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Factsheet for case FI-2020-14/258

Temporarily shortened duration of employer-employee negotiations on temporary lay-offs

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| Country | Finland, applies nationwide |
| Time period | Temporary, 01 April 2020 - 30 June 2020 |
| Type | Legislation or other statutory regulation |
| Category | Employment protection and retention – Changes to dismissal law or employment protection legislation |
| Case created | 03 April 2020 (updated 23 April 2020) |

Background Information

In Finland, employers with a staff of at least 20 people must commence employee-employer negotiations (yhteistoimintamenettely) if the employer plans to temporarily lay-off staff. This duty is regulated in the Act on Co-operation within Undertakings (334/2007).

The duration of employer-employee negotiations on temporary lay-offs is shortened from six weeks or 14 days to five days in order to facilitate fast adaptation of businesses to the new circumstances and the decreased potential to offer job for employees.

Content of measure

All undertakings that are covered by Act on Co-operation within Undertakings (334/2007) are in the scope of this measure. In Finland, personal may be laid off when the potential of the employer to offer work to its personal has diminished (either temporarily or permanently) and the employer cannot provide the employee with other suitable work or training.

This measure is not applicable to the following employers: the State, municipalities, KELA, Åland Government, Evangelical Lutheran Church or Orthodox Church.

There are no direct monetary aspects involved in this measure. However, considering that during employee-employer negotiations companies must pay employees salary whereas during lay-offs the state and unemployment funds pay out unemployment allowance (or labour market subsidy) for employees, the shortened duration of employer-employee negotiations has significant financial benefits for companies.

Use of measure

No information to this date.

Actors, target groups and funding

| Actors | Target groups | Funding |
|--|----------------------------|-----------------------------|
| National government Social partners jointly | employees All companies | No special funding required |

Social partners

| | |
|-------------------------|-----------|
| Role of social partners | Consulted |
| Form of involvement | Other |

In March 2020, the social partners jointly proposed a set of actions for the Finnish Government. These proposed measures seek to amend labour law and facilitate adaptation of businesses to the new circumstances. Shortening the negotiation period on temporary lay-offs was part of the proposed measures.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 10 April 2019: European Monitoring Center on Change - Finland: temporary lay off (www.eurofound.europa.eu)
- 20 March 2020: Social partners' proposals to help businesses in the corona crisis (akava.fi)
- 26 March 2020: Notice period for temporary lay-offs and the duration of co-operation negotiations will be shortened due to COVID-19 (tem.fi)
- 30 March 2020: Notice period for lay-offs and the duration of co-operation negotiations will be temporarily shortened (tem.fi)