

European (& the GCC) Employment Law Update

Jurisdiction: Finland
Date: April 2018

Impact date	Development	Impact
1 June 2018	Reform of legislation concerning zero hour contracts and variable working hours – amendments to the Finnish Working Hours Act and the Finnish Employment Contracts Act	<p>The Finnish Government has proposed amendments to the legislation concerning zero hour and variable working hour employment contracts with effect as of 1 June 2018.</p> <p>A zero hour contract typically refers to an employment contract, where the weekly working hours varies between 0 and 40. However, the employer and the employee could also agree on other specific ranges of working hours (e.g. that the weekly working hours varies from 10 to 30 hours), or that the employee is called to work when needed.</p> <p>Following the proposed revision, the employer could not initiate such variable working hour contracts in situations where it has a fixed need of labour. In addition, the agreed working hours should be in accordance with the real need of labour. Hence, in a situation where the real need of labour would be 20 hours per week, it could not be agreed upon fewer weekly working hours.</p> <p>Moreover, the Government proposal also contains several other amendments to the legislation, such as revisions concerning the right to sick pay, calculation of pay during notice periods and an employee's explicit consent (for each individual case or for a short time period) as a precondition for additional work.</p>
5 February 2018	Employer's obligation to organise and arrange other duties to an employee with reduced working capacity in order to avoid termination	<p>In a recent judgment, the Labour Court assessed whether the employer had sufficiently investigated whether it would have been possible to avoid termination by placing the employee in other, physically easier, work duties.</p> <p>In the case at hand, the employee's working capacity was reduced by 50 per cent and as a result, the employee was no longer capable to cope with his work duties in accordance with his employment contract. The employment contract was terminated due to permanent and substantial reduction of the employee's working capacity.</p> <p>Under Finnish law, a substantial and permanent reduction of the employee's working capacity may under certain circumstances be considered a proper and weighty reason for termination, however, the employer has an active</p>

		<p>duty to assess whether the employee could be placed in other work in order to avoid termination. The Labour Court stated that the “other work” requirement does not necessarily have to be a specific open vacancy, but that an employer has an obligation to investigate whether suitable work duties may be reasonably arranged. A prerequisite for such arrangements is that they do not have a negative impact on other employees.</p> <p>The Labour Court held that the employer had neglected its obligation to find out whether it would have been possible to reassign the employee, as some of the new tasks in fact had not in fact been any easier than the tasks the employee had performed prior to the reduced working capacity. In its overall assessment, the Labour Court highlighted the large size of the employer company, the long duration of the employment relationship, and the fact that the employer had previously tailored individual work duties to other employees’ with reduced working capacity.</p> <p>The employer was ordered to pay compensation equal to 12 months’ pay to the employee for unlawful termination.</p>
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