargaining coverage is commonly seen as the main indicator of the relevance of collectively agreed wages and the bargaining power of trade unions (see, for example, OECD, 2019). It can thus be hypothesised that the potential for national minimum wages to limit collective wage bargaining is influenced by collective bargaining coverage rates, and that the likelihood of this happening might be greater where social partners are weaker (represent fewer workers). This would be in line with recent empirical findings that countries that have less powerful social partners tend to have greater state intervention in minimum wage setting (Cova, 2025). The OECD/Amsterdam Institute for Advanced Labour Studies (AIAS) database on institutional characteristics of trade unions, wage setting, state intervention and social pacts (ICTWSS) provides estimates of collective bargaining coverage for all Member States (OECD et al., 2025) [23]. Linking these data to data on collectively agreed wages from the Eurofound database, it is possible to look at this relationship. Figure 18 shows the change in the relative gap between collectively agreed and national minimum wages between January 2020 and January 2024 (this window was chosen because it encompasses many large uprates to national minimum wages and the available sample of collective agreements is relatively large), together with the latest available statistics on collective bargaining coverage (see Table A6 in Annex 1 for an overview of the collective bargaining coverage rates and the latest years for which the information was available). Note that the changes in the relative gaps are at the collective agreement level (*y*-axis), while the bargaining coverage rates are at the Member State level (*x*-axis).

Only 19 % of the points are above zero, meaning that only for a minority of collective agreements did negotiated minimum wages grow more than national minimum wages. For 50 %, the gap decreased (meaning that national minimum wages grew more than negotiated wages), while for 31 % the difference did not change. This last group is made up mostly of those agreements in which wage floors were already at the statutory minimum in 2020. For them, the gap could by definition not shrink, as the effective wage floor cannot sink below the national minimum.

[23] According to the definition used in compiling the OECD/AIAS ICTWSS database, 'collective bargaining coverage' means 'the share of workers at national level to whom a collective agreement applies, calculated as the ratio of the number of workers covered by collective agreements to the number of workers whose working conditions may be regulated by collective agreements in accordance with national law and practice'.

Figure 18: Change in relative gap between collectively agreed and national minimum wages, 2020–2024, and national rate of collective bargaining coverage



Notes: Based on 385 collective agreements with wage data for 2020–2024, covering Member States with a national minimum wage and sample sectors. Negative gaps, where the negotiated minimum is lower than the national one, are set to zero, as the latter represents the effective wage floor. The collective bargaining coverage rate refers to the latest available data at the time of writing, which for most Member States is 2024. No data are displayed for Poland, because collective agreements were accessible only until 2022, or for Cyprus, because the statutory minimum wage was introduced only in January 2023. The dashed line indicates the linear trend. The annotation shows the Pearson correlation coefficient. (u), unreliable figures due to small or unrepresentative sample.

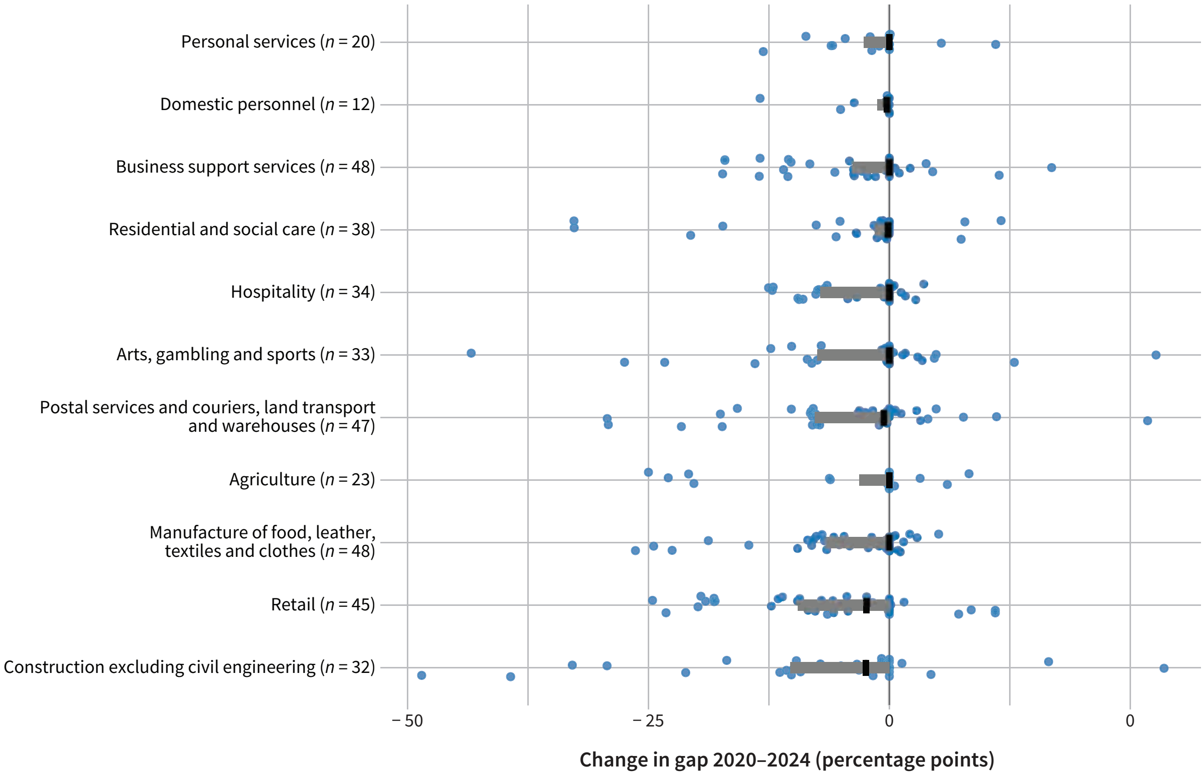
Sources: Eurofound (2025b), OECD et al. (2025) and authors' calculations.

Figure 18 also suggests a weak positive correlation with collective bargaining coverage (the *x*-axis): the higher the coverage rate, the less the gap between the national minimum wage and collectively agreed wages tends to have shrunk over the period (as indicated by the dashed trend line). Judging from the available data, this association is weak, however: the Pearson correlation coefficient is small ($r = 0.13$). Since bargaining coverage is measured only at the Member State level, because the data are not 100 % comparable between Member States and due to the selective sample of collective agreements, this statistic should be interpreted as a descriptive observation rather than as a precise estimate of the strength of a more widely applicable, independent agreement-level relationship ([24]).

Regarding the effectiveness of higher collective bargaining coverage rates in increasing collectively agreed wage floors above national minimum wages, these findings are thus not conclusive. Apart from the abovementioned statistical issues, this is also due to collective bargaining coverage rates having declined over recent years in most Member States (OECD, 2025), which may have had a negative impact on collectively agreed wage floors, and to the many factors influencing the level of national minimum wages. It can thus not be concluded from these data how much, for example, the Minimum Wage Directive's provisions on increasing collective bargaining coverage will impact the relative level of collectively agreed wage floors vis-à-vis nationally set ones. It is, however, clear that the relative importance of collectively agreed wages is declining in many cases.

([24]) The correlation at the Member State level, using Member State mean figures for the change in gap, is slightly larger ($r = 0.27$). However, given the small sample size and the differences in data quality among Member States, this is even less reliable.

Figure 19: Change in relative gap between collectively agreed and national minimum wages, by sector, 2020–2024



Notes: Based on 380 collective agreements with wage data for 2020–2024, excluding 5 agreements that cannot be clearly allocated to just one (main) sector, covering all Member States with a national minimum wage and sampled sectors. Negative gaps, where the negotiated minimum is lower than the national one, are set to zero, as the latter represents the effective wage floor. The black bars represent the median. The grey bars show the interquartile range, or distance between the first and third quartiles. Differences in totals among sectors reflect differences in the sample sizes, which may be due to differences in the numbers of existing collective agreements or in access to them. See Eurofound (2024b) for more information.

Sources: Eurofound (2025b), OECD et al. (2025) and authors' calculations.

Trends in the development of collectively agreed wage floors may differ not only by Member State but also by sector. Figure 19 breaks down by (broad) industry groupings [25] how the relative gaps between collectively agreed and national minimum wages have changed, again between 2020 and 2024. Apart from the fact, discussed above, that for 50 % of agreements the gap has narrowed over the period in question, the figure also shows that the sample size differs between sectors, ranging from just 12 agreements in 'Domestic personnel' to 48 in both 'Business support services' and 'Manufacture of food, leather, textiles and clothes'. Keeping this caveat in mind, it can nonetheless be observed that national minimum wages have come closest to catching up with collectively agreed wage floors in agreements covering the retail and construction sectors. Overall, however, no large differences can be observed among the low-paid sectors covered by the sample.

Examples of how national minimum wages affect collective bargaining

These broad empirical trends do not reveal how the narrowing gap between national minimum wages and negotiated wages affects collective bargaining in practice.

This section therefore focuses on selected agreements from Eurofound's database to illustrate effects of these trends. It draws on examples of collective bargaining outcomes and minimum wages in low-paid sectors, as reported by the Network of Eurofound Correspondents. The objective here is not to provide an exhaustive list of effects or to claim causal effects of minimum wage increases. Rather, the section is intended to present a descriptive collection of observed effects, as a further qualitative contribution towards understanding the possible implications for collective bargaining.

(25) These sectors were deemed to represent a large fraction of low-paid workers across the EU. See Table A5 in Annex 1 for the exact NACE codes covered by the sectors and Eurofound (2024b) for how these sectors were chosen.

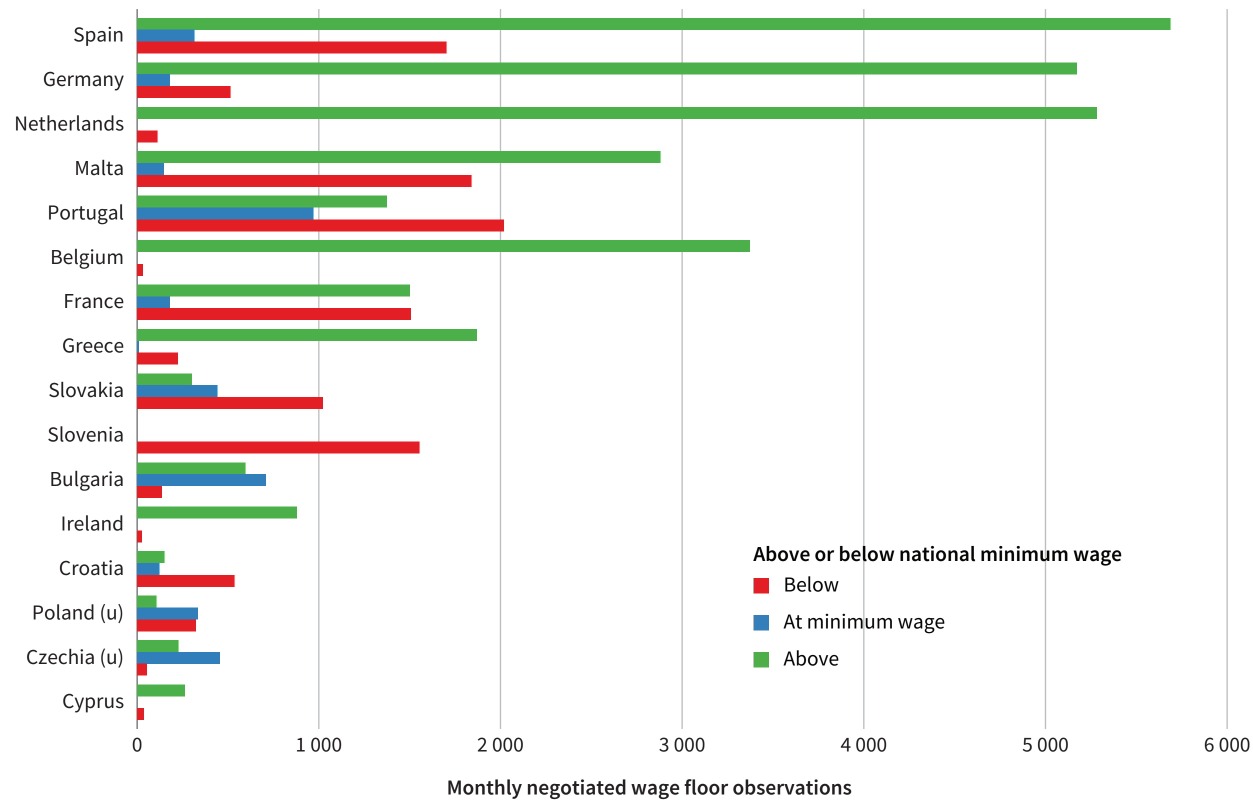
National minimum wage increases compress collectively agreed wage scales

When national minimum wages rise faster than pay scales in collective agreements, the distances between the bottom wage groups sometimes have to shrink, or some groups are eliminated altogether.

In **Germany**, large consecutive increases in national minimum wages, especially in October 2022 (+ 14.8 %), mean that collectively agreed minimum wages have largely grown more slowly (see Figure 18). By way of example, in the bakery sector agreement for the North Rhine-Westphalia region, six pay-scale groups were overtaken by the minimum wage in 2022. The Food, Beverages and Catering Union (NGG) also confirmed that the influence of the minimum wage increased significantly in the latest round of collective bargaining and that the entire pay scale had to be reorganised, including the removal of two pay-scale groups. While employers have an interest in keeping the lowest collectively agreed wages above the minimum wage, primarily due to labour shortages, trade unions are demanding a significantly greater gap between the negotiated wage floors and the national minimum wage (Bispinck et al., 2023). Another possible response to the upward pressure created by significant and regular national minimum wage increases can be seen in the agreement for chain restaurants, concluded between NGG and the employer organisation the Federal Association of System Gastronomy (BdS) and taking effect in January 2020. The comparatively long planned term of 54 months was accompanied by a ‘distance clause’: if collectively agreed wages for certain groups were overtaken by the national minimum wage during the term, they were to be automatically raised to 20 cents above the national minimum wage. In 2022, this clause became binding for the three lowest wage groups, which make up 60–80 % of the employees covered by the agreement (Bispinck et al., 2023).

In **Czechia**, collectively agreed wages in low-paid sectors rarely exceed the national minimum wage: most of the monthly wage observations in Eurofound’s database specify the wage floor at the national minimum wage (62 %; see Figure 20). The national Information on Working Conditions (IPP) Survey, which collects data on selected collective agreements, largely from unions that are members of the ČMKOS confederation, found that only 1.9 % of the agreements concluded in 2025 set a monthly minimum wage that

Figure 20: Numbers of negotiated monthly wage floor observations and level in relation to the national minimum wage, by Member State



Notes: Based on all agreements with wage rate information in the database from January 2015 to January 2025, covering Member States with a national minimum wage and sampled sectors. Estonia, Latvia, Lithuania, Hungary, Romania and Luxembourg are excluded because there are too few observations in the database. Countries are ordered by the total number of observations. Differences in totals among Member States reflect differences in the sample sizes, which may be due to differences in the numbers of existing collective agreements or in the access to them. See Eurofound (2024b) for more information. (u), unreliable figures due to small or unrepresentative sample.

Sources: Eurofound (2025b) and authors’ calculations.

was higher than the national minimum wage (down from 4 % in 2020). This means that it is difficult for social partners to maintain sufficiently differentiated wage scales above the national minimum wage. ČMKOS states in a report on the progress of collective bargaining that it strives ‘to negotiate a higher minimum wage above the legal level so that its level provides sufficient protection against working poverty and its level increases with the employee’s qualifications’ (ČMKOS, 2025).

The lowest-paid workers covered by the national agreement for bus and coach services in Luxembourg have been paid slightly above the national minimum wage since 2020 and at that level since April 2022. As for the highest-paid bus drivers under the same agreement, their wage premium above the national minimum wage decreased from 85 % to 71 % between 2020 and 2025. The wage scale of the agreement has thus been compressed. New benefits were, however, introduced in the 2024 agreement, including a 13th paid month for all driving staff, meal vouchers and four additional days of annual leave.

National minimum wages increasingly shape wages in low-paid sectors, with mixed influence of social partners

Many CEE Member States have introduced yearly (sometimes automatic) updating mechanisms for national minimum wages in recent decades. Recent research by Kahancová et al. (2021) argues that social partners originally embraced these and the resulting rapid increases as a success of tripartite social dialogue. Increasingly, however, it takes wage setting for low-paid workers out of their hands, as national minimum wages are overtaking many collectively agreed wage floors. Indeed, according to the available data for **Bulgaria**, **Croatia**, **Czechia**, **Poland**, **Slovakia** and **Slovenia** in the Eurofound database, the majority of negotiated wage floors are either at or below the national minimum wage (see Figure 20).

In **Slovakia**, 58 % of the negotiated monthly wage floor observations in Eurofound’s database are below the national minimum wage, meaning they are outdated or serve only as a reference for computing allowances or extra pay, while 25 % are explicitly set at the national minimum wage for the lowest wage groups (see Figure 20). Looking at, for example, the collective agreement between the Association of Commerce of the Slovak Republic and the Federation of Employees in Retail and Tourism (OZPOCR), the national minimum wage has been explicitly referenced as the lower wage limit since at least 2015 (the earliest year for which data are available), with no other wage rate defined in the agreement. OZPOCR, which is also active in the hospitality and tourism sectors, wrote to Eurofound in 2026 as follows:

> *Increasing the minimum wage in itself does not reduce the space for social dialogue. The space for wage agreements is not lost due to the statutory minimum, but rather due to how the employer sets its priorities. … It is in commerce and tourism that bonuses for weekends, holidays or night work, i.e. bonuses derived from the minimum wage, form an important part of employees’ income. We perceive regular increases in the minimum wage as a consequence of the social dialogue that has been taking place between employers and trade unionists for many years.*

Yet it must be noted that, while bipartite social partner negotiations on setting the national minimum wage in Slovakia succeeded for 2024, social partners did not agree on the level of the national minimum wage for 2025 or 2026.

Although there are no recent data, **Greece** has one of the lowest collective bargaining coverage rates among Member States, at 13.1 % in 2017, according to the OECD/AIAS ICTWSS database [26]. This is because collective bargaining in Greece was radically diminished after the 2011 and 2013 restructuring, which restricted/suspended extension mechanisms, ended the negotiated system of minimum wage setting, giving full authority to the state, and reduced the hitherto popular multi-employer collective bargaining (Karamessini et al., 2017; Molina, 2021). However, new legislation and an action plan passed in 2025 aim to reverse this trend. Judging from Eurofound’s database, collectively agreed wage floors are still largely above the national minimum wage (see Figure 20), but growth in collectively agreed minimum wages has been largely outpaced by growth in the national one in recent years (see Figure 18), and in some cases (for example, the national sectoral tourism and catering agreement) the national minimum has even overtaken the minimums set in agreements. To give another example, in the company-level agreement of the courier service ACS, the lowest collectively agreed wage has been consistently below the national minimum wage since at least 2022. This is not unlawful, as long as the actual pay, which may also include bonuses etc., is above the minimum wage. Similarly, the Brink’s Hermes Security company-level agreement has explicitly specified the national minimum for the lowest wage group since at least 2015; collective bargaining on pay has focused since then on allowances and bonuses based on the national minimum wage.

(26) A 2018 estimate provided by the International Labour Organization’s ILOSTAT database puts it at 25.8 %, although the data source for this is unclear to the authors (ILOSTAT, 2026).

In **Romania**, similarly to Greece and following the financial crisis of 2007–2008, the adoption of Law No 62/2011 on social dialogue and amendments to the Labour Code dismantled the existing, highly centralised and mostly sectoral, industrial relations system in favour of company-level bargaining. As a result, the estimated collective bargaining coverage dropped from 100 % in 2010 to 20 % in 2016 and 40 % in 2024, according to the OECD/AIAS ICTWSS database. The comparatively rapid increase in the national minimum wage (it has grown by over 500 % in nominal terms since 2011) means that it is the effective wage earned by an increasingly large share of workers: up to 39 % of employees earn at or just above the national minimum wage, according to some estimates (Cornea, 2025). Trade unions have lamented this high share, albeit at the same time calling on the government to increase the national minimum wage substantially during consultations on the setting of the rate (Antena 3, 2025). Collectively agreed wage floors, in the meantime, are hardly above the national minimum wage in many cases: for the insurance sector, they will be below the national minimum wage by July 2026; even in the banking sector, the minimum will only be 4 % above the national rate. In construction, the collectively agreed minimum has outperformed the national minimum wage only because there is a separate national legal minimum for the sector, which is explicitly referenced in the collective pay agreement covering it.

In **Lithuania**, the monthly national minimum wage increased from EUR 400 to EUR 1 038 between 2018 and 2025, so it more than doubled. Being tied to the development of public sector salaries, the lowest pay rate in the sectoral agreement on social services grew closer to the national minimum wage between 2018 and 2022. In 2023, the sectoral social partners therefore agreed to no longer tie minimum agreed wages to those of public sector workers, and instead to tie them to the national minimum wage, which has meant that from 2023 to 2025 they kept a constant distance of 4 % from it.

For **Bulgaria**, the majority of collectively agreed wage floors in Eurofound's database are explicitly set at the national minimum wage level (see Figure 20). As can be seen in Figure 18, though, for two agreements (municipal arts and theatre workers), collectively agreed wage floors outpaced the national minimum wage between 2020 and 2024. This is despite the national minimum wage having grown by 53 % over the same period. This sharp increase in the national minimum wage has been cited as part of the reason why collective bargaining in the largely publicly funded arts and theatre sector has led to particularly high wage increases: trade unions participating in the negotiation of the relevant collective agreements (the Confederation of Independent Trade Unions of Bulgaria (CITUB) and the Confederation of Labour Podkrepa) have framed wage increases at levels above the national minimum as necessary not only to maintain income adequacy but also to safeguard professional standards and internal wage hierarchies (CITUB, 2020). This stands in contrast to other low-paid sectors in the country, such as construction, hospitality and agriculture, where collectively agreed minimum wages have often struggled to keep up.

Apart from the rising Bulgarian national minimum wage, other factors influencing the significant increases in the arts and theatre pay agreements may include the long-standing (perceived) underdevelopment of wages in the sector and resulting public protests, including by famous actors (BGNES, 2023), and municipal budgets that have often anticipated these increases and made them possible.

In western European Member States also, social partners are trying to preserve their influence over collectively agreed wage floors.

Collective bargaining collapsed in 2024 in the textile industry in **the Netherlands**, partly because the national minimum wage was approaching the lowest sectoral wage scales. This is reflected in the trade union FNV's statement: 'The minimum wage is now almost at the level of our lowest CAO [collective agreement] scales … If we do nothing, the minimum wage will overtake our CAO wages' (te Lintel Hekkert, 2024). The outcome of the resumed bargaining was a wage floor set at 10 % above the national minimum wage, which is much lower than the gap of 24 % in 2015 ([27]).

Following the significant recent increases in the national minimum wage in **Spain**, a debate emerged on whether they could be offset through a reduction in non-mandatory supplements and allowances in collective agreements (see also Table 5). Trade unions pushed for legal change to ensure that the uprates to national minimum wages would reach workers in full, while employers opposed changing these rules, viewing it as interference in collective bargaining and the statutory framework (see, for example, CCOO, 2025 and Ortega Socorro, 2025). This debate could effectively redefine the relationship between the national minimum wage and collective bargaining.

In the home care sector in **France**, wage negotiations are de facto restrained by the dedicated budget of the public authorities, which they determine

([27]) Calculations by the authors, taking into account that the collective agreement stipulates 13 annual payments.

independently. If the results of wage negotiations exceed this budget, which is announced each year after the negotiations have already taken place, the signatory parties run the risk of their wage agreement not being 'approved'. As this has mostly led to wages being adjusted in line with inflation, the gap with the national minimum wage has shrunk from 7 % in 2015 to practically 0 % since 2022, with the current negotiated rate being in fact 4 % below the national minimum wage. In 2025, the government refused several times to approve the wage floors negotiated by social partners (CFDT Santé Sociaux, 2025).

In **Portugal**, despite labour shortages that have led employers to call for more immigration for the agriculture, construction and hospitality sectors (Cunha, 2024), collectively agreed wages have not managed to outgrow the national minimum wage: the wage floors specified in the collective pay agreements in Eurofound's database largely stayed at the level of the national minimum wage between 2015 and 2024. The canonical view in research is that, despite high coverage levels facilitated by extension ordinances (*portarias de extensão*), the Portuguese collective bargaining system suffers from low dynamism (Cantante et al., 2022). This leads to a 'bite effect', whereby the national minimum wage increasingly replaces negotiated wage floors, resulting in significant wage compression and reduced recognition of experience and skills through wages (Monteiro et al., 2026).

Collective bargaining increasingly focuses on issues other than wages

In other cases, the growing share of workers being paid at the rate of the national minimum wage is associated with collective agreements shifting focus to benefits other than wages.

In **Ireland**, the recent high increases in the national minimum wage have had a discernible impact on entry-level negotiated pay grades in sectors such as retail; in the Boots and Penneys company-level agreements, for example, wage floors have been barely above the national minimum wage since 2015. Since 2025, the difference has all but disappeared. The Mandate trade union, which represents retail workers covered by these agreements, notes that the increases in the national minimum wage in recent years have 'wiped out' pay scales set by some employers, 'forcing Mandate to look at other ways of improving members' conditions' (Prendergast, 2025). This includes more emphasis on staff discounts at the shops where they work, usually in the 10–20 % range. Another tool that has been used extensively by employers, according to a representative of the trade union SIPTU, are tax-free vouchers that can be given to employees under the Small Benefit Exemption Scheme (Prendergast, 2025).

The national construction sector agreement in **Latvia** stipulates a minimum wage whose premium above the national minimum has been sharply decreasing, from over 40 % in 2019 when it was first introduced to below 5 % since 2023. The Latvian Construction Trade Union (LBNA) argued that a substantial increase in the collectively agreed wage floor was necessary for 2026 for fairness and labour market stability, explicitly referencing the steep decrease in the gap with the national minimum wage (LBNA, 2025). However, the collective bargaining round for 2026 did not reach an agreement on an increase in the wage floor. What was agreed was the removal of a sub-minimum wage rate that had previously been reserved for students (and according to the LNBA had not been applied for three years). The revised agreement also clarifies that overtime premiums are to be paid at 100 %, in accordance with the general legal rules, because the sectoral minimum has not been more than 50 % above the national minimum for over a year.

In **Slovenia**, following EU accession in 2004, and at least since 2006, the centralised collective bargaining system has been superseded by a dual structure: in the public sector bargaining has remained centralised, with nearly 100 % coverage, and in the private sector there is a decentralised, sector-based system, in which collective bargaining coverage has been steadily declining (Poje, 2023; Stanojević et al., 2019). One factor in this decline may be the relatively high national minimum wage level; in Slovenia, uprates to the minimum wage are linked to minimum living costs based on a consumption basket approach, in addition to annual inflation adjustments. Collectively agreed wage floors in the private sector generally lie below the national minimum, as is the case for all wage observations between 2015 and 2025 across the 13 agreements with wage rates included in Eurofound's database, and, according to Poje (2019, 2023), this has been the case since the introduction of the minimum wage in 1995. These wage floors are used as the basis for determining workers' basic wages under employment contracts, which in turn serve as the basis for the calculation of various add-ons and bonuses. In contrast, in the public sector, the revised Act on the Common Foundations of the Public Sector Pay System, adopted as part of the 2024 public sector pay reform and effective from 1 January 2025, even enshrines the principle that no supplement should be needed to reach the national minimum wage. One of the explicit aims of this public sector wage system reform is to eliminate wage compression at the lower end of the scale caused by growth in the national minimum wage.

In the collective agreement covering airport and security services in **Cyprus**, the bottom end of the wage scale is tied to the national minimum wage, which is why the distance between them has remained stable. The agreement also provides for several benefits for workers.

Labour shortages sometimes reduce the impact of national minimum wages on collectively agreed minimum rates

The construction sector agreement in **the Netherlands** stipulates a minimum wage floor that was 40 % above the national minimum wage in January 2015 and had decreased to 35 % above it in 2024 ([28]). The substantial gap and the relatively modest decrease over the course of 10 years is probably due to the persistent labour shortages in the sector, which is the largest in the country (Statistics Netherlands, 2025).

The situation is similar in **Cyprus**, where, in the national sectoral agreement for the construction sector, the lowest wage rate (for assistant moulders/smiths/painters) was 75 % above the national minimum wage in 2025, only down from 76 % when the national minimum wage was first introduced in 2023. This large distance is at least in part due to severe labour shortages in the sector, in which employer organisations have even suggested issuing temporary work permits to asylum seekers to fill gaps (Kathimerini, 2025).

In **Germany**, following the steep increase in the national minimum wage in 2022, which caused widespread compression of wage scales, labour shortages played an important role in, for example, the hospitality, bakery and security agreements; the gaps between the wage floors set in these agreements and the national minimum wage widened again quickly (Bispinck et. al, 2023). Data from Eurofound's database confirm this: between October 2022 and October 2024 the average gap between the collectively agreed minimum wage and the national minimum increased from 8.2 % to 23.1 %, from 10.8 % to 19.1 % and from 13.4 % to 17.3 % in the bakery, hospitality and security agreements, respectively.

For blue-collar workers in the building cleaning sector in **Luxembourg**, the lowest collectively agreed wage floor has grown faster than the national minimum between 2018 and 2025 (by 35 % and 32 %, respectively). A likely driver of collective wage bargaining in the sector is shortages of building cleaners in Luxembourg, documented, for example, in data collected by European employment services for the European Labour Authority (EURES, 2025).

As outlined in Box 5, the impact of collective bargaining in **Belgium** is increasingly limited by the wage norm and national minimum wage systems.

Box 5: A particularly restricted scenario for collective bargaining on wages – Belgium

In Belgium, the system of indexation and negotiations in almost all of the private sector has meant that in recent years the scope for negotiated wage increases has been particularly limited. Potential changes to wages have been restricted to narrow confines, which has severely constrained collective bargaining on wages.

In broad terms, automatic indexation mechanisms are triggered at certain thresholds or at certain intervals to increase the nominal minimum wage in order to ensure that it automatically keeps up with inflation. At the same time, the 'wage norm' system determines the maximum real growth rate of the average labour cost per employee, based on a recommendation by the Central Economic Council, a tripartite body that analyses wage developments in neighbouring countries. The political rationale for the wage norm system is to maintain both employees' purchasing power and the competitiveness of Belgian wage costs vis-à-vis other countries.

In theory, social partners in the National Labour Council (which negotiates on the national minimum wage) and sectoral social partners (who negotiate on sectoral wage developments) can then increase real wages up to the limit set by the wage norm. However, for both the periods 2023–2024 and 2025–2026 the Central Economic Council recommended a maximum real growth rate of 0 %, after which the central social partners failed to reach an agreement and the 0 % wage norm was passed as per a royal decree ([29]) (Belgian Central Economic Council, 2025). In effect, this meant that no increase above the automatic indexation could be negotiated by sectoral social partners in Belgium for this period.

Given that the wage norm had also been set at 0 % for 2023–2024 by royal decree ([30]), the main source of wage growth in these years was automatic indexation. Due to high inflation, Belgian wages grew more than those in neighbouring countries in these years, leading again to the 0 % wage norm for 2025–2026. The indexation mechanism – although not limited to the national minimum wage – thus clearly crowded out collective bargaining on wages during 2023–2026.

(28) Calculations by the authors, taking into account that the collective agreement stipulates 13 annual payments.

(29) The Royal Decree of 12 September 2025 implementing Article 7, Section 1 of the Law of 26 July 1996 on the promotion of employment and the preventive safeguarding of competitiveness was published on 22 September 2025.

(30) The Royal Decree of 13 May 2023 implementing Article 7, Section 1 of the Law of 26 July 1996 on the promotion of employment and the preventive safeguarding of competitiveness was published on 26 May 2023.

Both trade unions and employer organisations are opposed to the wage norm system, albeit from opposite points of view. Whereas the trade unions believe that the imposed maximum limits their ability to negotiate higher wages (see, for example, ACV-CSC, 2025), employer organisations find the minimum to be too limiting, especially in combination with the automatic wage indexations, which they believe increase wages too much already and create a situation where wages increase too rapidly, undermining competitiveness (VBO-FEB, 2025). The government has asked social partners to formulate advice on a revision of the wage norm system by the end of 2026.

In practice, the index-based uprating of the national minimum wage follows a threshold system, which is triggered when a price index reaches a certain limit. Many sectoral wage floors are indexed based on fixed adjustment dates. Due to the 0 % wage norm, automatic indexation has been the only source of (nominal) growth in recent years. Owing to high inflation, the threshold system has been triggered more often, meaning that, despite automatic indexation of both, the gaps between the national minimum wage and some sectoral wage floors have narrowed (see Figure 18).

5 Conclusions

Significant uprates to national minimum wages

The increases in national minimum wage rates between 2025 and 2026, in both nominal and real terms, were generally quite significant. All Member States (except Romania) have increased their gross nominal rates for 2026; Romania decided to freeze its rate in January (although then implemented a 7 % hike from July). As in previous years, the largest increases occurred mostly in CEE Member States, which continue their upward convergence dynamic.

Purchasing power among minimum wage earners has also improved across all Member States except Romania. This is because the magnitude of the increases in nominal rates adopted by governments for 2026 are broadly in line with those of 2025, while inflation was significantly lower in January 2026 than it was a year before that. Again, the largest increases in national minimum wages in real terms occurred mostly in newer Member States, but also in Germany.

As price increases had returned to normal levels by January 2026, inflation did not emerge as a very significant factor explaining the differences in national minimum wage increases among Member States. On the other hand, the Minimum Wage Directive emerges as a driver of such changes, as a growing number of Member States have linked their uprates to ensuring that their nominal rates reach a certain value, expressed as a proportion of average/median wages, in line with the indicative reference values mentioned in the directive.

At the time of writing, there is uncertainty about how inflation will develop over the course of 2026, as global tensions, such as the closure of the Strait of Hormuz, could significantly affect the picture of generalised gains in purchasing power among minimum wage earners that has been provided here. Therefore, it remains to be seen whether governments will have to step in to protect the levels of national minimum wages in real terms, as happened during the cost-of-living crisis in 2021–2024. An automatic indexation mechanism has already been triggered in Belgium, from April 2026, to adjust the national minimum wage in line with growing inflation levels.

National minimum wages have grown faster than inflation and average wages over the past decade

Over the past decade, national minimum wages in nominal terms have increased to very different extents in the 22 Member States with such systems, reflecting a strong pattern of upward convergence. Growth has been most significant in the newer Member States (with nominal rates more than tripling in Romania and Lithuania and more than doubling in Hungary, Bulgaria, Poland, Croatia, Czechia, Slovakia, Estonia and Latvia), while the change has generally been much more moderate in the older Member States, especially in the Benelux countries and France.

The same regional pattern emerges when observing the change in national minimum wages in real terms over the past decade. The purchasing power of minimum wage earners has improved in all Member States except France, but the gains have been much more substantial among CEE Member States: purchasing power has more than doubled in Romania and Lithuania and has nearly doubled in Croatia and Bulgaria; it has increased by above 50 % in Poland and Hungary.

National minimum wages have not only outperformed inflation over the past decade; they have also grown more than average wage levels in most Member States. The difference between the growth in the national minimum wage and that in the average wage among the general working population is especially large in Spain, the Netherlands, Portugal, Greece, Germany and several CEE Member States (Croatia, Poland, Slovakia and Czechia).

Efforts to transpose the Minimum Wage Directive slowed down during 2025

After the official deadline in November 2024, the transposition of the Minimum Wage Directive into national regulations slowed down considerably during 2025 in most Member States. This is hardly surprising, as some Member States were waiting for the pending court ruling with regard to Denmark and Sweden seeking the annulment of the directive at the CJEU. Some Member States that had not met the deadline for the transposition, such as Cyprus, Luxembourg and the Netherlands, were waiting for the decision (which came in November 2025) before taking any concrete measures. Other reasons for delays included political instability (the dissolution of parliament in Portugal, the resignation of the Minister for Labour in Luxembourg) and continued disagreement on central issues (Bulgaria, Cyprus and Poland).

In Member States with collective bargaining coverage rates below 80 %, the directive requires governments to develop action plans to promote collective bargaining. Some such plans were presented during 2025.

High levels of national minimum wages increasingly influence collective bargaining on wages

The Minimum Wage Directive provides that Member States should work towards achieving adequate minimum wages. One mechanism is that indicative reference values are to be used to guide assessments of the adequacy of statutory minimum wages. These reference values are mostly interpreted as a specific position in a Member State's general wage distribution, such as 50 % of the average. This report argues that this provision of the directive is already influencing the setting of national minimum wages to some extent, as many Member States with national wage floors are explicitly using such reference values in their processes for setting them. Regardless of how much can be attributed to the directive, an analysis of collective agreements in low-paid sectors shows that the generally increasing levels of national minimum wages – as compared with the general wage distribution – mean that national minimum rates are catching up with wage floors set in collective agreements, frequently even overtaking them. This compresses the bottom end of wage scales and potentially reduces the recognition of skills and experience through wages; furthermore, it often directly affects collective bargaining on wages. Effects include the national minimum wage increasingly featuring explicitly in collective agreements, and collective agreements tending to focus on issues other than wages, like allowances and bonuses. There are also discussions in some Member States about whether full non-wage benefits need to be paid when the base wage is overtaken by the national minimum wage or whether they can be absorbed into it.

Importance of strengthening collective bargaining

Apart from using reference values in setting national minimum wages, another mechanism through which adequate minimum wages can be achieved, according to the directive, is the involvement of social partners through collective bargaining. Bearing in mind the developments described above, it is therefore critical that collective bargaining is strengthened as the relative levels of national minimum wages rise. The Minimum Wage Directive provides for this, as its second main focus: Member States must 'promote the building and strengthening of the capacity of the social partners to engage in collective bargaining on wage-setting, in particular at sector or cross-industry level' (Article 4(1)(a)). Member States with a bargaining coverage rate of less than 80 % – which means a majority of them – need to 'provide for a framework of enabling conditions for collective bargaining' and develop an action plan to promote it (Article 4(2)). In 2025, some Member States started doing this. It is now essential that these efforts continue, are monitored for effectiveness and are expanded across all Member States with bargaining coverage rates below 80 %.

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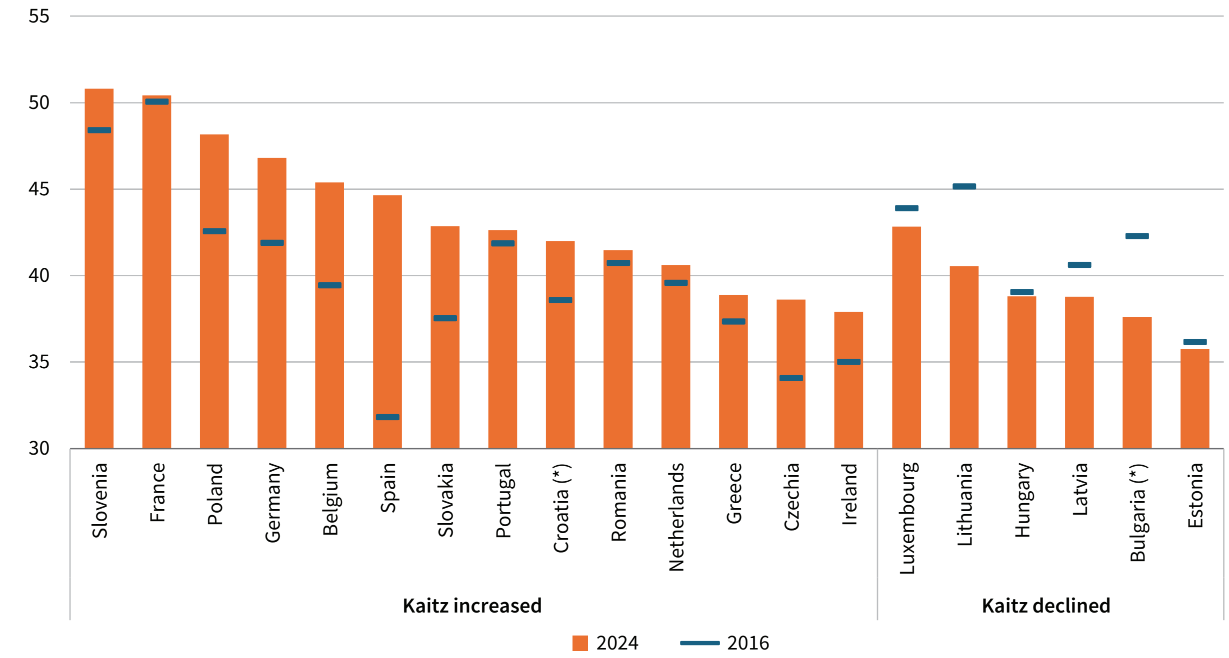
Annexes

Annex 1: Additional tables and figures

Figure A1: The Kaitz index: ratio of the national minimum wage to the average wage, 20 Member States, 2016 and 2024 (%)



(*) For Bulgaria and Croatia, the earlier reference year is 2018 rather than 2016.

Notes: The Kaitz index values depicted in this figure express the national minimum wage as a percentage of the average wage in the Member State in question (values from 0 % to 100 %). The 20 Member States are split into two groups based on the direction of change and then ordered within each group by 2024 Kaitz index value from highest to lowest. Data not available for Cyprus and Malta.

Sources: OECD (including full-time workers only) and Eurofound calculations.

Table A1: Overview of national estimates of the minimum wage as a proportion of the average wage and/or median wage, 22 Member States, latest year available

Member State	Statutory minimum wage in relation to		Explanations on calculations and source	Is this figure used in national debates on wage setting?
	Average wage (%)	Median wage (%)		
Belgium	(1) 45.4 (2024) (2) 40.7 (2022)	(1) 49.5 (2024) (2) 44.5 (2022)	(1) OECD (minimum wage relative to the mean/median wage of full-time workers) (2) Eurostat (monthly minimum wage as a proportion of mean gross monthly earnings)	n.a.
Bulgaria	(1) 50.0 (2024) (2) 40.2 (2024)	n.a.	(1) Gross average monthly wages and salaries of employees under labour contracts, Bulgarian National Statistical Institute (2) Monthly minimum wage as a proportion of average gross monthly wages and salaries, Bulgarian National Statistical Institute (preliminary data, including full- and part-time employees, for 2024)	(1) As specified in the law. The minimum wage for Bulgaria is set at 50 % of the gross average wage for a 12-month period, including the last two quarters of the previous year and the first two quarters of the current year, until 1 September of the current year

Member State	Statutory minimum wage in relation to		Explanations on calculations and source	Is this figure used in national debates on wage setting?
	Average wage (%)	Median wage (%)		
Cyprus	40.3 (2024)	53.2 (2024)	Calculated by the Eurofound national correspondent, based on data from the Statistical Service of Cyprus (1) Average wage is calculated on the basis of payments made to the Social Security Fund. Employees with remuneration indicating that no regular work has been performed (for instance, people who received arrears payments only, people who worked for a limited number of hours, etc.) are not included. Earnings include basic salary, cost-of-living allowance, overtime pay, payments from the Holiday Fund and any other allowances received by the employee, such as 13th and 14th salary payments and bonuses (2) Median wage is calculated on the basis of payments made to the Social Security Fund. Employees with remuneration indicating that no regular work has been performed (for instance, people who received arrears payments only, people who worked for a limited number of hours, etc.) are not included. Earnings include basic salary, cost-of-living allowance, overtime pay, payments from the Holiday Fund and any other allowances received by the employee, such as 13th and 14th salary payments and bonuses	No
Croatia	(1) 48.5 (2025) (2) 52.8 (2026) (3) 54.1 (2025)	(1) 57.0 (2025) (2) 61.7 (2026)	(1) 2025: Based on minimum wage for 2025 and gross average wage for July 2025 (2) 2026: Based on minimum wage for 2026 and average monthly gross wage paid to legal entities from January to July 2025 (Prosječne mjesečne neto i bruto plaće zaposlenih za srpanj 2025) (3) The figure on full-time employees from the Croatian Bureau of Statistics covers around 1.5 million employees, but does not cover those working in crafts (who total about 237 000, including employees in crafts and self-employed workers)	Yes
Czechia	43.5 (2026)	n.a.	Calculated based on the prediction of the Ministry of Finance for 2026 (official value will be known after the publication of the average wage data for 2026, expected by the first quarter of 2027)	According to the target set by the Ministry of Labour and Social Affairs, the Kaitz index should gradually increase. In 2024, it was 41.2 %, in 2025 approximately 42.2 % and in 2026 it should increase to approximately 43.5 %. It is to grow annually by approximately 1.2 percentage points to reach the target of 47 % in 2029
Estonia	41.4 (2024)	51.3 (2024)	Bank of Estonia, Labour market review, 2025; Statistics Estonia, Tax and Customs Board, and Bank of Estonia calculations	The trade union confederation EAKL refers to the goodwill agreement of 2023, according to which the statutory minimum wage should be 47.5 % of the average wage in 2026. The union has not referred to exact figures or publicly available sources related to the debate

<table>
<tr><th rowspan="2">Member State</th><th colspan="2">Statutory minimum wage in relation to</th><th rowspan="2">Explanations on calculations and source</th><th rowspan="2">Is this figure used in national debates on wage setting?</th></tr>
<tr><th>Average wage (%)</th><th>Median wage (%)</th></tr>
<tr><td>France</td><td>50.4 (2024)</td><td>62.5 (2024)</td><td>2025 report by the Expert Group on the Minimum Wage, based on OECD data</td><td>n.a.</td></tr>
<tr><td>Germany</td><td>45.5 (April 2024)</td><td>52.8 (April 2024)</td><td>Full-time employees only</td><td>Ex post analysis by the Federal Statistical Office, reported by the German Minimum Wage Commission in 2025. Note: Preliminary figures are made available to the commission to inform its decision-making</td></tr>
<tr><td rowspan="5">Greece</td><td>68.0 (2024)</td><td>n.a.</td><td>Daily wage based on data from EFKA, the public social security institution</td><td rowspan="5">Yes, for example in the assessment of the current statutory minimum wage and minimum daily wage produced by the Centre of Planning and Economic Research in January 2025</td></tr>
<tr><td>54.0 (2024)</td><td>n.a.</td><td>Workers in full-time employment with regular earnings, based on data from the ERGANI employment information system (for enterprises with more than 10 employees)</td></tr>
<tr><td>76.0 (2024)</td><td>n.a.</td><td>Workers in full-time employment with regular earnings, based on data from the ERGANI system (for enterprises with up to 10 employees)</td></tr>
<tr><td>39.6 (2023)</td><td>49.5 (2023)</td><td>Foundation for Economic and Industrial Research (IOBE), based on OECD data (workers in full-time employment with regular earnings). IOBE is a research institute associated with the Hellenic Federation of Enterprises (SEV)</td></tr>
<tr><td>n.a.</td><td>54.0 (2023)</td><td>The Labour Institute of the Greek General Confederation of Labour (INE GSEE), based on data from the OECD and AMECO (the annual macroeconomic database of the European Commission's Directorate-General for Economic and Financial Affairs), for workers in full-time employment with regular earnings</td></tr>
<tr><td>Hungary</td><td>(1) 40.6 (2024)
(2) 41.6 (2024)</td><td>(1) 51.6 (2024)</td><td>Eurofound national correspondent's calculations based on Hungarian Central Statistical Office data:
(1) total gross average wage
(2) regular gross monthly wage (excluding bonuses and allowances)</td><td>The Permanent Consultation Forum of the Private Sector and the Government uses regular gross monthly wages (excluding bonuses and allowances), as these are comparable with the minimum wage (see calculation (2))</td></tr>
<tr><td>Ireland</td><td>n.a.</td><td>(1) 55.0 (2024)
(2) 56.6 (2025)
(3) 60.0 (2025)</td><td>(1) Two sources from the Central Statistics Office. The first is a matched Labour Force Survey dataset: data on hours worked from the Labour Force Survey are matched with quarterly wage data from tax returns made available through PMOD (the Irish Revenue's payroll modernisation system). The second is the Central Statistics Office's Structure of Earnings Survey
(2) Based on Labour Force Survey data
(3) Based on Structure of Earnings Survey data</td><td>Yes, see for example the Low Pay Commission's annual report in 2025</td></tr>
<tr><td>Latvia</td><td>(1) 40.3 (Q3 2025)
(2) 54.3 (Q3 2025)</td><td>(1) 49.7 (Q3 2025)</td><td>Remuneration for work:
(1) before taxes
(2) after taxes (taxes on the minimum wage are not taken into account)
Data from the Central Statistical Bureau</td><td>The reference value for the minimum wage is 'set at 46 % of the gross average salary calculated by the Central Statistical Bureau for the last 12 available months' (Regulation No 730 on procedures for determining and reviewing the minimum monthly wage, Article 2, point 2.1)</td></tr>
</table>

Member State	Statutory minimum wage in relation to		Explanations on calculations and source	Is this figure used in national debates on wage setting?
	Average wage (%)	Median wage (%)		
Lithuania	47.7 (2026)	n.a.	Ministry of Finance projection for 2026	Yes, as targets are set. The ratio of the minimum wage to the average wage in 2026 is to reach the midpoint of the target range (47.7 %), and in 2027 or subsequent years the ratio in Lithuania is to approach the desired level of 50 %
Luxembourg	(1) 35.7 (2022) (2) 50.9 excluding civil servants and 48.0 including them (2022) (3) 41.0 excluding civil servants and 39.6 including them (2022)	(1) 46.6 (2022) (2) 65.1 excluding civil servants and 61.7 including them (2022) (3) 61.2 excluding civil servants and 58.2 including them (2022)	(1) Workers in full-time-equivalent (FTE) terms, data from the Structure of Earnings Survey by STATEC, Luxembourg's national statistical institute (2) Administrative data from the General Inspectorate of Social Security, using basic salaries including elements such as compensation for Sunday work, night work or work on public holidays, as well as regular supplementary monthly remuneration, but not overtime, benefits in kind, bonuses or other incentives (3) Administrative data from the General Inspectorate of Social Security, using total salaries including overtime, benefits in kind, bonuses and other incentives	n.a.
Malta	44.8 (2023)	52.5 (2023)	Eurostat Structure of Earnings Survey: gross monthly earnings data cover NACE Rev. 2 Sections B–S (industry, construction and services, except activities of households as employers and extraterritorial organisations and bodies) and full-time employees working in enterprises of all sizes	n.a.
Netherlands	40.6 (2024)	48.3 (2024)	OECD data on workers in full-time employment with regular earnings	In national debates, the relative position of the minimum wage is discussed using Statistics Netherlands earnings figures descriptively rather than with reference to a standardised benchmark ratio
Poland	51.0 (2026)	n.a.	Projected average wages	Used by the government as part of the regulatory impact assessment
Portugal	(1) 48.0 (2023) (2) 64.0 (2024)	(1) 68.0 (2023) (2) 84.0 (2024)	(1) Gross monthly earnings, Eurostat; Bank of Portugal, *Economic Bulletin*, March 2025, p. 52 (2) Calculations by economist Eugénio Rosa, 2025, based on data from the Office for Strategy and Planning/the Quadros de Pessoal survey, which exclude public administration. The figure is based on monthly basic remuneration, which means the gross fixed monthly wage for the normal working period, as defined in the employment contract or collective agreement, including seniority payments but excluding bonuses and allowances	Used in debates about adequacy by researchers, but not as part of wage setting
Romania	46.5 (2025)	n.a.	Calculations by the Eurofound national correspondent using data from the National Commission for Strategy and Prognosis (December 2025 report). The average wage per worker is RON 8 709 (EUR 1 707.54); FTE, includes all compensation elements (basic wage, bonuses, benefits, etc.)	By all policymakers and stakeholders in Romania

Member State	Statutory minimum wage in relation to		Explanations on calculations and source	Is this figure used in national debates on wage setting?
	Average wage (%)	Median wage (%)		
Slovakia	49.2 (2024)	52.3 (2024)	Statistical Office of the Slovak Republic, 'Priemerná mesačná mzda zamestnanca v hospodárstve SR' for average wages and 'Hrubá mzda a medián s ďalšími popisnými štatistickými charakteristikami' for median wages. Kaitz index values calculated on the basis of these data by the Eurofound national correspondent	Yes, used by the government as an indicative reference value for the adequacy assessment, as per legislation
Slovenia	53.3 (2024)	n.a.	Eurostat	Minimum wage increases are decided based on living costs
Spain	60.0 (2025)	n.a.	Net average wage for a full-time worker; the raw source of the data, as used in the fourth report of the Expert Committee on the Minimum Wage, is the Wage Structure Survey carried out by the National Statistics Institute	60 % of the average (net) wage is the target set by the Expert Committee on the Minimum Wage, an ad hoc body created by the government

Note: n.a., not available.

Source: Network of Eurofound Correspondents.

Table A2: Overview of national estimates of the proportion of minimum wage earners, 22 Member States

Member State	Estimated proportion	Explanations	Source
Belgium	During 2022–2024: (1) 2.51 % (2) 1.21 %	Average of quarterly data for 2022–2024 (private sector only) (1) Headcount numbers (2) FTE	Calculations by the Network of Eurofound Correspondents
Bulgaria	Around 19 % in 2025	Approximately 456 700 people were employed at the statutory minimum wage under a full-time employment contract in the second quarter of 2025. The total number of people employed in July 2025 was 2 390 952	Ministry of Labour and Social Policy; National Statistical Institute
Cyprus	In 2025: (1) 55 000 employees or 11 % of employees (2) 50 000 employees or 10 % of employees (3) 24 % of interviewees reported to earn the minimum wage, another 13 % below (4) > 20 %	(3) Survey data (4) Based on the distribution of employment among economic activities that reportedly pay the minimum wage, such as retail, accommodation and catering activities, cleaning and security services, and other services activities	(1) Minister for Labour and Social Insurance (November 2025) (2) Minister for Labour and Social Insurance, press release (December 2025) (3) SEK based on a study by IMR/University of Nicosia (April 2025) (4) Calculations by the Eurofound national correspondent
Croatia	In 2024, 70 000 or 4 % of employees working full-time in legal entities earned the minimum wage, while around 4 % earned 10 % more than the minimum wage In 2025, 4.7 % of employees working full time in legal entities earned up to the minimum wage (EUR 970), while a similar share earned up to EUR 1 020 per month		2024: Croatian Bureau of Statistics 2025: Novosti website, 30 October 2025
Czechia	In 2023, 3.5 %, or 130 000 workers, were on the minimum wage In 2025, 4.9 %, or 180 765 workers, were on the minimum wage	Based on data from the Information System on Average Earnings, which contains data from a regular survey carried out by Trexima for the Ministry of Labour and Social Affairs	The regulatory impact assessment on Government Regulation No 285/2024 Coll.

Member State	Estimated proportion	Explanations	Source
Estonia	10.9 % of all employment contracts (2024)	All payments made during the duration of a contract are converted to full-time equivalent, after which the average monthly remuneration over the duration of the contract is calculated. Payments for which the full-time-equivalent average remuneration is below one quarter of the minimum wage are excluded. Only employment contracts with a duration of at least one calendar month are included. Each contract is given equal weight in the dataset	Bank of Estonia, *Labour market review*, 2025
France	12.4 % of the workforce (2.2 million employees) were affected by the increase in the minimum wage in November 2024	The source survey covers all private sector employers in France (excluding Mayotte), except in four sectors of activity: agriculture, public administration, household activities (private employers) and extraterritorial activities	Directorate for Research, Studies and Statistics, 'Combien de salariés sont rémunérés au Smic?', 29 October 2025
Germany	(1) April 2024: 5.9 %, or 2.3 million employees (2) 17 % (6.6 million) were affected by the increase in January 2026	(1) Employees at or below the statutory minimum wage (2) Estimate based on national Structure of Earnings Survey data for April 2024 (subsequent increases not considered); therefore, the result is likely to be an overestimate and should be interpreted as an upper limit	(1) Minimum Wage Commission report, 2025 (2) German Federal Statistical Office press release, 2025
Greece	In March 2025, more than 575 000 employees (22.8 % of all employees) were paid the statutory minimum wage	White-collar and blue-collar workers in paid employment	Data from the Greek Ministry of Labour and the ERGANI information system
Hungary	(1) 4.9 % of the workforce (230 000) were standard minimum wage earners in 2024 (2) 8.9 % (414 000) earned the guaranteed minimum wage in 2024 (3) Including those earning between the two, 17 % (782 000) of employees were affected by the increase in the statutory minimum wage in 2024	(1) The standard minimum wage (*Minimálbér*) is the lowest possible legal wage for any full-time worker in Hungary, regardless of education or skills (2) The guaranteed minimum wage (*Garantált Bérminimum*) applies to jobs that require at least a secondary education or a vocational qualification	Hungarian National Bank calculations (*Inflációs jelentés*, 2025, p. 26), based on statistical data that form part of the EU-SILC data
Ireland	201 300 workers earned the national minimum wage or less in 2024. This means that 8.4 % of employees earned the national minimum wage or less in 2024, an increase on 2023's figure of 7.8 %, but still below the 9.9 % figure recorded in 2016		The 2025 Low Pay Commission report cites relevant Labour Force Survey data
Latvia	31 392 in 2022 (4.1 %) 32 712 in 2023 (4.2 %) 33 213 in 2024 (4.3 %)	Percentage of employees earning the minimum wage	Central Statistical Bureau data
Lithuania	(1) 9 % (108 100) of all employees earned the statutory monthly minimum wage or less (October 2024) (2) 120 600 employees earned the minimum wage or less (July 2025)		(1) Statistics Lithuania (2) State Social Insurance Fund Board (Sodra)

Member State	Estimated proportion	Explanations	Source
Luxembourg	(1) 8.7 % (2) 6.3 %	Proportion of minimum wage earners (civil servants excluded) in March 2022 (1) Non-qualified (2) Qualified	Chamber of Employees, *Portrait de la population au salaire minimum*, 2023
Malta	(1) In 2022, the number was estimated to be approximately 2 372, equivalent to 0.9 % of full-time employees (2) The 2022 national Structure of Earnings Survey findings report that the share of employees earning less than 105 % of the minimum wage in 2022 amounted to 3.5 %	(1) In reply to a parliamentary question, the minister cited the Labour Force Survey as the source	Various National Statistics Office sources
Netherlands	In 2023, 474 000 jobs: around 3 % of workers aged 25 or older and around 13 % of workers younger than 25 (no general percentage provided)	The figure covers all jobs (full-time and part-time) in the total economy and is based on administrative wage records. It includes all jobs with earnings at or below the statutory minimum wage applicable for the worker's age group. Jobs rather than full-time equivalents are counted. The estimate does not use an equivalised definition or a ±10 % range around the minimum wage	Statistics Netherlands, minimum wages dashboard
Poland	(1) 2.1 million people are employees receiving remuneration between the current and the planned minimum wage (2) In 2024, over 3.1 million people were estimated to be affected by the minimum wage increase (3) At least 10 % earn the minimum wage	(3) Statistics Poland publishes data on the wage distribution in Poland by decile. The most recent data show that in June 2025 the first decile of the wage distribution was precisely equal to the minimum wage (PLN 4 666 (EUR 1 103.94)). This means that at least 10 % of employees earn the minimum wage. The second decile was PLN 5 039 (EUR 1 192.19), meaning that 20 % of employees in Poland earn no more than 108 % of the minimum wage	(1) Regulation of the Council of Ministers of 11 September 2025 on the amount of the minimum remuneration for work and the amount of the minimum hourly rate in 2026 (Dz.U. 2025 poz. 1242) (2) Chancellery of the Prime Minister, press release, 13 June 2024 (3) Statistics Poland, *Rocznik statystyczny pracy 2025*, 2025
Portugal	(1) 23 % in 2022 (2) 20.5 % in 2025 (3) Over one third of all employees in 2025	(3) 1.5 million workers with a basic salary of EUR 920 (or less)	(1) Bank of Portugal, *Economic Bulletin*, March 2025 (2) Social security remuneration records, for the whole economy, provided by the Ministry of Labour, Solidarity and Social Security to ***Jornal de Negócios, Jornal de Negócios*** website (3) *Jornal de Negócios* website, 29 December 2025, based on social security data
Romania	831 382 workers (2025); up to 1 759 027 will benefit from the 2026 increase (14.5 % to 31 % of all employees)		Explanatory note accompanying the draft government decision on increasing the minimum wage in July 2026
Slovakia	(1) 109 000 employees (5 % of the total) received the statutory minimum wage (job demands level 1) in 2025.	(2) The figure equals 5 % of employees in the third quarter of 2025	(1) Minister for Labour, Social Affairs and Family (information provided at a meeting of the Economic and Social Council on 18 August 2025) (2) Total number of employees calculated using data from the Statistical Office of the Slovak Republic

Member State	Estimated proportion	Explanations	Source
Slovenia	(1) 21 % (2024) (2) 9.2 % (2024)	Those earning between 95 % and 105 % of the minimum wage (1) Basic wage and wage compensation (2) Including also wage supplements and business performance pay	Data from the Statistical Office of the Republic of Slovenia (published 14 November 2025): Share of persons in paid employment according to various aggregates of gross earnings components per paid hour, expressed as a proportion of the gross minimum wage per paid hour, by activities (NACE Rev. 2), Slovenia, selected month of the year
Spain	(1) 7.4 % (2023), up from 3.5 % (2018) (2) 22.8 % (2023) (3) 7.8 %	(1) and (2) The figures reflect contractual earnings relative to the legal basic minimum wage (2) Those earning up to 125 % of the minimum wage (3) Among people employed during the year	(1) and (2) A 2025 analysis by the Independent Authority for Fiscal Responsibility, using data from the Continuous Sample of Working Lives, a longitudinal administrative sample of workers' social security records. It underestimates total national minimum wage reach where part-time work is prevalent or where workers earn slightly above the legal minimum due to seniority or bonuses (3) Data provided by Begoña Cueto and Inmaculada Cebrián at AIReF (Independent Authority for Fiscal Responsibility) conference in 2025 ([31])

Source: Network of Eurofound Correspondents.

Table A3: Average changes in wage floors for 10 low-paid jobs, selected countries, January 2025 to January 2026 (%)

	Austria	Denmark	Finland	Italy	Norway	Sweden
1 – Domestic cleaners	3.5	6.6	2.7	23.3	4.0	3.5
2 – Cleaners and helpers in offices, hotels and other establishments	3.1	6.6	2.7	0.7	4.0	3.7
3 – Retail sales assistants	2.6	2.7	2.9	0.0	3.9	7.7
4 – Waiters and bartenders	3.9	0.4	2.5	0.0	3.5	3.4
5 – Cooks	3.9	2.6	2.5	0.0	3.5	3.4
6 – Home-based personal care workers	0.0	– 17.3	2.2	1.9	2.6	8.8
7 – Childcare workers	0.0	0.7	6.3	5.9	4.8	5.0
8 – Agricultural, forestry and fishery labourers in standard employment	2.9	2.5	2.7	0.0	4.0	3.7
9 – Agricultural, forestry and fishery labourers in seasonal employment	2.9	No data	2.7	0.0	4.5	3.7
10 – Couriers and newspaper or parcel deliverers	2.9	2.7	2.5	2.9	3.6	3.5

Sources: Network of Eurofound Correspondents and authors' calculations.

([31]) https://www.airef.es/en/news/airef-holds-fourth-seminar-on-structural-issues-impacting-sustainability-focused-on-the-minimum-wage/.

Table A4: Overview of regulations determining the 2026 rates in Member States with a national minimum wage

Member State	Legal source or similar regulation	Other sources
Belgium	Collective Labour Agreement No 43 of 2 May 1988 concerning the guarantee of an average minimum monthly income: ◦ revision 17 of 26 March 2024 ◦ consolidated version ◦ official update of levels (i.e. after indexation) Partial transposition of the Minimum Wage Directive: Act of 17 December 2024 providing for the partial transposition of Directive (EU) 2022/2041	Minimum wage database of the National Labour Council With regard to the public sector, Royal Decree of 10 July 2024 amending the Royal Decree of 29 June 1973
Bulgaria	Council of Ministers Decree No 243 of 13 November 2025 on determining the minimum wage for the country	
Cyprus	Minimum Wage Decree of 2025 (KDP 427/2025) Minimum Wage Decree of 2022 (KDP 350/2022)	Minimum Wage Decree for the Accommodation Industry of 2025 (KDP 55/2025)
Croatia	Decree on the Amount of the Minimum Wage for 2026 (OG 132/25)	
Czechia	Regulation of the Government of the Czech Republic No 285/2024 Coll. on the coefficient for calculating the minimum wage in 2025 and 2026	Communication of the Ministry of Finance No 312/2025 Coll. on the announcement of the prediction of the gross average monthly nominal wage in the national economy for 2026 Communication of the Ministry of Labour and Social Affairs No 356/2025 Coll. on the announcement of the minimum wage, the lowest levels of the guaranteed salary and the range of the amount of the bonus for work in a difficult working environment for 2026
Estonia	Government regulation establishing the minimum wage, adopted 23 March 2026	
France	Decree No 2025-1228 of 17 December 2025 raising the minimum wage	Law No 2025-797 of 11 August 2025 on the programme for the rebuilding of Mayotte
Germany	Fifth Federal Government Ordinance on Adjusting the Level of the Minimum Wage	Decision of the Minimum Wage Commission of 27 June 2025 pursuant to Section 9 of the Minimum Wage Act (PDF)
Greece	Ministerial Decision 8233/2025 – Determination of the minimum wage and minimum daily wage for employees and workers throughout the country (*Government Gazette* 1476/B/27.3.2025)	
Hungary	Government Decree No 426/2025 on the establishment of the mandatory minimum wage (minimum wage) and the guaranteed minimum wage, *Hungarian Gazette* of 23 December 2025	
Ireland	Statutory Instrument No 472 of 2025 (National Minimum Wage Order 2025) Notice of national minimum wage increase, 1 January 2026	
Latvia	Cabinet of Ministers Regulation No 680, Amendment to Cabinet of Ministers Regulation No 656 of 24 November 2015, ‘Regulations on the amount of the minimum monthly wage within normal working hours and the calculation of the minimum hourly tariff rate’, issued in accordance with the Labour Law, Article 61, Part 2, on 19 November 2025	
Lithuania	Resolution of the Government of the Republic of Lithuania No 700 of 16 October 2025 on the minimum wage applicable in 2026 (Register of Legal Acts, 16 October 2025, No 2025-17211)	Announcement by the Ministry of Social Security and Labour
Luxembourg	Social parameters, valid as of 1 May 2025, Luxembourg government, General Inspectorate of Social Security, 2025	
Malta	Legal Notice 289/2025, National Minimum Wage National Standard Order, 2025 Legal Notice 290/2025, Wage Increase (Employees) National Standard Order, 2025	Parliamentary Document PQ13024, national agreement on the minimum wage as recommended by the Low Wage Commission, October 2023
Netherlands	Minimum Wage Act	

Member State	Legal source or similar regulation	Other sources
Poland	Regulation of the Council of Ministers of 11 September 2025 on the amount of the minimum remuneration for work and the amount of the minimum hourly rate in 2026 (Dz.U. 2025 poz. 1242)	
Portugal	Decree-Law No 132/2025 of 29 December	
Romania	The January 2025 rate (valid until the end of June 2026) was set by Government Decision 1506/2024	
Slovakia	Act No 289/2024, announcement by the Ministry of Labour, Social Affairs and Family	National Labour Inspectorate, 'Minimum wage and minimum wage requirements in 2026'
Slovenia	Official Gazette, announcement of 22 January 2026 by the Minister for Labour, Family, Social Affairs and Equal Opportunities	Minimum Wage Act, in particular Article 6
Spain	Royal Decree 126/2026 of 18 February establishing the minimum wage for 2026	

Sources: Network of Eurofound Correspondents.

Table A5: Overview of sectors covered by Eurofound's database on minimum wages for low-paid workers in collective agreements

NACE one-digit code	Group name used in the database	NACE two-digit code	NACE two-digit sector
A – Agriculture, forestry and fishing	1 – Agriculture	**1**	Crop and animal production, hunting and related service activities
C – Manufacturing	2 – Manufacture of food, leather, textiles and clothes	**10**	Manufacture of food products
		13	Manufacture of textiles
		14	Manufacture of wearing apparel
		15	Manufacture of leather and related products
F – Construction	3 – Construction, excluding civil engineering	**41**	Construction of residential and non-residential buildings
		43	Specialised construction activities
G – Wholesale and retail trade; repair of motor vehicles and motorcycles	4 – Retail	**47**	Retail trade, except of motor vehicles and motorcycles
H – Transportation and storage	5 – Postal services and couriers, land transport and warehouses	**49**	Land transport and transport via pipelines
		52	Warehousing and support activities for transportation
		53	Postal and courier activities
I – Accommodation and food service activities	6 – Hospitality	**55**	Accommodation
		56	Food and beverage service activities
N – Administrative and support service activities	7 – Business support services	**78**	Employment activities
		80	Security and investigation activities
		81	Services to buildings and landscape activities
		82	Office administrative, office support and other business support activities
Q – Human health and social work activities	8 – Residential and social care	**87**	Residential care activities
		88	Social work activities without accommodation

NACE one-digit code	Group name used in the database	NACE two-digit code	NACE two-digit sector
R – Arts, entertainment and recreation	9 – Arts, gambling and sports	**90**	Creative, arts and entertainment activities
		92	Gambling and betting activities
		93	Sports activities and amusement and recreation activities
S – Other service activities	10 – Personal services	**96**	Other personal service activities
T – Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	11 – Domestic personnel	**97**	Activities of households as employers of domestic personnel

Source: Eurofound (2024b).

Table A6: Collective bargaining coverage rates in Member States with a national minimum wage, for 2024 or the latest available year

Member State	Collective bargaining coverage rate (%)	Year
Belgium	100.0	2024
Bulgaria	26.4	2022
Croatia	65.3	2024
Cyprus	32.1	2022
Czechia	43.2	2024
Estonia	19.1	2021
France	98.0	2024
Germany	49.0	2024
Greece	13.1	2017
Hungary	20.4	2022
Ireland	34.0	2017
Latvia	25.8	2022
Lithuania	29.0	2023
Luxembourg	57.3	2022
Malta	31.0	2022
Netherlands	72.1	2024
Poland	11.6	2023
Portugal	83.3	2023
Romania	42.6	2024
Slovakia	27.6	2024
Slovenia	83.1 (a 2024 estimate by the Statistical Office of Slovenia puts it at only 66.3 %)	2016
Spain	92.1	2024

Source: OECD et al. (2025).

Annex 2: Network of Eurofound Correspondents

Table A7: National correspondents who contributed to the report

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This year's annual review presents the discussions around minimum wage setting that took place in the EU Member States and Norway during 2025 and led to the new rates for 2026. It includes information on countries with and without a national minimum wage. It provides data on the significant progress on national minimum wages over the past decade; minimum wages have typically outperformed inflation and there have been increases in average wages in most countries. In addition, the report discusses the recent ruling of the Court of Justice of the European Union on the EU Minimum Wage Directive, recent national initiatives linked to the directive's transposition and the growing relevance of indicative reference values when setting national minimum wages in Member States. Using data from collective agreements and qualitative sources, it also provides evidence on the ways in which the rising levels of national minimum wages influence collective bargaining on wages in low-paid sectors.

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