

## Ius Laboris Webinar

### **Coronavirus:**

# **Managing a workforce in the Nordic countries in challenging times**

**Wednesday 23 April 2020**

**13:00 — 14:00 (CEST)**

»» 08/06/2020



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# SPEAKERS

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Sweden

Elmszell



**Claude A. Lenth, Partner**

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# DENMARK – LOCKDOWN-LITE

## PROHIBITED ACTIVITIES

- Some schools, all universities, churches (except e.g., for funerals), indoor cultural institutions and gyms closed
- All shopping centres, bars and restaurants (except take-out and delivery) closed
- Most public-sector workers must work from home unless ‘essential employees’
- Private sector employees must work from home if possible (gradually lifting from 14 April)
- All sporting, cultural and recreational events and other gatherings of over 10 participants cancelled (not including private homes or work in private places)
- Entering Denmark requires a “worthy or credible purpose” but Danish nationals allowed in

## PERMITTED ACTIVITIES

- Outdoor activities (social distancing and no more than 10 people)
- Most schools and childcare institutions opened on 15 April 2020 but must comply with official guidelines
- Private businesses may continue activity but Health Authority and the Working Environment Authority guidelines must be followed
- Most shops can open (outside malls) – regulated by official guidelines
- Hairdressers, dentists etc. reopened on 20 April 2020
- Some business travel to Denmark is permitted, as is travel within Denmark



# DENMARK – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

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## HEALTH AND SAFETY MEASURES

- **General safety obligations:** employers must take necessary preventive measures to secure employees' health and safety
- Guidelines from the Health Authority and the Working Environment Authority must be complied with – including various sectoral guidelines, e.g. offices
- **Basic advice:** social distancing (2 metres), keeping the workplace clean, providing soap and/or hand sanitiser, limiting physical meetings and travel
- **Employee health information:** several issues under Danish employment law and privacy law must be considered

## WORKFORCE MANAGEMENT

- **Organisational changes** (working in shifts, adapting the workplace to social distancing, meetings, travel policies, etc.)
- **Teleworking** may be imposed (if possible)
- **Paid leave** may be imposed
- Some employees may be **sent home without salary** (subject to CBA provisions)
- Employees may be required to **take holiday** without notice or **postpone holiday**
- Companies with closed or reduced activities may be able to apply for **wage compensation** – but if so the option to dismiss is restricted

# DENMARK – GOVERNMENT SUPPORT SCHEMES

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## TYPE OF SUPPORT SCHEME

- Wage compensation scheme for private-sector businesses facing dismissal of at least 30% or more than 50 employees
- Compensation for fixed costs for severely affected private-sector businesses
- Temporary wage compensation for self-employed and small businesses of up to 25 employees
- Agreement with employees on plan regarding distribution of work
- Enhanced reimbursement of sickness benefits
- State funded financial guarantees for new loans to affected businesses, tax credits, VAT credits for severely affected businesses, etc.

## HOW MUCH TO THE EMPLOYEE?

- Employees may be sent home on full salary under the wage compensation scheme. Compensation is 75% to 90% of the employee's wages, capped at DKK 30,000 per full-time employee
- Businesses with fixed costs of at least DKK 12,500 over 3 months that expect a decline in turnover of at least 35% or have been ordered to close can receive compensation of 25 to 100% of the fixed costs, capped at DKK 110 million
- Self-employed and small businesses with an average monthly income/turnover of at least DKK 10,000 who expect to lose at least 30% will receive 90 to 100% of the average monthly loss, capped at DKK 23,000 per month
- Compensation period: 9 March to 8 July

# DENMARK – WHAT OF THE FUTURE?

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## FOCUSING ON THE END OF LOCKDOWN

- The end of lockdown and reopening began on 14 April, when Denmark:
  - Reopened **some schools and childcare institutions** and gradually started reopening **private** businesses
  - On 20 April, the reopening was extended to include **more private businesses** such as hairdressers, dentists, opticians etc.
  - The **courts** are expected to reopen on 27 April
  - The Government has established sector partnerships to discuss what guidelines are necessary to reopen each sector
- The ban on **large events** has been extended until end August 2020



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# FINLAND – MEASURES AGAINST COVID-19

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## PROHIBITED ACTIVITIES

- Universities, schools and kindergartens are closed, apart from pupils in pre-primary education and in years 1 to 3 and some other students
- Restaurants, cafes and bars are closed to customers until 31 May, takeaway food is permitted
- Sports and cultural facilities, such as gyms and libraries are closed
- Spending unnecessary time in public places is not recommended, public gatherings are limited to 10 attendees
- Finland has closed its borders and suspended travel into Finland, apart from the delivery of goods and restricted work travel
- All unnecessary travel abroad is prohibited

## PERMITTED ACTIVITIES

- Since 15 April, travel to and from the capital region (Uusimaa) is permitted, travel inside Finland is allowed, but should be avoided
- Travel back from abroad to Finland is permitted under certain conditions, e.g. quarantine for 2 weeks
- Outdoor exercise is permitted provided that a safe distance (2 metres) is maintained
- Shopping centres and shops remains open

# FINLAND – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

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## HEALTH AND SAFETY MEASURES

- Employers should ensure all employees are aware of good hygiene and distancing practices, as recommended by the Institute for Health and Welfare and the Institute of Occupational Health. The employer should limit unnecessary contact between employees and step up the cleaning of shared spaces.
- All work should be carried out remotely, if possible –employers must ensure the wellbeing and work safety of employees working from home, for example by monitoring working hours, providing adequate working equipment and ensuring they receive necessary guidance for their work.

## MANAGEMENT OF THE WORKFORCE

- Temporary amendments to employment legislation from 1 April to 30 June 2020.
- The minimum consultation and notice periods for layoffs shortened to 5 days (from 2 to 6 weeks).
- The rehiring period for redundant employees is extended to 9 months (from 4 to 6 months).
- Cancellation of employment during a probationary period is now also possible on financial and production-related grounds.
- Employees on a fixed-term contract may also be laid off.

# FINLAND – GOVERNMENT SUPPORT SCHEMES

## TYPE OF SUPPORT SCHEMES

- **Direct financial support and loan guarantees and relief on tax arrangements** for businesses.
- This direct financial support is channelled through Centres for Economic Development (ELY) (1 to 5 employees, up to EUR 10,000) and Business Finland (6 to 250 employees, up to EUR 100,000). In addition, loan guarantees are provided by Finnvera for loans of up to EUR 1 million.
- **Employers' pension contributions** will be temporarily reduced by 2.6% from 1 May to 31 December 2020. The reduction concerns only the employers' part and does not affect employees' pension insurance premiums.

## HOW MUCH TO THE EMPLOYEE?

- If an employee is laid off or dismissed, s/he is entitled to an earnings-related unemployment allowance paid by an unemployment fund or a basic unemployment allowance or labour market subsidy paid by the Social Insurance Institution of Finland (Kela).
- The 5-day wait before eligibility for unemployment security has been temporarily abolished.
- The conditions for eligibility for unemployment allowance based on length of employment have been shortened. The requirement is now 13 weeks, instead of 26.
- Between 1 April and 31 July, laid-off employees are entitled to unemployment benefits even if engaged in business activities or study.

# FINLAND – WHAT OF THE FUTURE?

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## STILL FIGHTING AGAINST COVID-19

- Generally, there has been little discussion so far regarding easing the emergency measures – the pandemic situation in Finland has trailed behind other Nordic countries.
- Two working groups are tasked with preparing a plan for Finland's way out of the COVID-19 crisis.
  - **The exit plan working group** will evaluate measures to rectify health, social and economic damage caused by the pandemic
  - **The economic working group** will assess the long-term economic impact of the pandemic and ways to return back to sustainable growth
- The Finnish Institute for Health and Welfare will investigate the spread of the virus in the population using antibody tests.





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# SWEDEN – NO GENERAL LOCKDOWN

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## PROHIBITED ACTIVITIES

- All secondary schools and universities are closed
- Public gatherings are limited to 50 people (e.g. sport and cultural events)
- Certain restrictions regarding restaurants, cafes and bars (e.g. visitors should be able to keep distance from each other)

## PERMITTED ACTIVITIES

- Employers should ensure that employees maintain social distance and that they work from home, if possible, in order to avoid unnecessary travel
- Shops, shopping centres and malls should limit the number of customers allowed in at any one time. They should also introduce alternatives to queues for cash registers, or stipulate the distance customers should maintain from each other

# SWEDEN – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

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## HEALTH AND SAFETY MEASURES

**General safety advice:** Employers should, if possible, ensure staff and visitors keep their distance, that employees work from home, they avoid unnecessary travel and adjust working hours to avoid rush hour traffic.

**Duty of care:** Employers must take all necessary preventative measures to secure employees' health and safety.

Employers should make risk assessments under Swedish working environment law, covering, e.g. working from home. This would include work equipment, organisational and social factors, managers' responsibilities and social activities such as online coffee breaks etc.

## MANAGEMENT OF THE WORKFORCE

- Working from home as far as possible
- Adapting the work to comply with social distancing
- Allocating annual leave: employees have a right to 4 consecutive weeks of leave between June and August but the employer can decide (if not agreed between the parties) when to take during those months. Make sure to allocate them!
- Applying short-time working to employees who are made redundant but still on state support, i.e. there is no dismissal ban

# SWEDEN – GOVERNMENT SUPPORT SCHEMES

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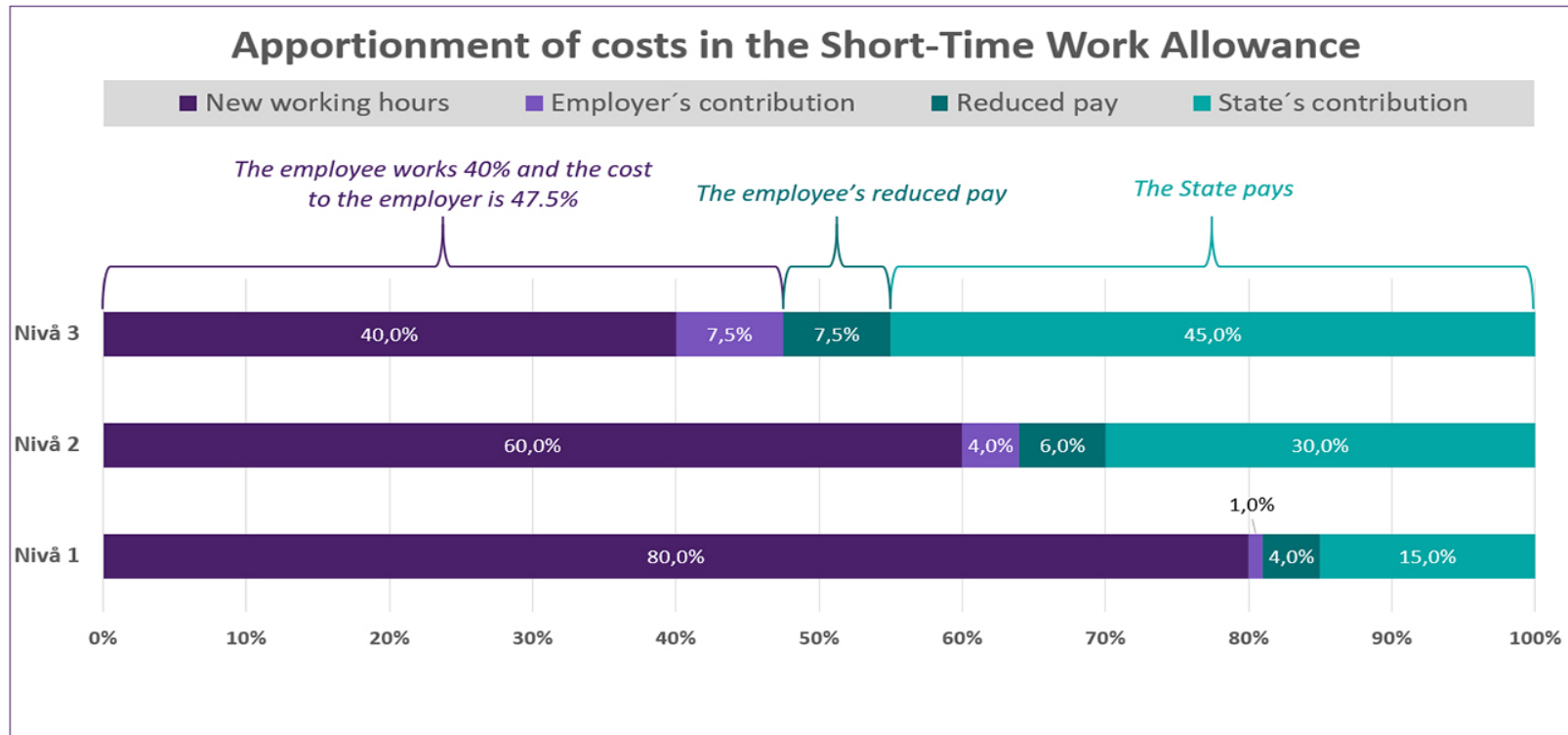
## TYPE OF SUPPORT SCHEME

- **Short-time work allowance**  
Possibility of state support for salaries of up to SEK 44,000. The maximum support per month is SEK 23,320, if reduced working hours of 60% (corresponds to 53% of the employer's costs)
- Requirement to have a local CBA (if bound by a CBA) or a written agreement with at least 70% of the employees in the workplace
- **Sick pay**  
The government will pay any sick leave during April and May (for days 2 to 14 of the sickness, which is usually paid by the employer)
- **Reduced social security contributions**  
Possible for up to 30 employees per company

## HOW MUCH TO THE EMPLOYEE?

- **Short-time work allowance**  
Strict levels for the reduced working hours/salary:  
20% and 4%  
40% and 6% and  
60% and 7.5%  
  
New proposal for May, June and July: new levels of reduction: 80% reduced working hours = 12% reduction in salary
- **Sick pay**  
First day of sickness is paid by the Swedish Social Insurance Office upon application (this would otherwise be a waiting day)

# SWEDEN – SHORT TIME WORK ALLOWANCE



## Eligibility requirements:

1. The employer has temporary and serious financial problems
2. Its financial problems are caused by circumstances outside its control,
3. Its financial problems could not reasonably have been foreseen or avoided, and
4. It should have used other available measures to cut employment costs (e.g. termination of fixed term employment etc.)

# SWEDEN - WHAT OF THE FUTURE?

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## SWEDEN'S PATH IS DIFFERENT

- Sweden stands out – no lockdown in place and so the scenario is different
- The trend in Stockholm is cautiously positive in terms of the spread of infection
- New proposals are to be expected – especially for specific sectors: tourism, culture, restaurants, small businesses etc.
- Wave of insolvencies and restructurings expected
- Negotiations for new collective bargaining agreements have been postponed until this autumn



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# NORWAY– CURRENT LOCKDOWN RESTRICTIONS

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## PROHIBITED ACTIVITIES

- All kindergartens, schools and universities have been closed since 13 March
- Businesses such as hairdressers, dentists, physiotherapists, bars and fitness centres have been closed since 13 March
- Some activities have started/will start to open up from 20 to 27 April
- All sporting, cultural and recreational events are cancelled until 15 June
- Individuals who have had contact with an infected person must quarantine for 14 days
- Infected individuals must stay at home and isolate from everyone, including family members, as far as possible

## PERMITTED ACTIVITIES

- People can go outside, but should keep at least 2 metres social distancing and gatherings are limited to 5 people
- Home working is recommended
- Unnecessary travelling should be reduced
- Travelling abroad is not recommended but not prohibited. A 14-day quarantine applies to anyone travelling to Norway (with minor exceptions)



# NORWAY – EMPLOYERS' OBLIGATIONS AND WORKFORCE MANAGEMENT

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## HEALTH AND SAFETY MEASURES

**General safety obligations:** employers must take all preventive measures to secure employees' health and safety (e.g. equipment adapted to risk, changes to the way work is organised, etc.)

Guidelines from the Health Authority (FHI) must be complied with – including various sectoral guidelines, with different guidance for different sectors and working environments (e.g. offices)

**Basic advice:** social distancing (2 metres), keeping the workplace clean and providing soap and/or hand sanitiser and limiting physical meetings and travel

Teleworking should be implemented, if possible

## MANAGEMENT OF THE WORKFORCE

- Work needs to be adapted to comply with **social distancing**
- Reduced employers' costs for corona-related **sick leave/absence**
- Reduced employers' costs and increased payments to employees in the case of a need to be at home with children (**care benefits**)
- Reduced employers' costs and increased payments to the employee in the case of **layoff**
- Ordinary **holiday** rules apply

# NORWAY - GOVERNMENT SUPPORT SCHEMES

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## TYPE OF SUPPORT SCHEME

Reduces the number of days employers have to pay salary to workers on sick leave, care benefits and temporary layoff.

### **Financial stimulus package:**

**Phase 1:** contains emergency measures to avoid layoffs and insolvencies, including allowing loss-making companies to re-allocate 2020 loss against the two previous years' taxed surplus.

**Phase 2:** contains measures for specific sectors such as:

- Reduced rate of VAT
- Deferred payment deadline for VAT, tax and employers' contributions
- State-guaranteed loan scheme
- Compensation scheme for companies with significantly reduced income

## HOW MUCH TO THE EMPLOYEE

### **Layoffs – salary and unemployment benefits**

The employer pays the entire salary during the notice period and the employment period

- Minimum 2 + 2 days and maximum 14 + 2 days

Employees can apply for unemployment benefits from the third day and will receive an amount corresponding to a salary of about NOK 600,000 per annum for the next 18 days

After the first 18 days, unemployment benefits reduce to:

- 80% of salary up to about NOK 300,000 a year plus:
- 62.4% of (any) salary between about NOK 300,000 and 600,000 a year
- payments from the government last for maximum 26 weeks during layoff

# WHAT OF THE FUTURE?

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## FOCUSING ON THE END OF LOCKDOWN

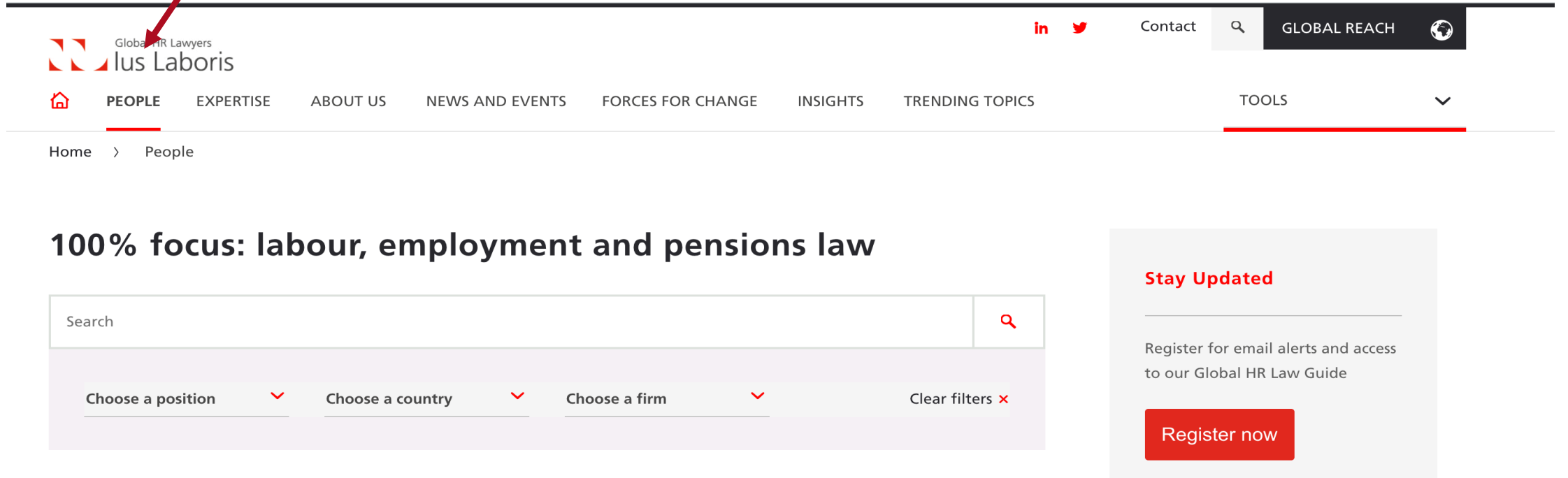
- Lockdown ended and reopening began on 20 April, when Norway:
  - reopened kindergartens
  - reopened health services with 1:1 patient appointments, e.g. with dentists, psychologists, physiotherapists etc.
  - started allowing travel to second homes in other Norwegian municipalities
- From the 27 April:
  - schools will reopen from 1st to 4th grade
  - some high school and university classes will resume
  - some other services, such as hairdressers and aestheticians will restart work
- But all sporting, cultural and recreational events are cancelled until 15 June

# QUESTIONS?

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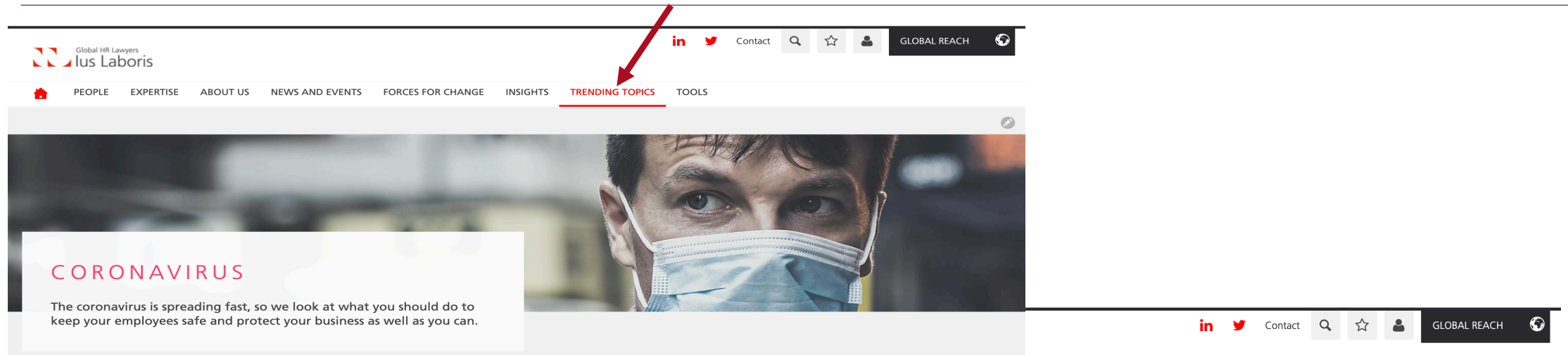
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The screenshot displays the Ius Laboris website interface. At the top, the navigation bar includes the Ius Laboris logo (a red stylized 'I' and 'L' followed by 'Global HR Lawyers' and 'Ius Laboris'), social media icons for LinkedIn and Twitter, a 'Contact' link, a search icon, and a 'GLOBAL REACH' button with a globe icon. Below the navigation bar, a horizontal menu lists various sections: 'PEOPLE' (highlighted with a red underline), 'EXPERTISE', 'ABOUT US', 'NEWS AND EVENTS', 'FORCES FOR CHANGE', 'INSIGHTS', 'TRENDING TOPICS', 'TOOLS', and a dropdown arrow. A breadcrumb trail below the menu shows 'Home > People'. The main content area features the heading '100% focus: labour, employment and pensions law'. Below this is a search bar with the placeholder text 'Search' and a magnifying glass icon. Under the search bar, there are three filter buttons: 'Choose a position' with a red dropdown arrow, 'Choose a country' with a red dropdown arrow, and 'Choose a firm' with a red dropdown arrow. To the right of these filters is a 'Clear filters' button with a red 'x' icon. On the right side of the page, there is a 'Stay Updated' section with a red heading, a horizontal line, and the text 'Register for email alerts and access to our Global HR Law Guide'. Below this text is a red button labeled 'Register now'.

Questions and comments also welcome: [anni.laakso@iuslaboris.com](mailto:anni.laakso@iuslaboris.com)

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