RocaJunyent Informs

Labour Law Department
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Summary of relevant court judgments and legislative developments: working conditions and workers' rights (2025)

In this information alert, we provide a summary of several recent court rulings addressing key issues in the labour field. These decisions, issued between May and July 2025, deal with issues such as the concurrence of collective agreements, the guarantee of indemnity, company disciplinary powers, parental leave, the equalization of conditions between temporary agency and user company staff, and the long-awaited Supreme Court ruling on the open debate on additional compensation to the legal rate for unfair dismissal. These rulings outline important implications for companies and employees, as well as the current interpretations of the labour regulations in force in Spain.

Recent jurisprudential developments

Supreme Court Judgment of 27 May 2025 (Appeal. No. 673/2023)

The purpose of this ruling is to determine whether the plaintiff hired by a Temporary Employment Agency (ETT) is entitled to receive the voluntary improvement in temporary incapacity (TI) provided for in the agreements applicable to the user companies in which he provided services under contracts for the provision of services.

First, the Supreme Court analyses the evolution of the wording of article 11 of Law 14/1994 of 1 June 1994 regulating temporary employment agencies (LETT), which is the subject of the judgments cited by the defendant. This article regulates the rights of workers, the initial aim of which is that the economic result obtained by the temporary agency worker while providing services in the user undertaking should not be less than that obtained by a worker in the user undertaking for the same work. In relation to this, the STS 7 February 2007 determined that article 11 did not include voluntary improvements in a situation of TI because these are not payments directly linked to the work.

Directive 2008/104/EC of the European Parliament and Council of 19 November 2008, however, led to a modification of Article 11 LETT, which requires a new interpretation by the Supreme Court. To do so, the Court relies on the CJEU of 22 February 2024 (C-649-2022), which determines that, in cases of total permanent incapacity, although the voluntary improvement is not paid directly in exchange for an employment benefit, it is granted indirectly by the employer to the worker by reason of employment. The European Court therefore states that the concept of remuneration must be interpreted broadly, including compensation in the event of total permanent incapacity.

On this basis, the Supreme Court determines that there is no difference between the permanent incapacity in the CJEU judgment cited above and the temporary incapacity in the case before it, since in both cases the purpose is to compensate the worker for the loss of income resulting from the impossibility of exercising his or her profession. Thus, the concept of 'essential working and employment conditions' includes remuneration, including within that concept also the voluntary improvements to the TD benefit provided for in the collective agreements applicable to user undertakings.

It therefore concludes that the person hired by a temporary agency and seconded on assignment must benefit from the voluntary improvement provided for in the collective agreement of the user company for cases of temporary incapacity.

Supreme Court Judgment of 4 June 2025 (Appeal. No. 19/2024)

The STS of 4 June 2025, in unification of doctrine, annulled judgement 2775/2023 of 18 October, handed down by the High Court of Justice of Andalusia (Seville) in appeal

3895/2021, and confirmed the judgement handed down by Social Court no. 4 of Huelva (no. 167/2021). In the aforementioned judgement of the Supreme Court, three different essential issues of the employment relationship between the Ayamonte Town Council and the plaintiff in the context of the contractual termination are discussed: (i) the nature of the employment relationship, (ii) a conflict of competence between administrations and (iii) an allegation of breach of the guarantee of indemnity. The first controversy that the judgement deals with is the nature of the employment relationship between the parties, comparing whether the employment relationship was temporary or permanent and, therefore, there was fraudulent hiring and the dismissal had to be declared null and void. In this regard, the Court established the validity of the temporary contract signed, taking into account the autonomy and substantive nature of the programme in which it is framed, and proceeded to establish that the termination due to expiry of the term was in accordance with the law. Secondly, the judgment discusses a conflict of administrative competences.

The Court analyses whether the functions of vocational guidance and support for labour market insertion that constituted the activity are the responsibility of the local council or, on the contrary, constitute an exclusive competence of the Autonomous Community. In relation to the above, the High Court ruled that executive employment policies are the responsibility of the Autonomous Community (in this case, Andalusia), and that, therefore, the municipal intervention is in any case "*temporary and occasional*" and is therefore not a normal or permanent activity of the City Council. Thirdly, the judgement clarifies questions about the alleged breach of the guarantee of indemnity, rejecting the allegation of retaliatory dismissal, insofar as it considers that the long period of time between the complaint and the termination (10 months) excludes the possibility of such a breach. However, it warns that the criterion of temporal proximity must be applied with caution, and cannot be elevated to absolute terms. Consequently, the judgment of the SCJ of Andalusia is upheld and annulled, confirming in turn the judgment of the lower court which rejected the claim and declaring it to be final. In short, STS 3020/2025 unifies doctrine by establishing that temporary contracts for subsidised employment programmes are valid when they have their own autonomy and substance, being the main competence of the autonomous administration, and establishes relevant criteria to be taken into account with regard to the violation of the guarantee of indemnity.

Supreme Court Judgment of 10 June 2025 (Appeal. No. 3011/2023)

The issue under debate focuses on determining whether the disciplinary sanction imposed on a worker should be declared null and void on the grounds that there is no correspondence between the classification of the offence (very serious) and the sanction imposed (corresponding to serious misconduct). In short, the Supreme Court analyses whether the employer's disciplinary powers must be strictly subject to the principle of typicality and proportionality between qualification and sanction, and whether when the sanction finally imposed is the corresponding to a less serious offence than the one qualified, this implies the nullity of the sanction imposed.

The case concerns a worker who was sanctioned with a two-day suspension from employment and pay for an offence classified as very serious, consisting of "*ill-treatment by word or deed or serious lack of respect for superiors, colleagues or subordinates*". The substantive issue was to determine whether that sanction was appropriate, since the two-day suspension of employment and pay was provided for in the collective agreement applicable to serious misconduct, whereas for very serious misconduct the collective agreement provided for sanctions ranging from eleven days to two months' suspension. The penalty was initially upheld by the Social Court, but subsequently overturned by the Madrid High Court of Justice. Finally, the Supreme Court analysed the congruence between the qualification of the misconduct and the sanction imposed and concluded that the company may impose lighter sanctions than those foreseen for very serious misconduct.

In short, in the words of the High Court, the employer, who has the power to leave without sanction a certain behaviour of one of its employees that could constitute a disciplinary offence, when it decides to sanction it, may do so by resorting to a less serious sanction than that provided for in the agreement for the type of offence; naturally, the lighter sanction chosen must also be provided for and defined in the collective agreement, and may not create an "ex novo" sanction.

Supreme Court Judgment of 11 June 2025 (Appeal No. 3187/2023).

In its judgment of 11 June 2025, the Supreme Court ruled on the concurrence between the collective agreement signed between the company and the workers' legal representatives and the sectoral collective agreement in force for the province in which the workplace in which the claimant workers work is located. Turning to the merits of the case, the Court first resolves the question of the concept of "workplace". That question arises from the absence of administrative registration with the relevant labour authority of the workplace in Ávila, where the workers perform their duties for the company. In that regard, the Court holds that the production unit in which the applicants provide services on a permanent basis must be regarded as a work centre, even if it is not formally registered with the Labour Authority. It therefore held that, for the purposes of classification as a workplace, it is sufficient that it is the place to which the workers go to provide their services and in which the undertaking has established productive elements. In relation to the main subject-matter of the appeal, the dispute arises as to whether the collective agreement concluded between the company and the workers' legal representatives, with a specific geographical scope and, consequently, of an infra-company nature, takes precedence over the provincial sectoral agreement as regards pay. In response to this question, the Supreme Court established that the agreement negotiated exclusively with the legal representation of the workers in a specific geographical area, which in this case is smaller than the company area, does not qualify as a company agreement and, therefore, cannot in any way have priority over the provincial sectoral agreement.

Supreme Court Judgment of 16 July 2025 (Appeal. No. 3993/2024)

The Plenary of the Social Division of the Supreme Court has handed down an important ruling, which addresses whether a worker dismissed unfairly has the right to receive, in addition to the fixed compensation for disciplinary dismissal in article 56.1 ET, additional compensation in accordance with the circumstances that may arise in the specific case, in application of article 10 of ILO Convention 158 and article 24 of the revised European Social Charter (ESC).

In this Judgment, on a practical level, it is concluded that the standard compensation is the one chosen by our legislator in art. 56.1 ET and that art. 24 of the revised European Social Charter cannot be considered, in any way, as a directly applicable rule displacing the applicability of the provisions of our domestic law.

The Supreme Court has already issued another relevant ruling on 19 December 2024 (STS 1350/2024), in which it concluded that, if the dismissal is declared unfair, the judicial body cannot recognise an additional and different compensation to that established in art. 56 ET, in accordance with the provisions of ILO Convention No. 158. Due to the timing of the dismissal in question in the aforementioned judgment, it was not possible to assess article 24 of the revised CSE, which came into force in Spain on 1 July 2021.

With this new judgment, the High Court closes the possibility of setting an additional compensation in addition to that set in the case of unfair dismissal, under the current legislation. This debate will have to be addressed, if necessary, by the legislature, by amending the regulatory framework. This judgement, although it includes individual opinions, undoubtedly contributes to the much-needed legal certainty.

Social Court Judgment No. 1 of Barcelona of 30 June 2025 (Decision No. 567/2025)

In this ruling, the Social Court No. 1 of Barcelona recognises for the first time, in the private sector, the paid nature of the parental leave provided for in Article 48a of the ET, in accordance with the provisions of Directive (EU) 2019/2158 of the European Parliament and of the Council of 20 June 2019 on the reconciliation of family and working life for parents and carers, in its Article 8.

This judgment considers that this article is sufficiently clear, precise and decisive to be directly applicable in view of Spain's failure to transpose the Directive by 2 August 2022. In the Court's opinion, the above determines the interpretation of the domestic legislation in accordance with the said provisions of Community law by application of the principle of the primacy of Union law.

In view of the above, the Court upheld the worker's claim and recognised his right to parental leave pay by direct application of Community law, at the defendant company's expense.

We must be attentive to the outcome of this ruling, and above all to the legislative development of this issue. For the time being, the national legislator has not established the remuneration or financial benefit of parental leave, so we must act with the utmost caution.

Should you wish to clarify any doubts or gain further insight into any of these matters, you may contact:

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