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Factsheet for case FI-2020-14/265

Termination of employment during trial period for financial and production-related reasons

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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 24 April 2020) |

Background Information

Neither the Employment Agreement Act (2001/55) nor the Seafarers' Employment Contracts Act (756/2011) define acceptable grounds for cancellation of an employment relationship during the trial period. However, legal praxis shows that financial and production-related reasons have not been accepted as a ground for termination of employment during trial period but acceptable reasons to terminate employment during trial period have been those connected to employees' person.

In order to facilitate rapid adaptation of businesses to the decreased demand for services and products, the right of the employer to terminate of employment during trial period has been now temporarily extended to cover financial and production-related reasons.

Content of measure

This measure applies to cases where an employer needs to cancel an employment contract during a trial period for financial and production-related reasons.

Not applicable to the following employers: the State, municipalities, KELA, Åland Government, Evangelical Lutheran Church or Orthodox Church. These employers can cancel an employment contract during a trial period only due to reason related to person.

This measure does not involve direct financial support for employers but it seeks to make adaptation to the new market situation faster by giving the right to cancel an employment contract of employees who are on their trial-period due to production-related reasons.

Use of measure

No information to 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. Extending the right to terminate employment during trial period for financial and production-related reasons was part of the proposed measures.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 26 March 2020: Hallituksen esitys eduskunnalle laeiksi työsopimuslain, merityösopimuslain ja yhteistoiminnasta yrityksissä annetun lain 51 §:n väliaikaisesta muuttamisesta (tem.fi)
- 31 March 2020: Lomautusten ilmoitusaika ja yhteistoimintaneuvotteluiden kesto aika lyhenevät väliaikaisesti (tem.fi)