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Judgment in Case E-3/24 *Margrét Rósa Kristjánsdóttir* v *Icelandic Health Insurance (Sjúkratryggingar Íslands)*

BOARD MEMBERS AND COLLECTIVE REDUNDANCIES

In a judgment delivered today, the Court answered questions referred to it by Reykjavík District Court (*Héraðsdómur Reykjavíkur*), concerning the Collective Redundancies Directive[1] ("the Directive") as regards the interpretation of the notion of "worker" and procedural requirements relating to damages for infringements of the Directive.

In the main proceedings, Ms Kristjánsdóttir claims damages on the basis that her former employer, Icelandic Health Insurance, has not complied with the procedural rules laid down in the national legislation implementing the Directive.

Reykjavík District Court requested an advisory opinion on the interpretation of the Directive as to whether members of the board of directors are considered "workers" for the purpose of assessing whether the threshold for a collective redundancy has been reached. In addition, it requested guidance on the requirements with regard to national procedures relating to claims for damages arising from infringements of the Directive's rules.

The Court found that board members may be considered to be "workers" within the meaning of the Directive, if they perform for a certain period of time services for that legal entity in a relationship of subordination, in return for which they receive remuneration. Whether such a relationship of subordination exists must, in each particular case, be assessed on the basis of all the factors and circumstances characterising the relationship between the parties, as well as the Directive's objectives.

Moreover, the Court found that the Directive does not establish a mechanism of general financial compensation in the event of dismissal and that it is for the EEA State concerned to lay down the detailed arrangements for the procedures for enforcing the obligations under that directive. Those procedures must, however, respect the principles of equivalence and effectiveness and provide effective, proportionate and dissuasive sanctions for infringements.

The advisory opinion is a step in the proceedings pending before the national court. Reykjavík District Court will now resume its proceedings and decide the case pending before it in light of the Court's interpretation of the Directive.

The full text of the judgment may be found on the Court's website: www.eftacourt.int.

This press release is an unofficial document and is not binding upon the Court.

[1] Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies