



Nordic Employment Law Bulletin - April 2025



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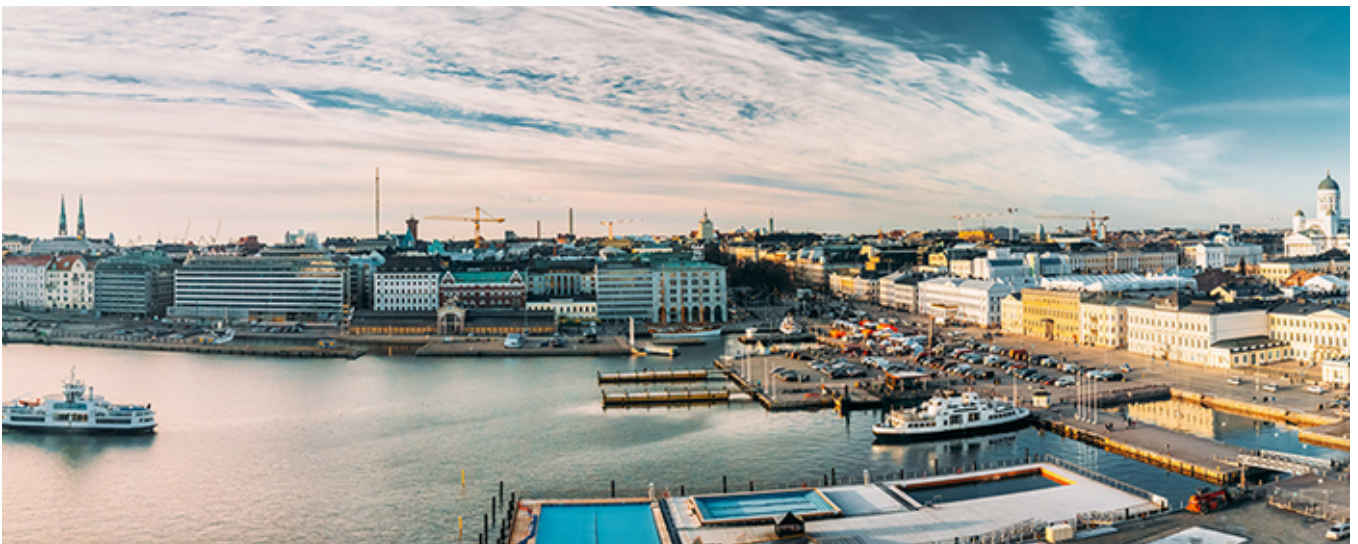
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In our monthly Nordic Employment Law bulletin our employment lawyers across the Nordic region highlight relevant news and trends on the Nordic employment market scene. The bulletin intends to provide high-level knowledge and insight. Want to learn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



Highlights from Denmark

- **Bill on the Danish Act on Public Employees' Freedom of Speech** - The Danish Ministry of Employment has submitted a bill to the Danish Parliament on the Act about Public Employees' Freedom of Speech. It is proposed that the act applies to public employees and hence employees employed by private companies will not be covered by the act. Moreover, it is proposed that public employees must not face negative employment law reactions due to comments made on their own behalf. Further, public employees must not be prevented or attempted to prevent them from making such comments. However, there are exemptions, for instance, if the comment contains confidential information that is a criminal offence to disclose or exploit under the Danish Criminal Code on the duty of confidentiality for public employees' or to the extent that it otherwise follows from other legislation that an information cannot be disclosed. If the bill is adopted, the amendments will enter into force on 1 July 2025.



Highlights from Finland

- **CBA negotiations** - The CBA negotiations are still ongoing. Among other, the upper white collars in the technology and chemical sectors as well as IT service sector have not yet reached consensus over salary increases and other employment terms for the coming years.
- **Unemployment statistics** - In February 2025, the number of unemployed was 263,000 people which is 43,000 more than in February 2024. The number of unemployed men was 146,000 and unemployed women 117,000. There were 7,000 fewer employed men and 58,000 fewer employed women as in February 2024 which means the number of employed women has increased rather significantly. The number of unemployed jobseekers accounted for 12.0 per cent of the labor force, which is 1.2 percentage points more than in February 2024.



Highlights from Norway

- **The Court of Appeal addressing termination of employment due to sickness ([LF-2024-154530](#))** – The Court of Appeal recently ruled on a dismissal case concerning an employee unable to perform his duties due to prolonged sick leave. Over two years, he had been absent to varying degrees.

A key issue was whether the dismissal was objectively justified, particularly if the employer had met its duty to facilitate (*Nw: tilretteleggingsplikten*). The majority, albeit with some doubt, found that this duty had been met, and that there were not reasonable prospects for the employee to resume work within a foreseeable period. The minority disagreed.

However, after a comprehensive balancing of interests, the Court unanimously concluded that termination was not reasonable, weighing the employee's age (56 years), qualifications, tenure, and the dismissal's impact. The ruling underscores that even when an employer has met its facilitation duty and the employee's return to work is uncertain, dismissal may still be deemed disproportionate.

- **New ruling from district court regarding temporary lay-offs and hidden dismissals ([TOSL-2024-99220](#))** – The District Court of Oslo recently ruled on a case involving an employee temporarily laid off without pay from February 2023. The employee argued that the layoff was unlawful and constituted a hidden dismissal, seeking compensation for both economic and non-economic damages.

The Court held that a temporary layoff must be objectively justified throughout its duration. Initially, the layoff was deemed justified due to the employer's financial difficulties. However, the Court found that from March 2024 onwards, the layoff no longer met the requirements for a temporary layoff and became a hidden dismissal. This was because the employer hired a part-time employee instead of recalling the laid-off worker, signaling that the temporary nature of the layoff had ended.

The Court concluded that from this point, the layoff could no longer be considered temporary and should be classified as a hidden dismissal, which resulted in the employee being entitled to compensation. The ruling underscores the importance of ensuring that the justification for a temporary layoff remains valid throughout the period.



Highlights from Sweden

- **Increased Focus on Employee Data** – The Swedish Authority for Privacy Protection has announced that it will focus extra on processing of employee data in the year to come, with particular focus on:
 - **Monitoring of Employees:** Employers often have a legitimate interest in monitoring work performance and efficiency. However, this must be done with respect for employee privacy. New technologies have increased opportunities for extensive surveillance, such as real-time tracking and camera surveillance, which can deeply affect employees.
 - **Background Checks:** There is an increase in demand for background checks to see if individuals have committed crimes or pose other risks. These checks carry significant privacy risks and can have substantial negative consequences for the individuals involved.

We recommend all employers to revisit their privacy policies and procedures.

- **What about the salaries?** – As highlighted in the February edition of this bulletin, collective bargaining negotiations are ongoing for several industries. With 510 collective bargaining agreements set to expire, these negotiations impact 3.4 million employees, marking the most significant negotiation round since 2007. The industrial sector plays a pivotal, as its agreement establishes the benchmark, known as the mark (*sw. Märket*), which the rest of the labour market generally follow. However, reaching an agreement in the industrial sector remains a challenge. The trade unions have demanded wage increases of 4.2% which was refused by the employer federations. Mediators thereafter suggested a 7.7% rise over three years, a proposal the unions rejected. As the clock ticks down and most agreements expire today, 31 March, we are eagerly awaiting updates at the time of writing. Chances are in our favour that we have some news to report to the next bulletin.
- **Sweden's Economic Revival** – After navigating a period of less-than-stellar economic conditions, Sweden's Finance Minister has shared encouraging news, indicating that the recovery of the Swedish economy is underway. Although Sweden has not yet fully emerged from the recession, the outlook is increasingly optimistic. With GDP on the rise, Sweden stands financially strong, and the prospects for recovery in 2025 and 2026 appear promising. Looking ahead to 2025, the Finance Minister anticipates continued improvements in economic conditions, characterised by rising real wages, lower interest costs, and supportive fiscal policies. These positive trends are expected to significantly boost the purchasing power of Swedish households, paving the way for a brighter economic future.

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