

## European (& the GCC) Employment Law Update

Jurisdiction: Finland

Date: May 2019

Impact date	Development	Impact
1 July 2019	New dismissal rules are due to take effect in July	<p>According to the Employment Contracts Act in its current form, when assessing the properness and weightiness of a termination ground relating to an employee's person, "the employer's and the employee's overall circumstances must be taken into account."</p> <p>When the reform takes effect in July, the wording of the provision will change to "<u>the number of employees employed by the employer</u> and the employer's and the employee's overall circumstances must be taken into account." The purpose of the reform is to ease dismissal in small companies.</p> <p>The grounds for dismissal remain unchanged and the reform does not mean that any minor offense would justify the dismissal of an employee in a small company. The ground for dismissal must also in the future be based on a proper and weighty reason that has an essential impact on the employment relationship. The obligation to give a warning before termination of an employment will also remain intact – even for small companies.</p> <p>When it comes to the validity of a termination ground, it is a matter of an overall assessment. This assessment is based on the nature and gravity of the employee's breach, the position of the employee and the employee's attitude towards the misconduct, the nature of the work, the special characteristics of the work and the position of the employer among other things.</p> <p>The reform does not affect the importance of the overall assessment and does not mean that in the future only the number of employees would be of significance in the assessment. Instead, the overall assessment would focus</p>

		<p>more on the small size of the employer and the number of employees.</p> <p>Ultimately, it will be up to the courts to determine on a case-by-case basis on how to interpret this amended provision. Thus, the ultimate effect of this provision will remain to be seen.</p>
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