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Factsheet for case FI-2020-14/263

Temporary lay-offs of employees on a fixed-term contracts

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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

In accordance with section 9 Employment Contracts Act (55/2001), temporary lay-offs of fixed term employees are not possible unless "the employee is working as a substitute for a permanent employee and if the employer would be entitled to lay off the permanent employee if the permanent employee were working."

In order to make businesses' adaptation to the new market situation, the right to lay off has been temporarily extended to cover fixed-term employment contracts. The same conditions apply as in the case of lay-offs of employees with a permanent contract.

Content of measure

This measure covers all employers that need to temporarily lay off employees with fixed-term contracts during the period the temporary provisions are in force. Employees may be laid off when the potential of the employer to offer work to its employees has diminished (either temporarily or permanently) and the employer cannot provide the employee with other suitable work or training. Due to COVID-19, the notice period for lay-offs is shortened and during the period the temporary provisions are in force, employers need to be informed of the lay-off no more than five days before the lay-off begins.

Not applicable to the following employers: the State, municipalities, KELA, Åland Government, Evangelical Lutheran Church or Orthodox Church.

This measure does not involve any direct financial support but it makes adaption of workers to the new market situation easier as the right to lay-off is extended to fixed-term contracts.

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 lay off to cover employees on a fixed term contract was part of this set of 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)
- 31 March 2020: Notice period for lay-offs and the duration of co-operation negotiations will be temporarily shortened (tem.fi)