

Minimum Wage & Collective Bargaining in Ireland 2025



 Ireland

Statutory Minimum Wage ✓

• Monthly Min. Wage 2115.00€

• Hourly Min.Wage 12.82€

56.00%

• MW as % of Median Wage

46.00%

• MW as % of Gross Average Wage

• Gender pay gap 17.60%

49.00%

• Collective bargaining coverage

• Process of transposition:

Assessment of current situation completed by the Government: no further legislative actions required. Transposed!

[↔ Compare with other countries](#)

Latest update on 05/05/2025

Ger Gibbons, Irish Congress of Trade Unions



Minimum wage system in Ireland

Ireland’s statutory minimum wage, the national minimum wage (NMW) was introduced in April 2000, at 5.58 euros (€) per hour. It was increased regularly (almost annually) reaching €8.65 in 2007. Increases paused between 2008 and 2016 and it was in fact cut by €1 for a period in 2011. It was increased by 50c in 2016 and there were more modest increases over 2017–2022. Over recent years there have been more substantial increases, rising from €10.50 in 2022 (when it equalled 50 per cent of the median wage of all workers) to €13.50 in 2025.

Separate from the national minimum wage, a civil society-led [Living Wage Technical Group](#) has calculated a recommended ‘living wage’ since 2014, based on a basket of goods and services approach, to provide full-time workers (with no dependents) with a sufficient income to achieve an agreed acceptable minimum standard of living. Its September 2024 rate for 2024/2025 was €14.75.

The original legal basis of the national minimum wage is the [National Minimum Wage Act 2000](#). This has been amended and complemented by the [National Minimum Wage \(Low Pay Commission\) Act 2015](#), which established the [Low Pay Commission](#) (LPC), and the [European Union \(Adequate Minimum Wages\) Regulations 2024](#) which are presented as transposing the Adequate Minimum Wages Directive.

An employee working for a close relative (for example, a spouse or civil partner, or a parent) or on a statutory apprenticeship is exempt from the national minimum wage.

In addition, a prisoner working under supervision is not paid the national minimum wage. Employees under 18 are entitled to 70 per cent of the national minimum wage, 18 year olds to 80 per cent and 19 year olds to 90 per cent.

The Low Pay Commission is made up of a chairperson and eight members. Three represent employers and three represent workers and there are two experts. The Department of Enterprise, Trade and Employment provides the secretariat.

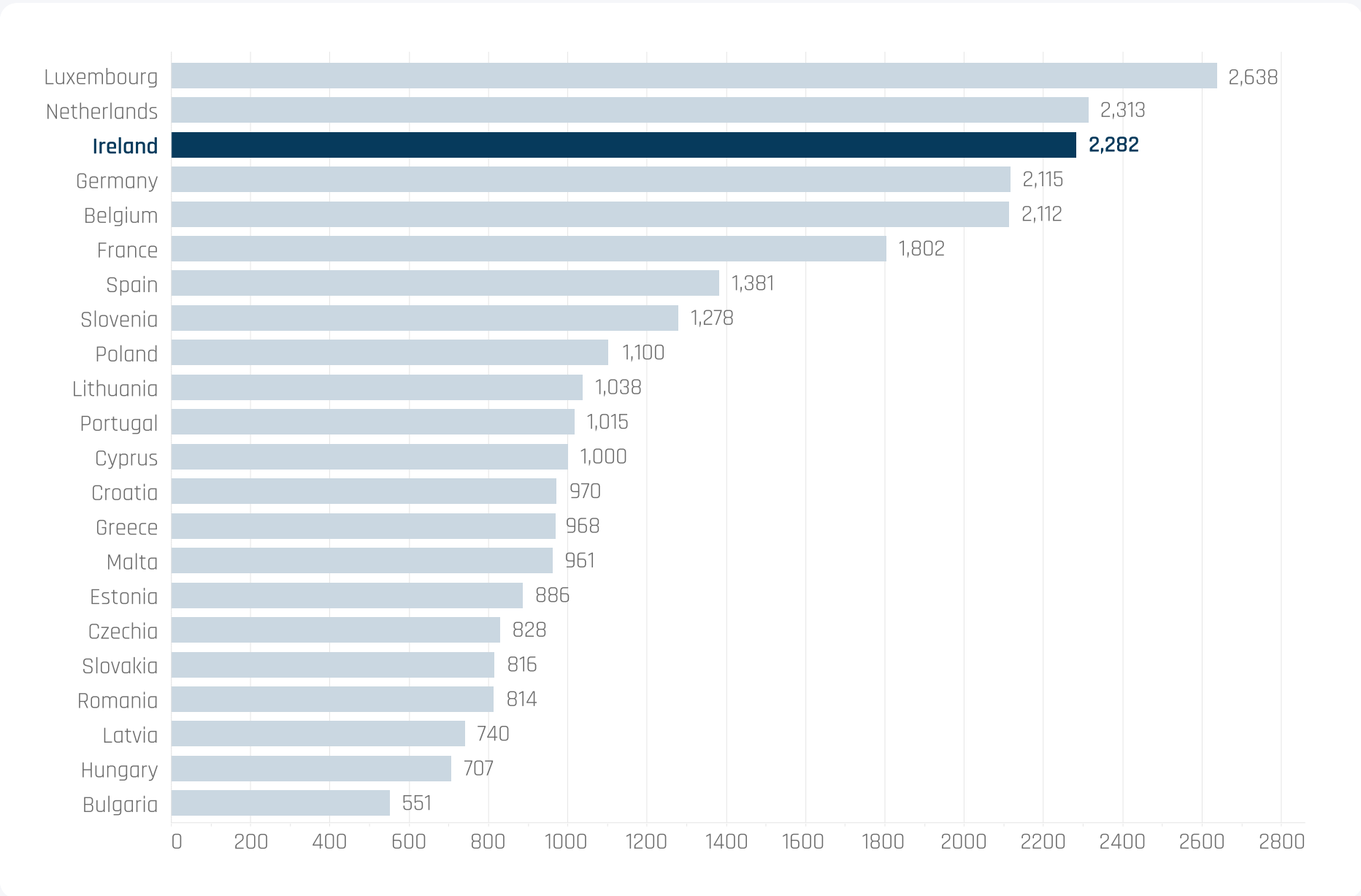
The Low Pay Commission’s mandate since 2015 has been to issue (non-binding) recommendations to the government for a national minimum wage that is ‘designed to assist as many low paid workers as is reasonably practicable, is set at a rate that is both fair and sustainable, where adjustment is appropriate, is adjusted incrementally, and over time, is progressively increased, without creating significant adverse consequences for employment or competitiveness’. Under the 2015 Act, it had to have regard to criteria covering changes (since its previous recommendation) in earnings, exchange rates and income distribution, unemployment, employment and productivity (generally and sectorally), international comparisons (particularly with the United Kingdom), the need for job creation, and the likely effects on employment and unemployment, the cost of living and ‘national competitiveness’. The government has generally implemented its recommendations.

The 2020 Programme for Government committed to ‘progress to a living wage over the lifetime of the Government.’ The government announced in November 2022 that the national minimum wage would be set at 60 per cent of the hourly median wage (of all workers) by January 2026, and then be retitled ‘the living wage’. This was to be achieved over four years (unless otherwise agreed by the government on the Low Pay Commission’s advice).

Since then, the Commission has seen its role as making the ‘appropriate recommendations required to ensure this decision is fulfilled’. The [2025 Programme for Government](#) commits to ‘recognise the work of the independent Low Pay Commission, ensuring fair wages whilst also supporting the viability of small and medium-sized enterprises.’

Predating the national minimum wage by many decades, the [Industrial Relations Act, 1946](#) allowed for the setting of binding minimum wages (and conditions) for specific industries and sectors traditionally characterised by low pay, low density and little or no collective bargaining. ‘Joint labour committees’ comprising employers’ and workers’ representatives and an independent chair appointed by the government could propose ‘employment regulation orders’ (EROs) that, if confirmed by the Labour Court (an employment tribunal comprising employers’ and trade unions’ representatives and chaired by a government nominee) set binding minimum wages and conditions.

Monthly Minimum Wage (€) per Country



Wage inequality (inter-decile Ratio P90/P10)
3.00

Gender Pay Gap
17.60%

Nominal Growth rate of Wages
3.30%

In-work poverty rate
6.50%

Real Growth rate of wages
0.80%

% of workers covered by minimum wage
6.60%



Minimum wage system in Ireland

This mechanism was challenged by employers on constitutional grounds in the early 2010s. In short, the Courts ruled that it amounted to an unconstitutional delegation of powers from the legislature. The rulings invalidated 17 EROs.

A more modest regime with stricter criteria for joint labour committees/employment regulation orders was reinstated by the [Industrial Relations \(Amendment\) Act 2015](#).

The 2015 legislation also provides for ‘sectoral employment orders’ (SEOs) that can set universally applicable terms and conditions concerning pay, sick pay and pensions in a sector. A ‘substantially representative’ trade union (alone or with an employer organisation) can ask the Labour Court to examine these issues in a given sector which may submit a report to the government recommending that a sectoral employment order cover the issues set out in its report.

If proposed by the government and approved by Parliament, the sectoral employment order becomes legally binding. Unions and employers may utilise this mechanism to recommend a sectoral employment order based on a pre-existing collective agreement.

The constitutionality of the 2015 regime was in turn challenged by employers but upheld by the Supreme Court in 2021. The new regime is cumbersome for the unions, however, and employers exercise a de facto veto over the establishment of joint labour committees.

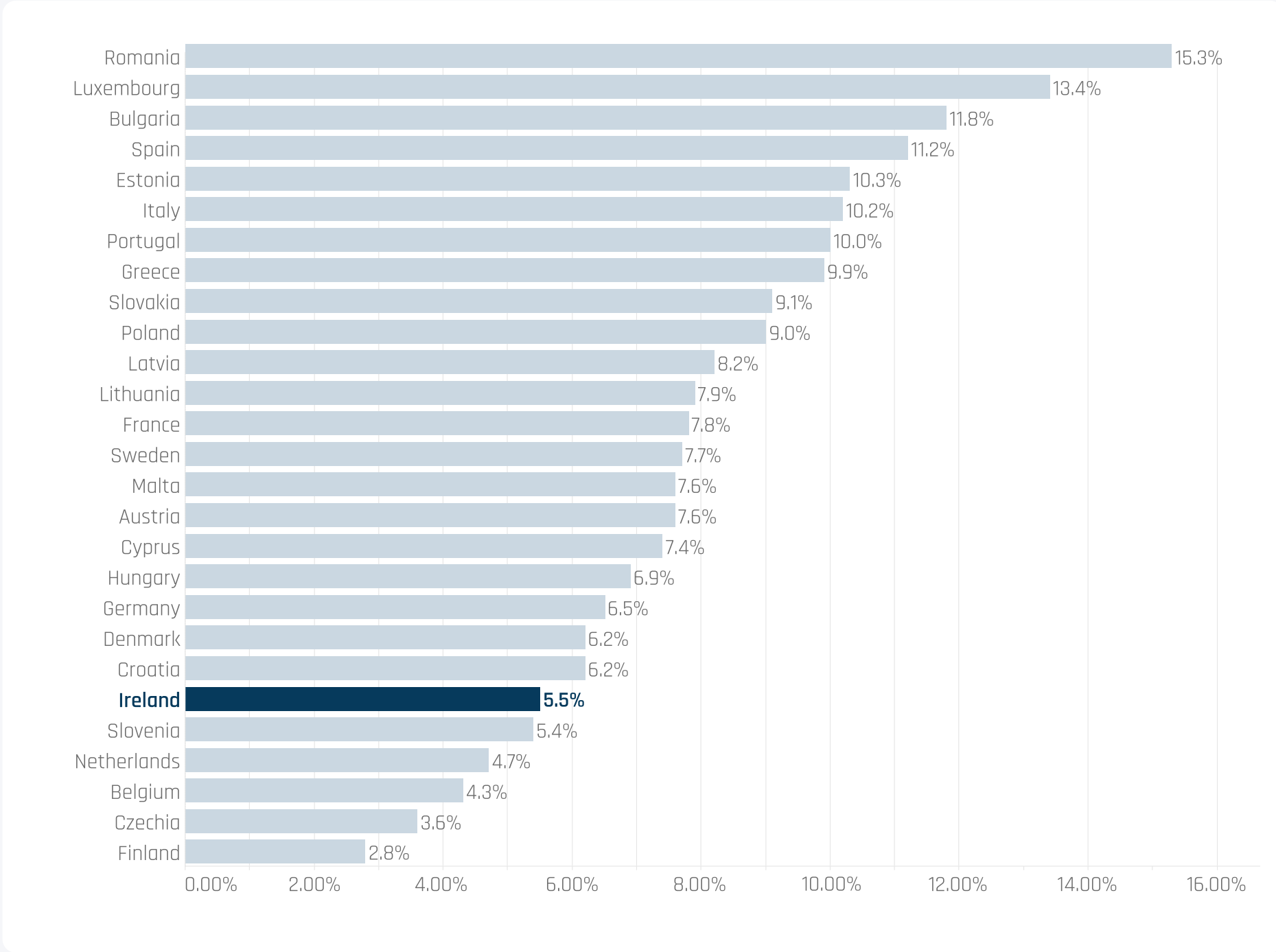
Proposed employment regulation orders and sectoral employment orders are often subject to legal challenges by employers, which stymie their implementation. 2022 recommendations from a tripartite [High-Level Working Group](#) to reform the current regime, including overcoming the employers’ veto, have not been implemented by the government. It should be noted that on the basis of information provided by government representatives to the European Commission at the 2023 Expert Group on the transposition

of the Adequate Minimum Wages Directive, the Commission said that Ireland’s system of sectoral regulation through proposals from ‘joint labour committees or a labour court’ is a minimum wage under Article 3(1) of the Directive, but not a statutory minimum wage under Article 3(2) nor a collective agreement in the sense of Article 3(4). Sectoral employment orders have also been described as a form of statutory regulation.

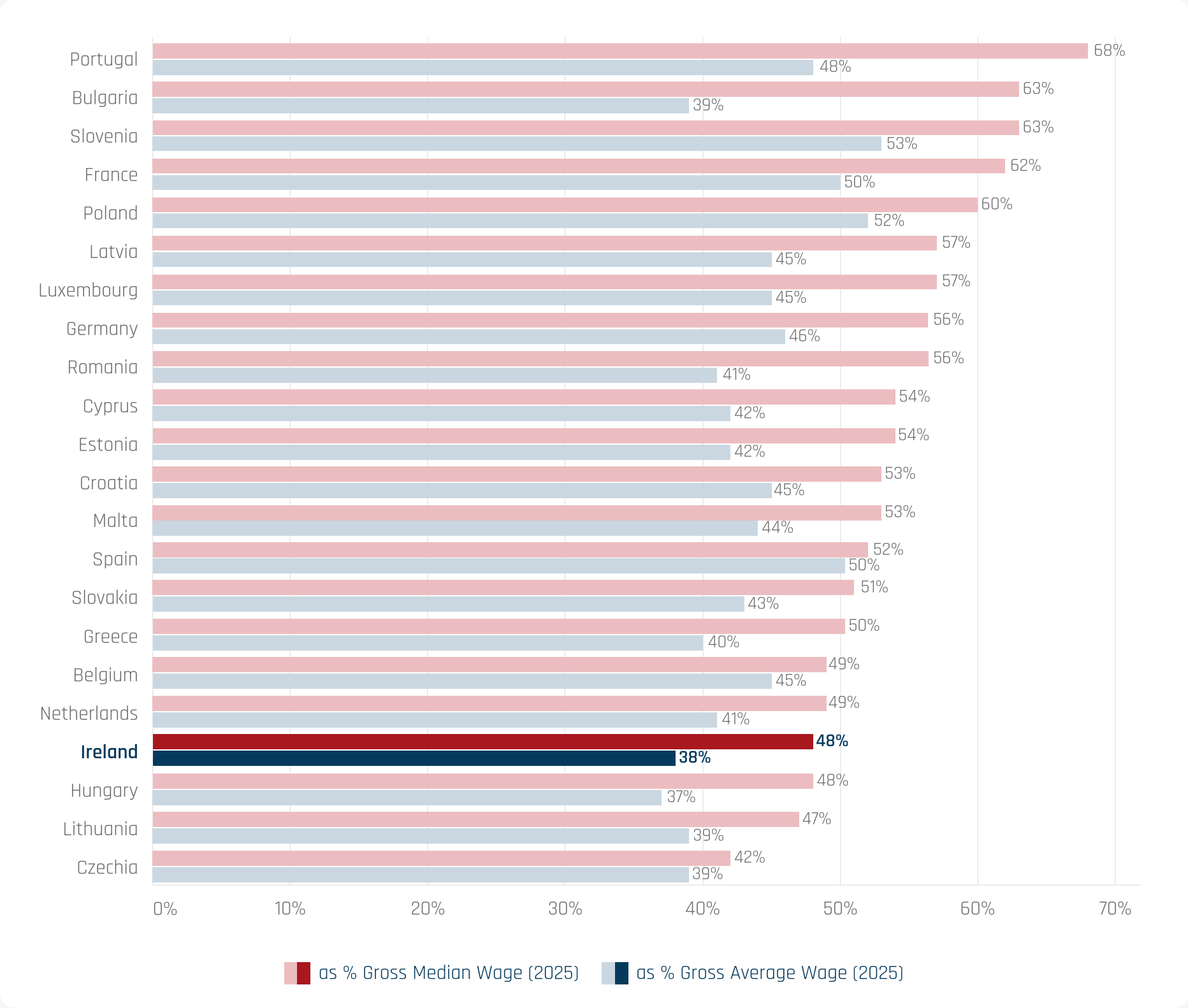
At the time of writing (February 2025), only three of the nine current joint labour committees have agreed [employment regulation orders](#) for the early learning and childcare sector (covering approximately 27,000 workers), contract cleaning (26,000), and the security sector (16,000),

and there is one [SEO](#), for the construction sector (46,000). In total, these sectoral regulations provide higher minimum wage rates than the national minimum wage (though now marginally in some cases) for approximately 4 per cent of all workers.

In-work poverty rate (%) per Country



Minimum Wage as % of Gross Median and Gross Average Wage per Country





Collective Bargaining system in Ireland

At the outset, it is important to be aware that the 2022 High-Level Working Group report stated that it was ‘not possible to describe precisely the constitutional position in terms of collective bargaining rights, or trade union recognition in Ireland’ (emphasis in original).

Article 40.6.1 of the [Constitution of Ireland](#) (1937) confers the right of freedom of association to join a trade union. However, neither this provision nor other provisions of the Constitution have been interpreted so far as encompassing a right to collective bargaining. Unions have no legislative right to be recognised in the workplace for collective bargaining purposes and employees have no right to make representations through their union to their employer. This regime has co-existed with a traditionally widely-held view that state and legal intervention is not the best way to promote collective bargaining and that such intervention poses risks to the independence of trade unions and of employers.

That said, as outlined above, there has long been statutory regulation of industrial relations. Under the Industrial Relations Act, 1946 (sectoral) collective agreements between the main employers’ organisation and trade unions could, if registered with the Labour Court as ‘registered employment agreements’ (REAs), have binding extension effects.

However, this mechanism was also successfully challenged by employers in the early 2010s. The courts ruled that it also amounted to an unconstitutional delegation of power from the legislature. The ruling invalidated 70 registered employment agreements.

The [Industrial Relations \(Amendment\) Act 2015](#) also re-instated a more modest form of REAs, with the significant change that sectoral REAs now apply only to parties to an agreement – they do not now have binding extension effects.

At the time of writing, three sectoral and one enterprise-level collective agreements have been registered as [registered employment agreements](#) with the Labour Court, including for the national and Dublin public bus transport companies, under the 2015 Act.

Given Ireland’s ‘voluntarist’ regime, collective bargaining coverage is entirely dependent on union density. Trade union density fell from approximately 60 per cent in the early 1980s to approximately 22 per cent in 2024, including to less than 15 per cent in the private sector.

There are no national statistics on collective bargaining coverage. The OECD estimates coverage at 34 per cent in 2017, the second lowest in the EU14. Coverage was also estimated at 43 per cent in a [2021 survey](#) of over 2,000 employees, though the authors said this was likely to be an overestimation.

The decline in density is the result of a complex set of institutional and structural factors. These include Ireland’s voluntarist regime, a hardening of employers’ preferences, structural changes in the economy, labour and product market changes and the emergence of new patterns of working.

Validity of collective agreement after expiry

Aside from registered employment agreements, there are no statutory provisions concerning the validity of collective agreements after their expiry. The OECD classifies Ireland as a country in which collective agreements have ‘unlimited ultra-activity’ and with no rule on this.

Exclusions of groups of employees from collective bargaining

There are no statutory provisions that explicitly exclude groups of employees from collective bargaining. The OECD notes that collective bargaining does not take place for a ‘very few highranking officials’.

Collective Bargaining Coverage

49.00%

Trade Union Density

16.30%

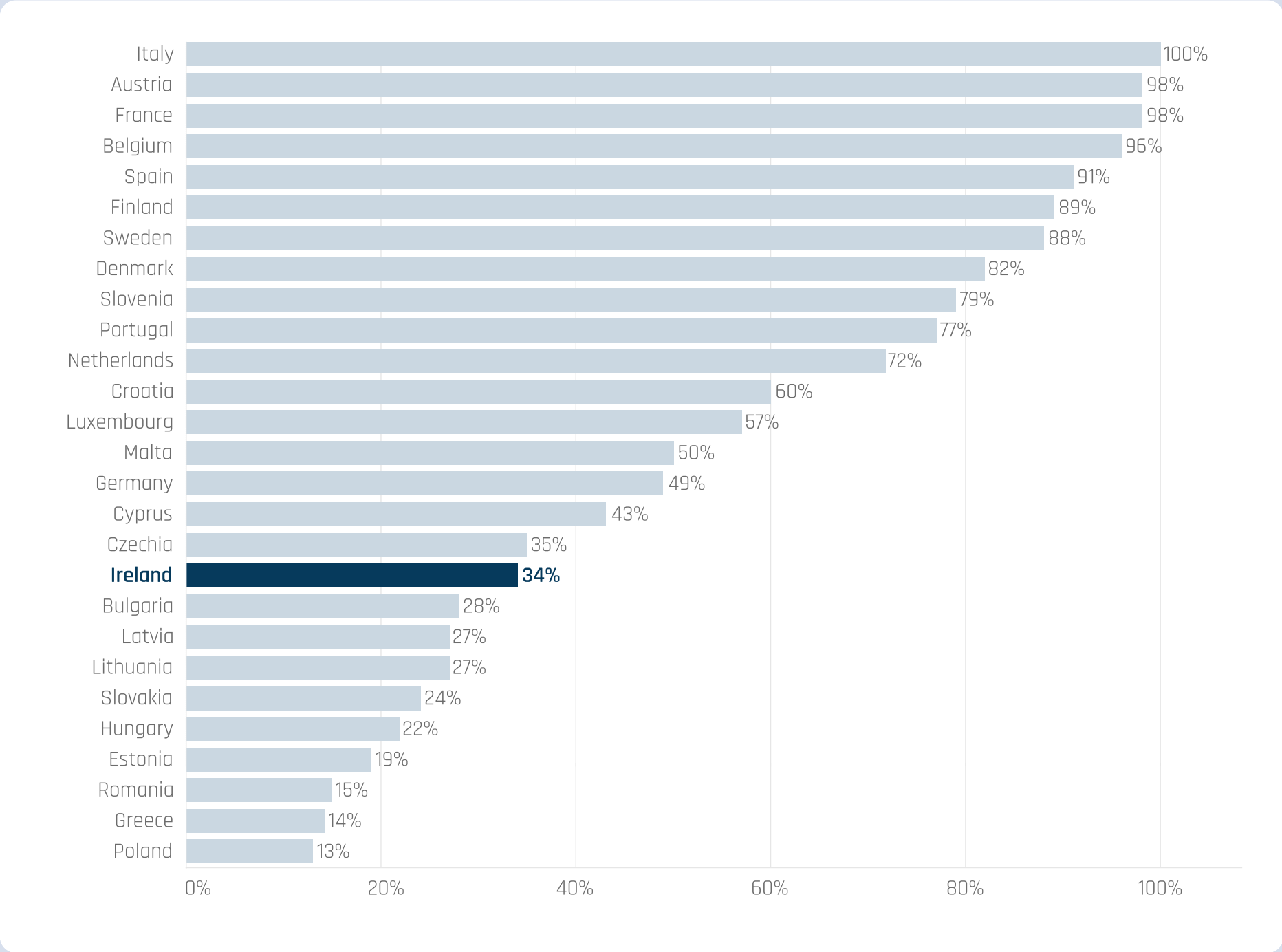
Extension Mechanism

Rare extension

Valididy of Collective Agreements after expirations?

Yes

Collective Bargaining Coverage per Country (%)





Collective Bargaining system in Ireland

Collective bargaining clauses in public procurement

There are no provisions in the 2016 Irish legislation transposing the three 2014 EU procurement directives that go beyond their ‘horizontal social clause’, including in respect of ensuring compliance with applicable obligations established by relevant collective agreements. Public authorities may exclude operators from contracts for violations but, as with other member states, there is no data on the implementation of this clause in Ireland. The 2022 High-Level Working Group did acknowledge that procurement was one of the aspects of the (then) draft Directive it had not addressed and recommended that it be addressed in a tripartite manner during transposition. Draft legislation was introduced in the upper house of Parliament in November 2024 to amend the 2016 legislation transposing the 2014 directives to provide for contract award criteria in public contracts that promote favourable weighting of operators who enter into collective bargaining and reach collective agreements. However, this Bill lapsed on the dissolution of parliament for the November 2024 general election.

Trade unions’ right of access to workplaces

Trade unions do not have a right of access to the workplace. The 2022 High-Level Working Group acknowledged that ‘easing the access of trade union representatives to workers’ was one of the aspects of the (then) draft Directive on Adequate Minimum Wages the group did not address, and also recommended that it be addressed in a tripartite manner during transposition.

Protection of workers and trade union representatives against dismissal/discrimination

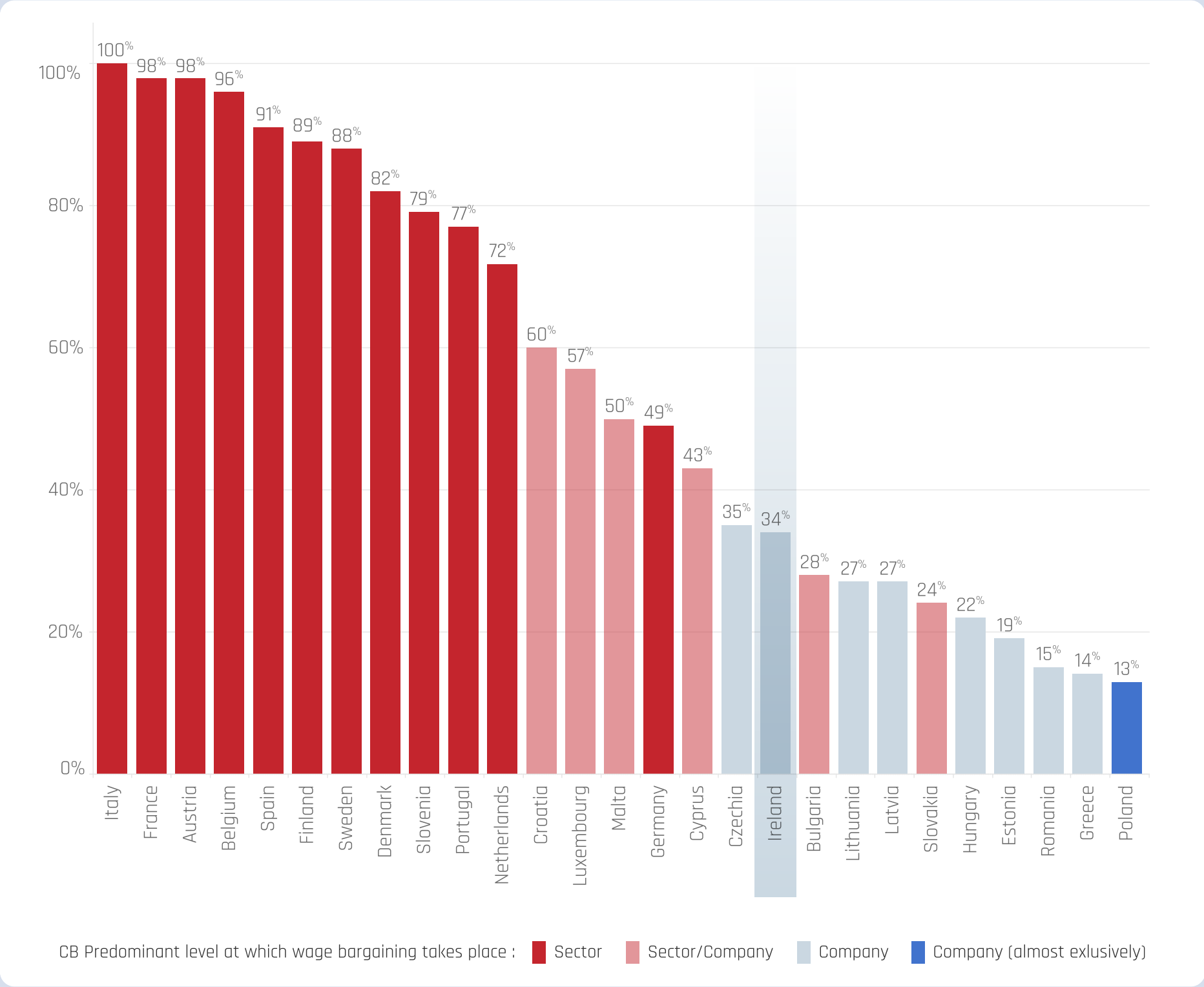
Victimisation is only partially considered under existing national legislation. Under the [Unfair Dismissals Acts 1977–2016](#) a dismissal based on union membership or activity is unfair but does not prevent a dismissal from taking place and does not apply to victimisation in other forms. The 2015 statutory [Code of Practice on Victimisation](#) deals with actions such as targeting and surveillance of members but is less clear on actions such as the withdrawal of workplace benefits that are not legally protected (for example, remote or flexible work).

The [Industrial Relations \(Miscellaneous Provisions\) Act 2004](#) prohibits victimisation on account of union membership and activities, but complaints are only specific to conditions where it is not the practice of the employer to engage in collective bargaining and where an internal dispute resolution procedure (if any) has failed to resolve the matter.

Obligation for employers to engage in collective bargaining

There are no statutory provisions obliging employers to engage in collective bargaining. The 2022 High-Level Working Group recommended a process to encourage and facilitate ‘good faith engagement’ (so not collective bargaining) but this has not been implemented by the government.

CB Predominant level at which wage bargaining takes place per Country





Transposition of the European Directive on Adequate Minimum Wages in the EU

Government commentary so far has focused on the provisions of the Directive that concern the Low Pay Commission and that require Ireland to establish an Action Plan by October 2025. It has repeatedly said that the Low Pay Commission was ‘already largely in compliance’ with the Directive but that ‘some minor amendments’ would be needed to bring the ‘framework completely into line’. As outlined above, on 15 November 2024 the [European Union \(Adequate Minimum Wages\) Regulations 2024](#) was signed into law. This is presented as transposing provisions of the Directive concerning statutory minimum wages, particularly by requiring the Low Pay Commission to now formally also have regard to ‘indicative reference values such as 60% of the gross median wage’ and formalising the LPC’s consultation of the social partners. ICTU was not consulted beforehand, as required by Article 7, and strongly disputes the claim that these regulations fulfil Ireland’s transposition obligations.

In early 2024, the government established a tripartite ‘technical working group’ under the social dialogue Labour Employer Economic Forum to consider the collective bargaining aspects of the Directive. The government has repeatedly claimed, however, that no new legislation is required for transposition of the collective bargaining elements but that legislation ‘may be separately considered’ as part of the Action Plan, which it will ‘publish’ in 2025. In advance of this, it held a four week public consultation in April-May 2025.



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WAGE-UP is the ETUC Monitoring Tool presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

www.wage-up.etuc.org/



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