

Flexibility, adaptability and security in the labour market



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The transition package to improve long-term flexibility, adaptability and security in the labour market is based on a proposal from the trade unions and employers within the private sector. All workers gain better opportunities for transition and skills development throughout their working life, and Sweden's competitiveness is strengthened. This involves a reformed labour law, a new student finance scheme and new basic transition and skills support.



Reformed labour law

Labour law has been adapted to today's labour market to meet an increased need for flexibility and security. Employers will gain increased flexibility and better opportunities to adapt skills according to the needs of their activities, as well as lower costs in connection with lawful terminations. Workers will gain greater security.

General fixed term employment has been abolished and replaced by specific fixed-term employment, which will be more rapidly converted into permanent employment – the time period will be halved. There are now specific regulations for when one or more employees' working hours are permanently reduced. Rules to prevent the hiring of labour from becoming permanent have also been implemented. Full-time employment is presumed.

Order of priority in the event of terminations

In the event of termination due to redundancy, employers may exempt three employees from the rules on the order of termination.

Disputes concerning invalidity

An employment ends at the end of the notice period, even if there is a legal dispute on the validity of the termination.

Reduction of working hours

In the event a re-organisation means that employees whose professional duties are equivalent are to be offered reduced working hours, certain rules for order of priority applies.

Fixed-term employment

The employment form 'general fixed-term employment' has been abolished and replaced by 'specific fixed-term employment' which turns into a permanent employment a lot sooner.

Hiring workers

A temporary work agency employee who has been placed at the same unit of a client company for 24 months will be offered permanent employment or compensation.

Presumption of full-time

Full-time employment is presumed unless otherwise agreed.

Terminations

A termination must be based on objective reasons rather than objective grounds. There are now greater opportunities to deviate from the law through collective agreements.



Finance scheme for transition and retraining

A new publicly funded student finance scheme for transition and retraining has been introduced to strengthen the position of employees in the labour market. It makes it possible for people to participate in education for transition or skills development purposes without having to worry about how they will be able to pay the bills, as the scheme will ensure that most people will be able to study with at least 80 per cent of their salary for up to one year.

The scheme can be provided for a period corresponding to a total of 44 weeks of full-time studies. It supports both full-time and parttime studies, including 20, 40, 50, 60 and 75 per cent of full-time.

Target group for the support

A prerequisite for receiving support through the scheme is that the applicant must have worked an average of at least 40 per cent per week during each calendar month for at least eight years during a framework period of 14 years.

Eligibility for the support

It is possible to use the finance scheme for courses in Sweden that are currently eligible for student finance, as well as for courses financed by a transition organisation, if they strengthen the applicant's position in the labour market.

Size of support

For most people, the career transition assistance support – loans and grants – will cover at least 80 per cent of the loss of income. The maximum will be 4.5 income base amounts per year.

Administration of support

The scheme is administered by the Swedish Board of Student Finance.

Support provided subject to availability of funds

When fully implemented, the State's budgeted expenditure for the student finance scheme for transition and retraining is expected to be between SEK 6 billion and SEK 9 billion per year.

Transition and skills support

Workers have the opportunity to take part in basic transition and skills support to strengthen their future position in the labour market. Support in the form of advice and guidance will facilitate the transition and changeover to a new job or training both for employees and for employees whose employment contract is about to expire or be terminated. It is possible for employers who finance transition and skills support to receive compensation.

The new support covers both employed workers and workers whose employment contract has been terminated. Access to the support is conditional upon meeting a condition that the employee must have worked an average of at least 16 hours per week during each calendar month for at least twelve months in a framework period of 24 months prior to applying for support. The basic transition and skills support consists of guidance, advice and enhanced support.

The Legal, Financial and Administrative Services Agency administers the new support

The new public transition organisation has been set up at the Legal, Financial and Administrative Services Agency. The agency provides basic transition and skills support for workers not covered by collective agreements.

Possibility for employers to receive compensation

Registered transition organisations provide transition and skills support that correspond to the public support. All employers that finance transition and skills support through these registered organisations are eligible for compensation, regardless of whether the employer is covered by collective agreements or not.

