

Finland

Worker Classifications

There are no official classifications of Workers in Finland. However, collective bargaining agreements may provide different protections and benefits for different classes of Workers.

Fixed Term Contracts

Fixed-term contracts are permitted in Finland, but there must be a valid reason (e.g. project work, maternity cover, summer job, etc.). It cannot be extended more than once. The maximum duration is five years. Termination requirements must be followed for fixed-term contracts including notice periods.

Probationary Periods

Probationary periods are permitted for a maximum of six months. During the probationary period, employment contracts may be terminated by either party with two weeks' notice.

Holidays

Workers recognize between 9 and 11 public holidays in Finland per year. Only two of the holidays (May 1 and December 6) are paid days off. If work is performed on a public holiday, wages are payable at 150%.

Vacation

The vacation year in Finland runs from April through March. Workers may accrue up to 24 vacation days per year. The client may choose whether to carry over leave year to year. Generally, Workers are permitted to carry over five days per year. Accrued but unused leave must be paid at termination.

Sick Leave

After one month of service, Workers are entitled to paid sick leave. The employer must pay full-salary for the first nine days of illness or injury. This is referred to as the "waiting period." Employers may request a medical certificate, but it is not required. After the waiting period, the payments are taken over by the Finnish social system (Kela).

Working Hours

A standard workweek is 9 hours per day or 40 hours per week. Premiums are payable for night work.

Overtime

There are no exemptions from overtime. Overtime is considered on a weekly basis and is payable at 150% for the first two hours and 200% thereafter. Overtime may not exceed 250 hours in a year.

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Mandatory Bonuses

13th month salaries are customary in Finland.

Termination

Termination requires notice and a valid reason. In such cases, severance does not automatically apply unless negotiated by the Worker. Notice periods are based on length of service: 0-1 year of service: 14 days; 1-4 years of service: 1 month; 4-8 years of service: 2 months; 8-12 years of service: 4 months; 12+ years of service: 6 months. The justification for termination must be “proper and weighty.” That means that there has been a serious violation of or negligence relating to the employment contract or Finland law in a way that materially affects the employment relationship. This may include:

- Negligence of the obligation to work
- Obvious carelessness in duties
- Refusal to work
- Disobeying orders
- Dishonesty and lack of trust resulting from it
- Unbusinesslike behavior

Termination may also be justified by a significant change in the Worker’s ability to work such that the Worker can longer meet the needs of the position. Except in serious cases, Workers are often entitled to a warning before a termination notice is issued.

In addition to the above, termination may be based on production- or finance-related grounds including reorganization if it has caused the work to diminish both essentially and permanently. Such Workers are entitled to paid leave (“re-employment leave”) during the notice period to find new employment.

In nearly all cases, Workers are entitled to an assessment of the availability of alternative work even if such work requires additional training. Further, termination of pregnant Workers or those on family leave is expressly prohibited.

Resignation

Workers are required to observe a notice period in resigning, but do not need to provide a reason. The notice period is 14 days for 0 to 5 years of service and one month's notice thereafter.

Other End Of Employment Rules

For termination on collective grounds (i.e. restructuring), the employer must provide notice to employee representatives, provide information prior to a consultation, inform the local employment authorities of the consultation procedure, facilitate a cooperation consultation over a minimum of 14 days for fewer than 10 employees or six weeks for 10 or more. Failure to follow the cooperation consultation procedure may result in compensation due to the Worker up to a maximum of EUR 35,590 each.