



Nordic Employment Law Bulletin - February 2023



Nina Wedsted
Partner, Head of Employment,
Denmark



Riikka Autio
Partner, Head of Employment,
Finland



Per Benonisen
Partner, Head of Employment,
Norway



Rajvinder Singh Bains
Partner, Norway



Johan Zetterström
Partner, Sweden



Björn Rustare
Partner, Head of Employment,
Sweden

In our monthly Nordic Employment Law bulletin our employment lawyers across the Nordic region highlight relevant news and trends on the Nordic employment market scene. The bulletin intends to provide high-level knowledge and insight. Want to learn more? Our experts will be happy to hear from you.



Highlights from Denmark

- **Abolition of Common Prayer Day as a public holiday** – On 24 January 2023, the Minister for Employment submitted a bill to the Danish Parliament to treat the Common Prayer Day as an ordinary working day. The bill also contains rules on compensation for some groups of employees for the extra annual working day. For instance, employees who receive a fixed monthly salary will receive a salary supplement equivalent to the value of a normal working day. If adopted, the rules will enter into force on 1 January 2024.
- **Rethinking employment efforts** – On 25 January 2023, the Minister for Employment submitted a bill to the Danish Parliament, which implements parts of the Agreement on New Thinking of Employment Efforts. The aim is that the Danish jobcenters use the resources where they have the greatest impact and benefit the unemployed most. Among other things, the bill introduces an extended possibility for interviews with jobcenters and unemployment insurance funds to be held in person, by telephone or by personal digital attendance (video). If adopted, the rules will enter into force on 1 July 2023.



Highlights from Finland

- **The national act to implement Whistleblower Directive in force** – The national act that implements the Whistleblower Directive has entered into force on 1 January 2023. Companies with at least 250 employees will have until 1 April to set up or adjust their existing whistleblowing channel to meet the requirements of the act. Companies with 50-249 employees will have until 17.12.2023 to adapt to the new requirements.
- **Industrial actions expected as of February** – The collective labour agreements continue to be under negotiations by the labour parties. The negotiations have not progressed successfully and trade unions have announced industrial actions in several sectors to put pressure on the negotiations and their demands concerning salary increases. Currently strikes are expected at least in the technology, chemical and commercial sectors. In addition, an overtime ban will commence on 1 February in harbors and it has been speculated whether even wider industrial actions will be taken in harbors to stop the export trade if no progress is made in the negotiations. This negotiation round is very difficult given the past few years and the current economic situation as well as the 5-year salary settlement reached in the municipal sector that exceeded the general salary level. As traditionally, the technology sector is expected to be the first to set the level of salary increases after which other sector would follow.
- **Unemployment and inflation statistics** – In 2022, there were on average 190 000 unemployed in Finland which is 22 000 less than in 2021, and the unemployment rate had decreased with 0,9 %. The inflation rate is still increasing but at a slower pace compared to other countries in the euro area. According to Statistics Finland, the inflation rate was 9,1 % in December 2022.



Highlights from Norway

- **Need for part-time work must be documented in writing and consulted with employee representatives** – With effect from 1 January 2023 the Norwegian Working Environment Act contains an additional explicit provision that employees as a main rule shall be employed full-time. The changes are based on the government's expressed goal of having permanent and full-time positions representing most of the Norwegian labour market. The new rule requires employers to document in writing the need for any part-time employment prior to resolving to employ a part-time employee and to discuss the issue with the employees' elected representatives. This comes in addition to the already existing obligation to annually discuss the use of part-time employment with the employees' elected representatives.

With the new rule, part-time employees will also have preferential right to an extended position in place of the employer resolving to hire other employees or hire in labour externally, including with regard to assignment of extra shifts. The preferential right applies also for part of a position.

- **Strict limitations on hiring from agencies** – Coming into force 1 April 2023, the Working Environment Act will provide new rules with strict limitations on hire of employees from temporary work agencies compared to the current state of law. The possibility for employers to hire employees from temporary work agencies will typically only be relevant for hire of a substitute employee and no longer for "work of a temporary nature". There are narrow exceptions for health professionals and "special expertise". On construction sites in Oslo and surrounding areas (Viken and previous Vestfold), hiring labor from temporary work agencies will be forbidden. For existing agreements regarding hire, a transitional rule until 1 July 2023 will apply.
- **Enforcement instructions** – The Norwegian government has for the year 2023 instructed the Labour Inspection Authority (Nw. Arbeidsilsynet) to be more visible, perform more inspections (especially with enforcement of the hiring-in prohibitions in force from 1 April this year), make more use of fines for violations and as a routine report gross violations to the Police and supervise that the full-time norm is respected for employments. The instruction is given with the intention to prevent social dumping and exploitative work-related crime of any sort.



Highlights from Sweden

- **Raised retirement age** – The age limit for the right to remain in employment is regulated within the Employment Protection Act ("EPA"). In response to an aging population, the threshold has been raised gradually in recent years, and as of 1 January 2023 it was raised from 68 to 69 years. The rule means that an employee is entitled to remain in employment until the end of the month in which he or she turns 69. The rule is enforced for the benefit of the employee cannot be contracted out of in any manner less advantageous for the employees.
- **New Covid 19 regulations** – The Swedish government has introduced a requirement for a negative Covid-19 test for travelers from China to Sweden. The requirement applies to all travelers, with the exception of diplomats, children under the age of 12, citizens of Sweden or other EU/EEA countries and permanent residents of any of these countries (including persons with residence permits in these countries). The decision has been taken in order to delay a possible introduction of new virus variants and, by extension, to reduce the burden on the health care system in Sweden. The requirement applies from 7 January to 28 January.
- **The sky is no longer the limit, there is now a roof** – On 1 January 2023, an income roof was set for employees who are entitled to pension contributions under the ITP 1 pension plan. The vast majority of employers bound by a white collar collective bargaining agreement are to apply the ITP pension plan. For the employees it is either ITP 1 or ITP 2 plan that applies. There is already an income roof in the ITP 2 pension plan. As a main rule, the ITP 1 pension plan applies for employees born in 1979 or later, however, employers who have applied for an exemption with the ITP board may apply the ITP 1 pension plan for all employees. The income roof in the ITP 1 plan is capped at SEK 185,750 per month. This means that if the employee's total salary payment, including variable salary, for one month exceeds SEK 185,750, the exceeding part is not considered as pensionable income under the ITP 1 pension plan. However, employers and employees may mutually agree that salaries above this cap shall still be considered as pensionable income.