

European (& the GCC) Employment Law Update

Jurisdiction: Finland

Date: April 2017

Impact date	Development	Impact
1 January 2017	Amendments to Employment Contract Act (55/2001)	<p>The Employment Contracts Act has been amended as of 1 January 2017.</p> <ul style="list-style-type: none">• <i>Extension of trial periods:</i> The maximum length of trial periods has been extended from 4 months to 6 months. The employer can, under some circumstances, further extend the trial period in cases where the employee is absent from work during the trial period due to illness or family leave.• <i>Shortened time period for the re-employment obligation:</i> An employer has an obligation to offer work to a former employee terminated on financial or production related grounds if the employer needs new workforce for the same or similar tasks within 4 months after the termination (used to be 9 months) or 6 months for employees who had over 12 years' service.• <i>A former employee's right to re-employment training:</i> Employers with at least 30 employees are required to provide re-employment training to employees terminated on financial or production related grounds, if prior to the termination the employee has been employed for at least 5 years. The value of the training must equal the employee's monthly salary or the average monthly salary at the workplace, whichever is higher.• <i>Expansion of the occupational health care entitlements:</i> Employers with at least 30 employees are required to provide occupational health care to employees terminated on financial or production related grounds, if the employee has been employed for at least 5 years prior to the termination. This obligation is in for 6 months after the employee's working obligation ended or sooner if the employee finds new employment for an indefinite period or for a fixed term of at least six months.

1 January 2017	Amendments to the Working Hours Act (605/1996)	<p>The Working Hours Act has been amended as of 1 January 2017. The amendments encourage employers to offer part-time work for employees on part-time pension.</p> <p>Due to changes to the Finnish pension system, an amendment was made to Section 15 of the Working Hours Act (605/1996, as amended) regarding reduced working hours.</p> <p>Following the revision, the employer shall primarily organise work so that the employee may start working part-time. In practice, the reduced working hours shall be carried out by negotiations between the employer and the employee taking into account the employee's needs and the business of the employer.</p> <p>This means that the employer's obligation to organise part-time work is tightened, although the employer is still not obliged to do so if it is not possible taking the employer's production and service activities into account. Further, the amendment does not establish a subjective right of employees to work part-time, but only elaborates that the employer is now required to better facilitate possibilities to work part-time.</p>
29 September 2016	Judgment KKO:2016:62 issued by the Finnish Supreme Court concerning an employer's right to cancel an employee's employment contract with immediate effect or to terminate it without a prior warning	<p>According to Finnish employment laws, an employer may cancel an employee's employment contract with immediate effect only for an extremely weighty cause, such as breaches of contract that materially affect the employment relationship and make it unreasonable to expect that the employer would continue the contractual relationship, even for the duration of the notice period.</p> <p>In the case at hand, the employee, who worked as a cashier at a retail store, had at the end of a work shift marked a watermelon and a quarter of a honeydew melon as wastage and put them in her bag instead of disposing them as explicitly instructed by the employer. The employee was caught in an exit inspection and when questioned about the incident, the employee's explanation varied several times. The employer cancelled the employee's employment contract with immediate effect based on the employee's dishonesty and neglect of the employer's instructions.</p> <p>The Supreme Court stated that the stolen products had no monetary value and that the employee's actions had not caused economic damage to the employer. Furthermore, the employee's conduct did not affect the customer relations of the retail cooperative. Said circumstances were deemed noteworthy both when assessing the gravity of the employee's neglect of the employer's instructions and in the overall evaluation of the grounds for termination. The Supreme Court also stated that the employee's conduct</p>

		<p>caused mistrust and loyalty issues for the employer.</p> <p>Nevertheless, the Supreme Court held that stealing two pieces of fruit with no economic value was not such an extremely weighty cause that would entitle the employer to cancel the employment contract with an immediate effect or even to such a proper and weighty reason for the termination of the employment contract without first giving a specific warning.</p> <p>The judgment of the Supreme Court highlights that cancellation or termination without prior warning requires exceptionally severe breaches of an employee's duties or non-compliance with instructions.</p>
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