

Welcome to the World of Work!

The Labour Market ABC

All you need
to know about
the world of work

WORK1

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Finnish Confederation of Professionals STTK

The Finnish Confederation of Professionals, STTK, is a central union organisation which represents the interests of a wide range of white collar workers, qualified professionals and specialists. There are 19 unions which are affiliated to STTK and the membership of these unions consists of different groups of workers such as nurses, engineers, office staff, bank clerks, IT consultants, members of the policeforce, firefighters, and administrators.

In addition to representing the interests of white collar workers, STTK, as a central union organisation, is an active pioneer in the world of work, a leader of social opinion, and it regularly takes part in public debates.

The STTK unions offer their membership to all white collar workers regardless of the level of their education. STTK represents all professional groups of workers: graduates and undergraduates of universities, of university technical schools, of polytechnics and of vocational colleges and institutes. The STTK affiliated unions have some 615,000 members in total.

The STTK Students Organisation is active both in the world of study and in the world of work; benefiting STTK with the views of the student population on one hand and presenting the world of work to the students on the other. STTK Students organises a variety of events every year for the student members of the STTK unions, and its aim is to provide employment-related information for the students. Most STTK affiliated unions have active student associations and it is easy to join them. It is worth becoming a member of a trade union even before you graduate, as union membership brings you many valuable benefits and security in the world of work.

Welcome to the world of work!

You will do well in the world of work, if you know the rules. This guide will provide you with the basics of employment issues under one cover. You will find here information on various aspects of employment and a glossary of the world of work terminology. The information contained in this guide is based on current legislation.

It is important to remember that nobody needs to struggle alone, and it is worth your while to ensure that your rights are enforced at work. If there is something you do not understand, or if you are unable to manage on your own, you can ask the workplace shop steward or your union to help you. It is a good idea to join a trade union even before you graduate.

Did we miss something?

Did you not find all the information you were looking for in this guide? See more information at

www.työelämään.fi/eng

There you find more information about employment issues and work legislation than what was covered in this guide.

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Prior to seeking employment

Before you start looking for work spend a few minutes thinking about the following questions:

- ✓ What type of work interests you?
- ✓ Do you prefer working with people or with machinery?
Do you prefer working with your hands or with machines?
- ✓ What type of work are you qualified to do?
- ✓ What type of work would suit you? For example, would working in a particular field be difficult for you for health reasons?
- ✓ What would your strong points be as an employee? And your weak points?
- ✓ What is the current situation in the labour market; what kind of jobs are on offer?

When you are looking for work it is best to concentrate on jobs which are of genuine interest to you. When you apply for a job give it thorough consideration rather than sending applications anywhere and everywhere. A prospective employer will surely notice if you are genuinely interested in the job you have applied for – or if you are not.



WHERE AND HOW TO FIND A JOB?

When you have decided on the sector and type of work you would be most interested in, start gathering information on job vacancies in that particular field. Take advantage of all possible sources of information such as national and local newspapers, free papers, job centres, labour exchange services on the internet, employment agencies, and the home pages of large companies. You could even contact a company which interests you directly and enquire whether they have any vacant positions

Remember that not all vacant positions are publicly advertised. A single vacant position may attract hundreds of applications and dealing with all those will require a lot of time and effort. To avoid this, jobs are not necessarily advertised openly and companies may prefer to release information on vacant positions through the grapevine. These hidden va-

cancies are usually filled through personal networks. Therefore, it might be worth your while to let your relatives and friends know that you are looking for a job, it may be that they know of a job which would be just right for you!

JOB APPLICATION

When a job is advertised you reply to it by submitting a job application.

Before you start drafting your application, read the advertisement through once more and check what exactly is required from a prospective employee (qualifications, language skills, other requirements). You should show in your application that you possess the qualities which they are looking for. If you do not fulfil all the requirements, be quite open about it. Fortunately, in most cases a young applicant can substitute a lack of substantial work experience with the right attitude, enthusiasm and willingness to learn.

Always draft a new application for each job that you apply for – do not use the same wording every time. Copying and pasting cannot be recommended as you may accidentally leave something in the text which suggests that your application had been originally written for some other purpose and this will not give the employer a favourable impression of you as an applicant.

State in your application the reasons for wanting to work for this company and in this position. Give details of your employment and educational background, describe the type of work you are particularly happy to undertake and what recommends you as an employee. State reasons why you should be chosen for the position in question. There is no need to be too modest, and remember to tell the truth.

The contents of your job application should be appropriate, logical and free of spelling errors. The recommended length

of a job application is a single sheet (A4). It is good practice to let somebody else read your application (for example your mother or father, your sister or brother, a friend or a teacher) before you send it off. You may overlook spelling errors or inappropriate details whilst another reader will notice these more readily. At the same time you could ask them to give you feedback as to whether, in their opinion, your application would attract the interest of a prospective employer.

CURRICULUM VITAE

Your CV (Curriculum Vitae) will support your job application. Your skills, qualifications and work experience should be detailed in your CV.

Update your CV for each job application, as in this way you can give the most appropriate record of your employment.

The order of information in a CV should run from the most recent to the earliest experience. This means that you need to start the list with your latest details. The CV should be clear and to the point and emphasis should be placed on

those details which are relevant to the job application in question. Just as with your actual job application, it is also good practice to let somebody else read your CV through before you send it off. Maximum recommended length of a CV is two (A4) sheets.

When listing work experience, the young job seeker should mention every relevant job even if it entails no more than cutting the neighbour's lawn or baby-sitting. If applicants are too young to have a long history of employment, everything they have done will certainly be taken into account. If you have been active in any school or college body or club, you could mention this under the heading of voluntary work and positions. If you have been involved in voluntary work or attended a language course, you should include these activities in your CV.

You could give the name of a former employer or a supervisor, a work mate, a teacher or an instructor of any of your leisure activities as a reference. However, always remember beforehand to ask the persons concerned to give permission for their name to be used as reference.

The details in your CV must be true and correct. There should be no gaps in your work and educational history. If you had, for example, a gap year or two after leaving school, describe what you did during that time.

In addition to the job application and your CV, no further attachments, such as copies of certificates, should be submitted unless these have been specifically requested.

Your job application and CV become your personal advertisement: On the basis of these you will either be invited to a job interview or not. Therefore, it is worth your while to spend some time on these and to draft them carefully!

Information in most CVs come under the following headings:

- ✓ Personal details
- ✓ Qualifications
- ✓ Work experience
- ✓ Skills and knowledge
- ✓ Specialisms
- ✓ Voluntary work and positions
- ✓ Languages
- ✓ Hobbies
- ✓ References

List of merits? CV?
Are they the
same thing?



JOB INTERVIEW

If your job application attracted the employer's interest, you will normally be invited to a job interview.

You should prepare yourself carefully for the job interview. Now familiarise yourself before the interview with any background information you can obtain on the workplace, if you had not already done this before writing your job application. Look at the Internet pages of the company. If you know somebody who has worked, or is currently working, at the workplace in question, ask them to give you basic information on the place. Remember to find out well in advance where the company is located so that you will know for sure where you need to go on the day of your interview.

Arrive in good time and in good spirits. If for some reason you are delayed, let the interviewer know about it immediately! It is rude to keep the interviewer waiting and remember to apologise for being late.

Dress appropriately for the interview. Choosing which clothes to wear may give you a headache, but here is some advice: If you can, visit the company prior to your interview and make a note of the style of clothes worn by the employees and follow their example. Of course, the job you are applying for will also determine, to some extent, the correct dress code. Are you applying for a job where you would be serving customers, working in an office, on a factory shop floor or as a manager? Whichever it is, dress accordingly. In general, it is better to dress slightly too formally than far too casually. Your clothes should be clean and neat, and that is by far the most important aspect of your appearance.

Always remember the importance of personal hygiene. Dirty and unkempt appearance will never be acceptable at a job interview. If you have prominent facial piercings, it might be a good idea to remove them for the duration of the interview – depending on the type of job you are applying for.

It is worth remembering the importance of the first impression at an interview. Interviewers will form their first impression of you whilst shaking your hand, and this impression remains with them. Body language, gestures and your overall appearance will affect the impression the interviewer makes of you.

Remember to show good manners and be positive throughout the inter-

view. Listen to the interviewer and reply to every question clearly, cheerfully and truthfully. Make appropriate eye contact. Reply to all questions appropriately even if the answer could be found in your job application and/or in your CV. Never ask the interviewer to look for the answer in your documents.

Bring to the interview a portfolio in which you have copies of your certificates, diplomas or other proof of your skills. The most important and relevant documents, in relation to the job, should be placed on top of the documents that you bring.

Remember that you can have a successful job interview in many different ways. Therefore, just be true to yourself and try not to be too nervous!

Probable questions at the interview (for your own memo)

It is good practice to prepare yourself for the interview by thinking in advance of answers to any probable questions which might be put to you at the interview. Such questions should always refer to the job in question and to the work involved.

For example you can get following questions:

- ✓ Why are you applying for this job / why are you interested in this field?
- ✓ How familiar are you with our company / our organisation?
- ✓ What do you think this job will entail? What are your expectations regarding this job?
- ✓ What work experience do you have?
- ✓ What type of work do you enjoy most?
- ✓ What is your educational background?
- ✓ What characterises you as a worker?
- ✓ Give me three good points and three bad points in your character? (*)
- ✓ Why should we choose you?
- ✓ What are your hobbies?
- ✓ Puhutko suomea? Do you speak English? (**)
- ✓ Do you want to ask us anything? (***)

* You could deal with the bad points by thinking of them as areas where you could improve yourself and you could also link them up with the job you are applying for. For example, if an applicant with a good command of German is preferred, you could say that at the moment your German is only fairly good, but you are happy to study it

further. There is no need to criticise yourself too severely.

** Your language skills may be tested by putting some of the questions to you in another language. In this case it would be best to reply by using that language. Even if you do not speak the language well, you will

show the interviewer that you are not afraid to try to use it.

*** It is a good idea to think in advance of a couple of questions which you could ask during the interview.

Questions which are not acceptable in an interview

There are some questions which must not be asked by an interviewer. The following are examples of such questions:

- ✓ Do you have children? Do you intend to have children in the near future?
- ✓ What is your religion?
- ✓ Are you politically active / do you belong to any political party?
- ✓ Are you a trade union member?
- ✓ Does your family own or is your family connected with any business or company?
- ✓ Do you have any serious illness? (*)
- ✓ Are you in a relationship?

* Sometimes questions on the applicant's health may be allowed, if these are connected with the nature of the job in question and, therefore, also with the applicant's ability to manage the work.

If you feel at the interview that you cannot avoid replying to an unacceptable question, for example about starting a family, you need not worry about the reliability of your answer.

Questions about pregnancy or any intended pregnancy are forbidden by the Finnish Equality Act. In addition, according to this law on equality between men and women, no job applicant can be discriminated against on the basis of pregnancy.

A JOB SEEKER'S CHECK LIST

Job application

- ✓ familiarise yourself with the background information of the workplace
- ✓ think what you can offer as an employee
- ✓ an unusually written job application attracts attention, but going over the top does not usually work
- ✓ invest some time in writing your CV
- ✓ let somebody else check your job application and your CV
- ✓ ask people to give you a reference, for example your previous employer or supervisor
- ✓ state what you can do well and be proud of it
- ✓ include certificates and diplomas with your job application, only if these have been requested

Job interview

- ✓ familiarise yourself with the background of the workplace, so that you learn about the nature of the place where you hope to work
- ✓ bring your employment and qualification certificates or diplomas with you to the interview, if requested
- ✓ prepare yourself for the interview by practising in advance
- ✓ think in advance what you might be asked at the interview and prepare your answers accordingly
- ✓ be prepared for the possibility of the prospective employer asking you at the end of the interview if you have any questions
- ✓ remember to be dressed neatly and appropriately
- ✓ remember your good manners

Employment relationship

EMPLOYMENT CONTRACT

The employment contract is the basic agreement which is operational in the world of work. The employment contract obliges the employee to carry out specified duties for the employer in exchange for agreed pay and other benefits.

It is best to draw up the employment contract in writing. Nevertheless, if it is agreed upon orally or electronically, the employer must in addition provide written clarification of the main terms of employment, if the tenure of the contract exceeds one month. However, an employment contract in writing is beneficial for both the employee and the employer: with a written contract you can always check on the facts which had been agreed upon. With an oral contract this will not be possible. Therefore, always ask the employer to enter into a written employment contract with you.

At least the following should be agreed upon and stated in the employment contract either specifically or with reference to the appropriate sectoral collective agreement:

- The date when work will commence
- The workplace
- The nature of employment and its duration
- Trial period if applicable
- The main duties
- Working hours
- The applicable sectoral collective agreement
- Pay and pay period
- Annual holiday entitlement
- Period of notice and the basis of its calculation
- The duration of a short term contract and the basis for this type of contract

If an employment contract has been signed, or a job has been offered and accepted, before the actual work is due to start, it is the employee's duty to start work on the agreed date. You can only

A SPECIMEN EMPLOYMENT CONTRACT:



1. PARTIES TO THE SPECIMEN EMPLOYMENT CONTRACT	Name of Employer, Address and Business ID: Oy Tavaratalo Ab, Talotie 3, 00100 Helsinki; 010 1501-L	
	Name of Employee: Esther Evermore	
2. DURATION OF THIS EMPLOYMENT CONTRACT	Personal ID: 010191-000A	The above mentioned Employee undertakes to carry out paid work for the above mentioned employer under their direction and supervision on the following terms.
	This employment contract is valid for the time being, from: - This employment contract is valid for an agreed period commencing on 1.6.2009 and expiring on 31.8.2009	
3. TRIAL PERIOD	The grounds for a short term contract: Seasonal work	
4. WORKING TIME AND THE WORKPLACE	Regular working time: 7.5 hours per day and 37.5 hours per week	Workplace: Itäkeskus Department Store
5. DUTIES	There will be a trial period of one month starting from the first day of employment. During the trial period this contract can be terminated by either party without any period of notice.	
6. PAY	The employee shall start working by carrying out the duties stated below and he/she shall in addition be obliged to carry out other similar work which the employer within their rights of management shall require. Duties: Serving customers, working on the till	
7. APPLICABLE COLLECTIVE AGREEMENT	Wages: EUR 1800 per month Date of pay: the 15th day of each month	
8. OTHER TERMS	Both the employer and the employee shall comply with all current legislation on pay and on other terms of employment, with all appropriately made internal company rules and regulations and with the xx sector collective agreement , unless better terms for the employee have been agreed upon in this contract.	
9. DATE AND SIGNATURE	Terms of work and pay which are better than, or not included in, the collective agreement but which have been agreed upon and included in this employment contract: - Occupational healthcare as per Company regulations.	
	This contract has been drawn up in duplicate of which one copy shall be given to the employee and the other shall be retained by the Company. Place and date: Helsinki: 15.5.2011	
Signed by the representative of the employer: <i>Tom Template</i>		Signed by the employee: <i>Esther Evermore</i>

cancel your obligation to start work, by obtaining permission for this from the employer or by terminating your contract by giving sufficient notice prior to the date when you were due to commence work. If you do not wish to take up the job, it is advisable to inform the employer as soon as possible. In this case, it would be appropriate to adhere, at least, to the period of notice which is customary for employment contracts. However, this only applies to permanent positions. A short term contract cannot be terminated during the period of employment, unless otherwise agreed and stated in the contract. Employment for a trial period can be cancelled only after work has commenced.

Stating the locality of the workplace in the employment contract is particularly important if the company operates on several sites. The more detailed information about the locality there is in the employment contract, the better the employee will be protected. If only the name of a town, or an area where the workplace is situated is mentioned, for example, Helsinki, with the company having several sites in various parts of the city, you may find that you have to work in a variety of locations. However, some jobs involve travelling and, therefore, the actual place of work cannot always be stipulated.

The main duties of the employee should also be stated in the contract. If these

have not been clearly detailed, you may find that you are expected to undertake tasks for which you were not actually employed.

Neither party may change the terms and conditions of the employment contract without the consent of the other. Therefore, it is advisable to read the employment contract carefully through before signing. You could even ask to take the contract away with you in order to study it thoroughly. If you are a member of a trade union, you can ask your workplace shop steward to look at the contract with you.

Different categories of work

PERMANENT EMPLOYMENT

Permanent employment means that you have a regular job with indefinite period of tenure. A permanent full-time position is the most common type of employment.

Permanent employment with indefinite period of tenure can be brought to an end by either the employee or the employer giving notice of termination. In order to dismiss a permanent employee, the employer must have an acceptable and important reason for it, whereas an employee is not required to state any reason for leaving a position. It is also possible for an employment contract to be revoked without notice and in this case both work and wages will be discontinued with immediate effect. However, exceptionally important grounds are required for this and both parties must accept it.

FULL-TIME AND PART-TIME WORK

In full-time employment working time usually consist of five working days with either 37.5 or 40 hours of work per week.

Working only for part of the day or week may be agreed upon and stated in

the employment contract. The standard weekly working time is defined by legislation and collective agreements, and any employment with less working hours is known as part-time work. Wages for part-time work depend on the number of hours worked.

In general work which involves less than 30 working hours per week is regarded as part-time work. If employers need to increase their workforce at any time, they must first offer additional work to their part-time employees. A part-time worker may have employment contracts with more than one employer. The terms and conditions of work which apply to part-time employees must not be inferior to those of full-time employees, nevertheless, the availability of benefits may depend on the number of hours worked.

SHORT TERM CONTRACTS

Employment may be based on a short term contract, which means that the tenure of employment will end on a previously agreed date. A short term contract is only allowed for a well justified reason. This must be recorded in the short term contract (or in a written clarification of the terms of employment) together with the tenure of such employment. If this is neglected, the employer can be fined.

The reason for a short term contract may consist, for example, of working as a stand-in for a permanent employee, of assisting at a busy time or working as a seasonal worker (e.g. in a summer job), of working as a trainee in order to get work experience or of some other similar reason which would justify temporary engagement. If you are not sure whether the basis for your short term contract is legal, contact your trade union.

If successive short term contracts are drawn up without any breaks between them or with only short breaks, the employee on such contracts will be entitled to employment benefits on the same grounds as the permanent employee. Annual holiday and sick pay and any other benefits which depend on the length of service are examples of these.

In principle, a short term contract cannot be terminated prior to its expiry. However, it is possible to agree upon a termination clause to be included in a short term contract and in this case termination of employment will be conducted in the same way as that of permanent employment (see Dismissal). Nevertheless, a short term contract can sometimes be dissolved with immediate effect as is the case with a permanent employment contract (see **Revoking an employment contract**).

The terms and conditions of work which apply to employees on a short term contract must not be inferior to those of other employees. The employer must treat all employees equally regardless of their tenure of employment.

AGENCY WORK

You may also enter into an employment contract with an agency which provides temporary workers for other companies. In this case, you are employed by the agency but your workplace will vary and your wages may also depend on the place where you carry out your work. The law which requires a justifiable reason for using a short term contract also applies to agency work, unless it is the wish of the employee to be engaged on a short term contract.

The pay due to the agency worker is primarily governed by the collective agreement which binds the agency as an employer. If no collective agreement binds the agency, then the agency worker must be paid according to the collective agreement which binds the user company (i.e. the actual workplace).

In general, the same rules and regulations which govern other forms of employment are also applied to agency work. However, there are some special features to agency work which sometimes make adherence to the usual rules complicated. The Finnish Ministry of Employment and the Economy (TEM) has published a guide for agency work which covers the rights and obligations of the agency worker in significant detail. You will find the guide at www.tem.fi.

Why is my
employment
contract for a
short term?

SHORT ASSIGNMENTS

Sometimes people are needed for short assignments or small projects. This results in being employed for a short term, but even in this case, it would be advisable to have a written contract. You might be working for somebody else from your home, using your own computer and only for a short period. If you are unsure whether this means that you are an employee or whether you should regard yourself as self-employed, contact your trade union. There is a difference between these two modes of working and, consequently, your terms and conditions of work and employment-related benefits will be different.

TRIAL PERIOD

An employer may agree with a new employee on a trial period. Legally this should not by law exceed four months and details of the trial period should be stated in the employment contract. Should a sectoral collective agreement, which

binds the employer, contain a rule on trial periods, then the employer is obliged to inform the employee about this. If the employer arranges special training for the employee and if this will last for longer than four months, an extended trial period may be agreed upon, up to six months.

A trial period can also be agreed upon to precede short term employment. However, with any short term contract of less than eight months' tenure, the trial period must not be longer than half of the tenure of the contract. For example, if a short term contract is drawn up for six months, the maximum permissible trial period will be three months.

During the trial period the employee or the employer may revoke the employment contract with immediate effect. The employer may not revoke the employment contract for any discriminatory or unlawful reason, bearing in mind the purpose of a trial period.

WORKING TIME

Working time consists of the time which the employee spends working or is obliged to be at the workplace or to be otherwise at the employer's discretion. Travel time (commuting between home and the workplace) is not regarded as working time, unless it is an integral part of the employee's duties.

The law on working time decrees that regular working time is a maximum of eight hours per day or 40 hours per week. However, in various fields of work regular weekly working time has been reduced by means of collective bargaining, for example to 37.5 hours per week.

The daily, weekly and monthly working hours may be flexible. However, the regular working time must level out to the number of hours stated both in the law on working time and in the collective agreement. The schedule for working time levelling must be drawn up in advance.



CYCLICAL WORKING TIME

In some fields of work, regular working time may be organised into three week cycles of a maximum of 120 working hours or into two week cycles of a maximum of 80 hours.

The following are examples of such fields of work:

- The police force, the customs and excise, the postal services, telephone and radio (excluding any building and repair work connected with these services)
- Hospitals, health care centres, 24 hour nurseries and prisons
- Public transport, transport of goods, canal transport, turnbridges and ferries
- Loading and unloading of vessels and railway wagons
- Security services
- Hotels and catering

Alternatively, cyclical working time can be arranged to consist of a maximum of 240 hours during two successive periods of three weeks or during three successive periods of two weeks, if this would make working more reasonable or give the worker a better shift pattern. However, regular working hours must not exceed 128 hours during a period of three weeks or 88 hours during a period of two weeks.

FLEXIBLE WORKING TIME

The employee and the employer may agree upon flexible working time. This means the employees are free within certain limits to decide on the time they start work each day and on the time they finish. In order to facilitate this, the standard working hours per day need to be determined as well as the extent of flexibility in hours per working day, and the upper and lower limits of working time.

SUNDAY WORK

On Sunday or on a public holiday the employee can only be requested to work if, due to the nature of the work, it is regu-

larly conducted on such days. In addition, the employee can be requested to work on Sunday if this has been agreed upon and stated in the employment contract, or if employees have specifically given their consent to working on Sunday.

The wages for work carried out on Sunday during regular working hours must be increased by 100 per cent. Pay for additional or overtime work on Sunday is of course due but this will be calculated on the basis of the regular wages of the employee.

ADDITIONAL AND OVERTIME WORK

Additional work is defined as work which has been carried out at the request of the employer outside any mutually agreed working hours, but which does not exceed the statutory working hours. For example, if the regular working time stipulated in a collective agreement is 37.5 hours per week, then any further 2.5 hours of work is regarded as additional work ($37.5+2.5=40$). Employees can only be requested to carry out additional work if they give their consent, unless additional work has been agreed upon and stated in the employment contract.

Overtime work is defined as work which has been carried out at the request of the employer in excess of the statutory working hours. The employer must obtain the consent of the employee for any overtime working and this must be agreed separately on each occasion. However, employees may give their consent to undertake overtime work for a short period at a time, if this is necessary for organising the work reasonably.

A civil servant, or a public service officer, cannot refuse to work overtime if such work is necessary to uphold the quality of work or for any other compelling reason. In general, the employee is not obliged to consent to undertake additional or overtime work.

THE UPPER LIMIT OF OVERTIME

The employee is allowed to work a maximum of 138 hours of overtime within any four month period, the annual upper limit being 250 hours. However, in addition to this, the shop steward and the employer may agree to an additional 80 hours of overtime per year in such a way, that the above mentioned rule of 138 hours within a 4 month period will not be exceeded.

Do I have to accept working overtime?

PAY FOR ADDITIONAL AND OVERTIME WORKING

An employee must be paid for any additional work at least the same wages which are due for work carried out within the agreed working hours.

The law on working time decrees that pay shall be increased by 50 per cent for the first two hours which exceed the daily working hours and for any further hours, a 100 per cent increase will apply. A 50 per cent increase in the rate of pay is due for any working hours which exceed the weekly regular working time. For cyclical work the overtime pay is calculated on the hours which exceed the working hours of the work cycle.

It can be agreed that wages for additional and overtime working may be partly or wholly converted to increased time off work. Such time off must be allocated within six months from the time of additional or overtime working, unless otherwise agreed. The employer and the employee should endeavour to mutually agree upon the dates for such increased time off work. If no mutual agreement

can be reached, the employer shall decide upon the dates, unless the employee demands payment in cash instead.

Better overtime rates, than those which are decreed by law, have usually been achieved by bargaining and stated in collective agreements.

An employee cannot validly waive the right to overtime pay, not even by including such a waiver in the employment contract.

NIGHT AND SHIFT WORK

According to the working time legislation any work carried out between 11 pm and 6 am is classified as night work. Furthermore, the limits and the type of work which an employee can be asked to undertake at night are precisely defined by the law. The following are examples of work which is acceptable to be undertaken at night:

- Cyclical working
- Maintenance and cleaning of public roads, streets and airports
- Working in overnight pharmacies
- Editing and printing of newspapers and periodicals, working in newsrooms and picture libraries, delivering newspapers
- Any work which primarily has to be conducted at night

How much is paid for night work?

Work which is acceptable to be carried out at night is decreed by the Law on Working Time, Chapter 5, Paragraph 26.

If the work carried out during the night is highly dangerous or mentally or physically demanding, working time may consist of a maximum of eight hours.

The hours which entitle the employee to higher pay for working at night are stated in the collective agreements. However, the legislated terms and conditions on night working have frequently been improved by bargaining and the collective agreements often rule, for example, that extra pay for night work will apply from as early as 9 pm.

Working at night is commonly linked with shift work. Shifts must be rotated regularly and the same person should not be asked to work night shifts continuously for a long period. Collective agreements contain shift work guidelines.

In cyclical work a maximum of seven successive night shifts is allowed. A shift with a minimum of three working hours between 11 pm and 6 am is classified as a night shift.



PAY

When you work, you earn to be paid and your pay could be anything which has financial value - however, this usually consists of money.

Your pay may be calculated on time basis so that you receive either wages on an hourly rate or a monthly salary. Your pay may also be wholly or partly based on your performance and results. The amount and the basis of pay should be recorded in the employment contract.

Minimum wages and salaries are stipulated in the sectoral collective agreements for the various groups of workers, and for the different levels of qualifications and responsibilities. Your pay should not be lower than the relevant pay level defined by your sectoral collective agreement, but it can, of course, be higher. The employer and the employee may further agree upon individual additional pay for reasons of the special skills, expertise and achievements of the employee.

It is always advisable to check the collective agreement which has been negotiated for your field of employment before you agree to any wages or salary. If you are a member of a trade union, you will receive help and information from the union on an appropriate level of pay.

Wages and salaries are raised according to the collective agreement, but the employer may, of course, increase any pay to a level which is above that stated in a collective agreement. Pay can only be lowered with the consent of the employee, although it cannot be lowered to a level which is less than the minimum as stated in the collective agreement.

If there is no collective agreement in an employee's particular sector of work and if pay has not been agreed upon, the employee must receive the prevailing and reasonable pay for the work which has been done.

PAYMENT OF WAGES AND SALARIES

You will receive your pay at least monthly, if not more often. An employee on an hourly rate usually receives wages at fortnightly intervals. The pay period and the date on which each payment is due, should be recorded in the employment contract.

Wages and salaries must be paid or be available to be drawn out on the last day of each pay period unless otherwise agreed. If the payment date falls on a Sunday or Saturday, a public holiday, Finnish Independence Day, May Day, Christmas Eve, or Midsummer Night's Eve, the payment day for wages and salaries will be the preceding weekday.

The employee must receive a pay calculation together with any wages or salary and it must show the amount and basis of pay. It must also show any additional pay, any taxfree allowance, tax which has been deducted, and any other deductions. Remember always to check that your pay calculation shows every relevant transaction.

When your employment comes to an end, your final wages will be paid on your last working day, unless otherwise agreed. For example, the employment contract may state that the final wages will be paid on the next date when the company customarily pays its staff.

TAXFREE ALLOWANCE

The employee is entitled to taxfree allowance in connection with business travel which is undertaken during working time and at the request of the employer. In this case, business travel is understood to consist of travel between the employee's home and the location of some particular work which is to be carried out. Nevertheless, there will be no allowance for any travel between the employee's home and the regular place of work.

DAILY ALLOWANCE

The employer pays a daily allowance for travel if the location of some particular work is situated at a distance exceeding 15 kilometres from the regular place of work or home of the employee. No daily allowance will be paid for travelling from home to the regular place of work, even if this distance exceeds 15 kilometres. The various daily allowances for work related travel are determined annually by the Board of Taxation. You will find the currently valid figures for these allowances on the Board of Taxation web site www.vero.fi/en-US.

The daily allowance is non-taxable income. The allowance will be reduced by 50 per cent if two hot meals have been provided during a ten hour business trip or one meal during a six hour trip.

The collective agreement for state employees contains rules on the reimbursement of travel costs for state employees. The collective agreements for other sectors may contain different terms for daily allowances. If the daily allowance and reimbursement of expenses exceed the amounts set by the Board of Taxation, then the excess will be treated as taxable income.

MEALS ALLOWANCE

If a business trip is not sufficiently long to justify a daily allowance, the employee will receive a meals allowance. Updated information on the amounts which are applicable can be found on the Board of Taxation web site.

Is a part-time worker entitled to annual leave?

KILOMETRE ALLOWANCE

Employees using their own car for business travel will be entitled to a kilometre allowance. An increased allowance will be paid if other employees are travelling in the same vehicle. No kilometre allowance is paid for travel between home and workplace, even if employees travel in their own car. Updated information on the amount of the kilometre allowance can be found on the Board of Taxation web site.

ANNUAL LEAVE

The employee's entitlement to annual leave accumulates on the basis of the number of working months. A working month consists of a calendar month in which the employee worked no less than 14 days or 35 working hours. Being off work counts as working days if the employer is obliged to pay the employee normal wages for those days. Similarly, working days and working hours on which the employee was unable to work due to, for example, maternity leave, special maternity leave, paternity leave and parenting leave, sick leave or leave due to an accident, count as working days with regard to annual leave entitlement (a maximum of 75 working days per an annual leave entitlement period). Employees who are unable to work due to being temporarily laid off (a maximum of 30 working days at a time) are also entitled to their annual leave for that period. The basis for time off work counting as working time is decreed by the Law on Annual Leave, Chapter 2, Paragraph 7.

ENTITLEMENT TO ANNUAL LEAVE AND TIMING THE HOLIDAY

According to annual leave legislation, an employee who has been engaged by an employer for less than a year will be entitled to two days of annual leave for each month of employment. If the employee has been employed for more than a year, the annual leave entitlement will consist of 2.5 days for each month.

In the calculation of the length of the annual leave, every half day gives a full day entitlement. Some collective agreements provide longer annual leave than the legal entitlement.

The period on which the annual leave calculation is based starts on the 1st of April and ends on the 31st of March. This is known as the annual leave entitlement period. Of the holiday entitlement which has accumulated during this period, 24 weekdays (the summer holiday) must be allocated so that they fall within the holiday season which starts on the 2nd of May and ends on the 30th of September. Any remaining days off (the winter holiday) must be taken prior to the commencement of the next holiday season. In general the summer holiday and the winter holiday should each be taken as a continuous period.

It is possible to agree a different timing for the holiday, but this must be within the restrictions of the law on annual leave.

The employer is required to inform the staff at the workplace of the general principles which will be applied to the allocation of annual leave. Prior to deciding upon the dates for annual leave, the employer is obliged to consult the employees on the timing of their holidays. The employer must take the wishes of the employees into consideration as far as possible, and the annual leave dates must be allocated fairly. In addition, the employee should be notified of the allocation of the holiday no later than a month before the holiday will start. However, if this is impossible the employee should be informed of the holiday dates, at least two weeks, in advance.

PAY DURING ANNUAL LEAVE

The employee will receive full pay and any benefits in kind without any deduction for the annual leave period. Those benefits which will not be available to the employee during the annual holiday, will be paid in cash. The wages covering the annual leave must be paid prior to the commencement of the holiday. However, the employer is entitled to pay holiday wages on the day of the month when employees regularly receive their wages, if the holiday period does not exceed six days.

In addition a holiday bonus, which will be paid either before or after the holiday, has been bargained for and is stated in the collective agreements. In general, the holiday bonus is 50 per cent of the wage or salary which is to be received during the holiday.

When any employment comes to an end, the former employee will receive holiday pay in cash for those days of the holiday entitlement which have not been taken (known as holiday compensation).

SICK LEAVE

The employee who is unable to work due to illness or injury will receive sick pay whilst on sick leave. Employment contract law stipulates that the employer shall provide pay for an employee who is on sick leave for ten days (the day of falling ill + nine weekdays). If the employee has been engaged by the employer for over a month, full pay will be given, but for

those who have been engaged for less than one month, one half of the normal pay will be allowed. At the end of this period the Finnish National Pensions Institute (Kela) will pay a daily allowance regulated by the health insurance law. However, significantly longer periods of sick pay have been achieved by bargaining and are contained in many collective agreements.

The employee must inform the employer of any absence from work without delay. A reliable proof of the inability to work (for example a medical certificate) needs to be submitted, should the employer request this. The agreed method for informing the employer of any absence, and the number of days an employee may stay on sick leave without providing a medical certificate, is often stated in the employment contract, or has otherwise been agreed upon at the workplace.

The employee is not entitled to receive any sick leave pay if the inability to work was self-inflicted or caused by serious carelessness.

Do I receive
pay during sick
leave?



The rights and obligations of the employee

THE RIGHTS OF THE EMPLOYEE

The employee has the right to join any association (for example a trade union) and participate in the activities of the association. Similarly, the employee has the right not to join any association.

The employees and their organisations (for example trade unions) have the right to use free of charge the premises of the employer during breaks and outside working hours in order to deal with employment-related issues and trade union matters. Using this right of assembly must not cause any disruption to the business of the employer.

The employee also has the right to request and to receive a written employment certificate from the employer, in which the period of employment and the nature of the duties of the employee should be stated. The reason for the termination of the employment, and the evaluation of the skills and behaviour of the employee during the period of employment should also be provided, if the employee has specifically requested this.

The employee should request an employment certificate within ten years from the termination of the employment. A request for an employment certificate must be made within five years from the date when the employment ended, if employees wish to receive an evaluation of their skills and behaviour. The employer is obliged to provide a new copy of an employment certificate if the original has been spoilt or lost, unless this will cause the employer unreasonable inconvenience.

THE OBLIGATIONS OF THE EMPLOYEE

Employees must carry out their work diligently and follow the instructions which the employer gives them within the



constraints of law and collective agreements. In addition, the employee must keep to the agreed working hours and use any safety equipment which has been provided. Employees are obliged to safeguard their own health and safety and that of their colleagues as effectively as possible.

Employees must not harm the employer by engaging in any competitive

action either by themselves or in the service of another employer. Furthermore, employees must not use the professional or business secrets of the employer for their own benefit or reveal them to any third party. If the employee came to possess such information without proper rights to them, this same prohibition will still continue after the employment relationship has ceased

The right of the employee to enter into an employment contract with a new employer, who is the previous employer's competitor, may be limited by a restraint of competition clause. This can be agreed upon at the commencement of employment or later on, and only for a **particularly serious reason** which is either connected with the business activities of the employer or with the position of the employee.

CHECKLIST FOR ENTERING THE WORLD OF WORK!

- ✓ Obtain an employment contract in writing.
- ✓ Find out which is your trade union and whether your workplace has a shop steward.
- ✓ Check on the collective agreement for your field of work.
- ✓ Remember that there must be a proper reason for a short term contract and clarify the duration of such short term work.
- ✓ No trial period exists unless it was agreed at the start of your employment. If there is an agreement on a trial period, it must be stated in writing in your employment contract or in a written clarification of the terms of employment which the employer has provided.
- ✓ The minimum wage as stated in the collective agreement must not be reduced, but it can, of course, be increased.
- ✓ There is a legal requirement to additional pay for overtime working. You are not obliged to work overtime if you do not want to do so.
- ✓ Working on public holidays entitles you to special pay.
- ✓ Entitlement to annual leave on the basis of legislation on annual leave and holiday pay is based on the terms of the collective agreement.
- ✓ Appearing at the workplace under the influence of alcohol or drugs may lead to immediate dismissal without any period of notice.

Help and safety in the world of work

TRADE UNIONS

Most people in paid employment in Finland are members of trade unions and of the relevant unemployment funds. The unionisation rate is close to 75 per cent and 95 per cent of all Finnish employees are covered by collective agreements, which have been bargained for by the trade unions. This figure is one of the highest in the world.

The trade union is an organisation which represents the workers and its aim is to protect and improve the terms and conditions of work. Bargaining for sectoral collective agreements with the employers' federations is the most important task for the trade unions. In addition, the trade unions ensure that the terms of the collective agreements are being honoured and they assist union members in dispute situations.

The unemployment fund is an entity of members who are either employees or entrepreneurs. There are 34 employee unemployment funds and two funds for entrepreneurs in Finland. The unemployment funds exist for the purpose of providing a variety of unemployment benefits for its members on the basis of unemployment benefit legislation which also covers social benefits for students. In practice, this means that the members of an unemployment fund receive unemployment benefits when they are out of work, if they fulfil the required criteria.

Being a member of a trade union and of an unemployment fund usually goes "hand in hand", but of course, it is possible to be only either a trade union member or a member of an unemployment fund. However, to receive an earnings-related unemployment benefit, you are required to be a member of an unemployment fund.

WHO CAN JOIN A TRADE UNION?

Employees may join a trade union which represents the field in which they work. Most trade unions accept full-time students as student members, and there is no need to be working in the sector covered by the union in order to gain membership. Student membership is usually free. However, student members should pay union dues whilst working, if they wish to collect points for the right to receive earnings-related daily allowance as members of an unemployment fund.

Unionisation is a recognised right of the employee. Trade union branches or workplace associations have the legal right to meet, outside working hours, at the employer's premises in order to deal with issues which are connected with the world of work. It is not compulsory to belong to a trade union, but being a member will give the employee various benefits and support.

THE PURPOSE OF TRADE UNIONS

A trade union has the right to bargain for collective agreements if the union is sufficiently representative of the workers in the field it covers. If the workers are not organised in the trade union which represents their field of work, the trade union may, in the worst scenario, be deprived of its right to represent those workers. This means that the right to bargain for collective agreements will not be operative.

The strength of the trade unions lies in the power of the masses: the representative of thousands or tens of thousands of workers has much more influence than an individual employee when the terms and conditions of work are being negotiated. When the trade unions take the responsibility of bargaining for

the terms of work, it will be guaranteed that all employees receive at least the minimum benefits equally. If employees started negotiating for their own terms and conditions of work individually, the end result would most likely be disunited and unequal.

As the collective agreements are sectoral, it is best to join the trade union which was involved in the bargaining for the collective agreement which is applied at your workplace. Then you can be sure that your union really represents your interests and is familiar with the working conditions which prevail in your field. It is also worth remembering that should there be any dispute, only a trade union which was involved in the bargaining for the collective agreement may take the dispute to industrial tribunal. Otherwise, the case will have to be heard in a district court and this would be a considerably longer procedure than that of an industrial tribunal. The parties to a collective agreement are stated in the beginning of the agreement text.

By their bargaining, the trade unions have achieved numerous improvements to the terms and conditions of work, for example the 8 hour working day, the entitlement to paid annual leave, pay for public holidays, just to mention a few. Benefits like these should not be taken for granted, and they require active support from sponsors, such as, the trade unions.

THE SHOP STEWARD

The trade union and the employees who are union members are represented at the workplace by a shop steward whom the workers have elected in their midst. The shop steward is the primary representative of the staff. The services of the shop steward are only available to the union members.

The shop steward's status is based on cooperation legislation and on the shop steward agreements which the trade unions and the employers' federations have jointly negotiated.

The purpose of the shop steward framework is to maintain and develop cooperation and negotiation practices between the employer and the employees. When negotiating with the employer, the shop steward will only represent the unionised staff, i.e. the employees who are members of the trade union. However, in cooperation negotiations the shop steward may represent the whole personnel.

In general, shop stewards carry out their union work in addition to their own job. Full-time shop stewards are called convenors and they are usually found in large workplaces.

THE DUTIES OF THE SHOP STEWARD

Monitoring the application of the terms of the collective agreement and labour legislation at the workplace, and helping to diffuse any problem situations which may arise, are the most important tasks of the shop steward. Shop stewards will negotiate with the employer on employee-related issues and they will participate in making improvements at the workplace, in cooperation with employees whom they represent and the employer.

The shop steward ensures that the employees are being treated fairly and equally, gives advice to the union members and supports them in the world of work and particularly when the employees are confronted with change in the work environment. The shop steward will also assist in dealing with any problems which may arise regarding employment.

Shop stewards hold a huge amount of information on their industrial field, as they receive substantial training provided by the trade unions. In addition, the shop steward represents the trade union at the workplace, for example, by informing the members of any current trade union issues.

THE ROLE OF THE SHOP STEWARD FROM THE EMPLOYEE PERSPECTIVE

The shop steward will give the unionised employees advice on any employment-related issues. Therefore, nobody needs to struggle alone with, for example, the labour law or the terms of the collective agreement. If you, as an employee, come into conflict with your employer, you are not left alone to resolve the dispute, as the shop steward and the trade union will offer you help.

HOW DO YOU BECOME A SHOP STEWARD?

The shop steward is elected by the votes of the union members at the workplace. The election method is stated either in the collective agreement or in a shop steward agreement. The shop steward will always be elected for a set period, the most common term of office being two years. People who are members of the trade union in question and who are knowledgeable of the working methods applied at their workplace may present themselves as a shop steward candidate. Shop stewards will be trained for their tasks by the trade union.

TEN GOOD REASONS TO JOIN A UNION!

1. The union looks after your interests, for example by monitoring the terms of working time and pay.
2. The union shop steward will help you at your workplace, for example in issues which are connected with local bargaining.
3. You will have legal protection and legal aid, for example in a dispute with the employer.
4. The union will advise you in employment-related issues.
5. If you will be temporarily laid-off or if you become unemployed, you will receive earnings-related unemployment benefit.
6. The union will provide comprehensive training which will help you to develop your own skills.
7. You will become insured and you will also receive other membership benefits of monetary value.
8. You will be able to network with other professionals in your field.
9. The union magazine will bring you current news and useful information about your own profession.
10. You will be able to influence labour legislation and the terms of collective agreements.

THE TRUSTED REPRESENTATIVE

If, at the workplace, no shop steward has been nominated as a result of a collective agreement, the employees may choose one of their colleagues to act as a trusted representative. The duties and authority of the trusted representative are decreed by the law on collective agreements and other labour legislation, but in practice these are similar to those of the shop steward. The employees may separately, by a majority decision, authorise the trusted representative to represent them in specified issues in connection with employment and the terms and conditions of work.

COLLECTIVE AGREEMENTS

Collective agreements for the various fields of industry on the terms and conditions of work are bargained for by a trade union (or a group of trade unions) with an employer or an employers' federation. Once the negotiations have been concluded the terms of the resultant agreement shall be applied to the employees who work in that field. Different collective agreements are, in general, bargained for each field of work and each group of workers may have their own collective agreement (blue collar workers, white collar workers, supervisors).

The municipal and the state sector have their own collective agreements. These are similar in their content to the private sector collective agreements, and the information given above on collective agreements, in general, also applies to these agreements.

Wages and salaries, pay increases and benefits which exceed those which are decreed by law, for example, those for annual leave and working hours, are bargained for when collective agreements are negotiated for any particular sector. In addition, it is stated in the collective agreements to what extent employment issues can be negotiated at the local company level.

The level of wages and salaries, as well as any benefits, which have been

agreed upon with a collective agreement, will always represent a minimum, which must not be lowered. However, better terms than those which are stated in the collective agreement can be agreed upon in an employment contract reached locally or at the workplace.

Should an employment contract between an employee and an employer contain a term which is less advantageous to the employee than the relevant term as stated in the collective agreement, then the term in the employment contract will be invalid and the corresponding term in the collective agreement will be applied.

A collective agreement is usually negotiated for a set period, most commonly for the term of 1 to 3 years. Industrial peace will prevail during this period, which means that industrial action, i.e. strikes, will be prohibited in any area which is covered by the agreement.

Some 200 national collective agreements are regularly negotiated in Finland. In addition to these, there are company agreements which are negotiated between the trade unions and individual companies. The trade unions which are affiliated to STTK negotiate a total of some 250 collective agreements.

THE STATUS OF COLLECTIVE AGREEMENTS

The collective agreements are binding for the employer, the trade unions and the employers' federations, and for their members. If an agreement is generally binding, it is binding for every employer in the sector of industry which it covers, even if the employer is not a member of the employers' federations which has signed the collective agreement (and it is also binding for every one who is employed by those employers).

A collective agreement is declared generally binding if the Collective Agreement Authorisation Committee, which works under the auspices of the Ministry of Employment and the Economy, finds sufficient grounds for this. A collective agreement is

usually regarded as all-embracing if more than 50 per cent of the total workforce working in the sector of industry, which is covered by the collective agreement, is employed by those employers who have signed the agreement. The concept of a generally binding collective agreement has not been defined in law.

The standard collective agreement is only binding for the members of those trade unions which have signed the agreement and those employers who are members of the relevant employers' federation. However, the majority of employers in Finland belong to an employers' federation and, therefore, they accept and apply the standard collective agreements, even when these have not been declared generally binding.

The text of every generally binding collective agreement is available at the Government databank of statutes, rules and regulations, www.finlex.fi

BARGAINING AT THE LOCAL LEVEL

Collective agreements increasingly provide opportunities for bargaining locally at the company or workplace level or at offices and institutions. In addition, the law on working time allows local level bargaining to a large extent.

Working hours, personnel matters, job description and training are issues which are often negotiated locally. There are also other issues, such as pay schedules, job evaluation and profit-related pay, which, to some extent, can be negotiated locally. Similarly, some pay rises which have been bargained for and stated in the collective agreements or in the national incomes policy (TUPO) may be finalised at the local level.

At the local level, shop stewards will bargain with the employer for benefits which have not been finalised and they will discuss the application of the collective agreement. Local bargaining must never contravene the terms contained in the collective agreement.

Ending employment

DISMISSAL

The employment contract law specifies the circumstances in which the employer has the right to terminate an employment contract. The employer may terminate an employment contract only for an appropriate and serious reason.

Dismissal is only possible if the employee holds a permanent employment contract. An employee on a short term contract **cannot be dismissed**, unless a dismissal clause has been specifically agreed upon and included in the employment contract. A short term contract expires without any dismissal procedure when the tenure of the contract comes to an end, or when an agreed project finishes. An employment contract with a tenure of more than five years is an exception to this rule. An employee on such a contract may be dismissed at the end of five years on the same grounds and method as an employee who holds a permanent position.

The most common reasons for dismissal are the deterioration in the employer's financial situation and/or the re-organisation of production which means that the employer no longer has enough work to offer. However, prior to any dismissal due to a decrease in workload, the employer is obliged to try to organise some other work or training for the employee.

The employer may also unilaterally change the nature of employment from a full-time position to part-time for financial reasons or due to re-structuring of production. However, to do this, the employer is required to apply the contractual period of notice.

A company may be fully or partially sold to a new owner. However, such acquisition on its own is not a sufficient basis for the dismissal of an employee. The reason for any dismissal must be legally grounded.

If an employer goes into liquidation, any employment contract, whatever its tenure, can be terminated by either party. Similarly, should the employer have become deceased both the employee and the parties to the estate of the deceased have the right to terminate any employment contract, regardless of its tenure. The right of termination of a contract must be used within three months of the death of the employer.

The employer may also terminate a permanent employment contract for reasons which originate from the employee. However any such reason must be appropriate and serious, such as gravely neglecting the duties stated in the employment contract or breaking the law. For example, the employer has the right to terminate an employment contract, where the employee continues to arrive significantly late for work after having been warned.

Nevertheless, employees cannot be dismissed unless they have been warned and, thus, been given the opportunity to change their behaviour.

The employee does not need any particular reason for terminating an employment contract.

DISMISSAL OF AN EMPLOYEE WHO IS PREGNANT OR ON FAMILY LEAVE

The employer may not terminate an employment contract for the reason that the employee is pregnant or if the employee is on family leave as specified by the law on employment contracts. Should an employer terminate the employment contract of a pregnant employee or an employee on family leave, the dismissal will be taken to have been caused by the pregnancy or the family leave, unless the employer can prove otherwise.

The employer may only terminate the employment contract of an employee who is on maternity leave, special maternity

leave, paternity leave, parenting leave or on care leave, for financial or production-related reasons, if the employer ceases to operate as a business.

PERIODS OF NOTICE

The employer must apply the periods of notice which are specified by law, unless otherwise agreed. The periods of notice are as follows:

- 14 days if the employment has continued for one year or less
- 1 month if the employment has continued for over one year but not longer than four years
- 2 months if the employment has continued for over four years but not longer than eight years
- 4 months if the employment has continued for over eight years but not longer than twelve years
- 6 months if the employment has continued for over twelve years.

Unless otherwise agreed, the periods of notice which the employee must observe are as follows:

- 14 days if the employment has continued for up to five years
- 1 month if the employment has continued for over five years.

REDUNDANCIES MUST BE PRECEDED BY CO-OPERATION NEGOTIATIONS

If a company has more than 20 employees, the employer is not allowed to decide on any redundancies without arranging first co-operation negotiations with the employees. The co-operation negotiations are held for the purpose of finding ways to avoid redundancies, for example by training or by offering the employees new jobs. In these negotiations the employees are represented by the shop steward. The employer, the shop steward and officers at the Ministry of Labour and the Economy will jointly endeavour to help those who might be made redundant to find new jobs or opportunities for training.

OBLIGATION TO RE-EMPLOY

The employer is obliged to offer work to any employee who is still seeking work, whom the employer had made redundant for financial or production-related reasons, should the employer within nine months from the date of making the employee redundant require new employees for the same or similar position to that which the employee used to hold.

REVOKING AN EMPLOYMENT CONTRACT

Both a permanent or a short term employment contract may come to an end immediately, without any period of notice, if the employment contract is revoked.

The employer can revoke a contract if the employee has seriously neglected or breached those duties which have been specified in the employment contract or by law, examples of this being by endangering other people or by stealing the property of the employer. Similarly, the employee can revoke an employment contract if employers seriously breach their obligations.

The right of revoking a contract will expire if the employment contract has not been revoked within 14 days from the date when grounds for revoking the contract had become evident.

In addition, an employment contract can be regarded as being revoked, if the employee is absent from work for one week (seven days) without informing the employer. Similarly, if employers are absent from the workplace for one week (seven days) without giving a proper reason for their absence during that time, the employee can regard the employment contract as being revoked. Should the employees have found it impossible to inform the employer of such absence, then the revocation of the employment contract will be cancelled.

The period of notice need not be observed in a situation where an employment contract is to be revoked.

RECEIVING FINAL PAY

When employment comes to an end, the entitlement to any further pay also comes to an end. The final payment is due to the employee on the last day of work, unless otherwise agreed. For example, it may have been stated in the employment contract that the final payment will be carried out on the next customary pay day, following the departure of the employee.

If employees have not used all of their annual leave entitlement at the time of leaving the company, the remaining days of their annual leave will be paid in cash in conjunction with their final wages or salary.

If the payment of the final wages or salary is delayed beyond the agreed date of payment, the employee is entitled to interest on the delayed payment as decreed by law and to full pay in addition for each day of delay, however not exceeding six calendar days. If, however, the amount owing to the employee is unclear or disputed, or if the delay in paying the employee was caused by a calculation error, the employee is only entitled to be paid for the days of delay if the employee notifies the employer of such delay within a month of leaving the company and if the employer has not paid in full within three working days from the date of such notification. Then the entitlement to pay for the days of delay will commence at the end of the three day period for payment which had been set aside for the employer.

EMPLOYMENT CERTIFICATE

The employee has the right to request and to receive a written employment certificate from the employer, in which the period of employment and the nature of the duties of the employee should be stated. The reason for the termination of the employment, and the evaluation of the skills and behaviour of the employee during the period of employment should also be provided, if the employee has specifically requested this.

The employee should request an employment certificate within ten years from the termination of the employment. A

request for an employment certificate must be made within five years from the date when the employment ended, if employees wish to receive an evaluation of their skills and behaviour. The employer is obliged to provide a new copy of an employment certificate if the original has been spoilt or lost, unless this will cause the employer unreasonable inconvenience.

An employment certificate is an important document when you apply for a new job. You will also need an employment certificate if you are made redundant and you need to apply for unemployment benefit. Therefore, always remember to ask for a written employment certificate.

PROTECTION FOR THE UNEMPLOYED

Whilst people do not plan to become unemployed, sometimes this happens to them for reasons beyond their control. If you become unemployed and wish to receive unemployment benefit, you should immediately register at the manpower agency as a job-seeker who is looking for a full-time job. If you are not a member of an unemployment fund, the Finnish National Pensions Institute (Kela) will pay a labour market support benefit or a basic daily allowance, if you fulfil the previous employment status requirement.

The unemployed job-seeker must be available for work in order to receive unemployment benefit.

If for no good reason, you refuse to accept work or leave a job which has been offered to you by the manpower agency, you will not, in general, be entitled to any unemployment benefit for a period of two to three months.

PREVIOUS EMPLOYMENT STATUS REQUIREMENT

The previous employment status requirement is fulfilled if the employee has been in paid employment for a total of 34 calendar weeks (approximately 8 months) during the 28 months, preceding the start of the period of unemployment, with a minimum of

18 working hours per week, and receiving pay, which is no lower than the level of pay, stipulated in the relevant collective agreement or which is no less than 40 times the amount of the basic daily allowance. The previous employment status requirement will remain valid once you have gained it, even if you are in paid employment between periods of unemployment. However, you must make sure that you fulfil the previous employment status requirement during the above mentioned assessment period, prior to applying for unemployment benefit for the first time. Your previous employment status may also "expire". If you have not been available for work for any acceptable reason for more than six months, you will not be entitled to the daily unemployment benefit, until you fulfil the previous employment status requirement once again.

The assessment period for the previous employment status requirement can be extended to a maximum of seven years subject to an acceptable reason, which may, for example, be full-time study, military service, conscientious objector's service, illness or taking care of a child not older than three years of age.

UNEMPLOYMENT BENEFITS

The various unemployment benefits consist of the labour market support benefit and the basic daily allowance paid by the Finnish National Pensions Institute (Kela), and of the earnings-related unemployment benefit, which is paid by any one of the various unemployment funds to an unemployed member of the fund. There is also an additional child increment available to the unemployment benefit.

LABOUR MARKET SUPPORT BENEFIT

The labour market support benefit is provided for people who are looking for a job for the first time, and for people who have already received the daily unemployment allowance for the maximum period, but do not fulfil the previous employment status requirement and who, therefore, are not entitled to the basic or to the earnings-

related daily allowance. In order to be eligible for the labour market support benefit, those under 25 years of age must apply for vocational training. In addition, if the applicant has no vocational qualification, there is a five month waiting period for the labour market support benefit. The labour market support benefit is means tested, meaning that any earnings of the unemployed person and any earnings of their spouse or partner will reduce the amount of the benefit. There is an excess period of five days before the benefit will be paid.

BASIC DAILY ALLOWANCE

The basic daily allowance is available to the unemployed who fulfils the previous employment status requirement, but who has not been a member of any unemployment fund for a minimum of 34 weeks.

The basic daily allowance paid by the Finnish National Pensions Institute (Kela) was € 25.63 per day in 2010. A child increment is added to the basic daily allowance, if the applicant has children who are under 18 years of age.

The basic daily allowance will be paid on a five day week basis for a maximum of 500 days.

The basic daily allowance is regarded as taxable income of which 20 % will be deducted or another percentage based on the tax code provided for the taxation of social benefits. The basic daily allowance will be paid after an excess period of 7 days.

An unemployed person who is engaged in part-time work or in individual work assignments, as specified in the law on unemployment benefits, may receive an adjusted daily benefit. Therefore, any earnings during a period of unemployment, as well as certain statutory social benefits, will reduce the amount of the basic daily allowance which will be available.

EARNINGS-RELATED DAILY ALLOWANCE

If you cannot find work immediately after graduation, you may apply for an earnings-related daily allowance, if you

have been a member of an unemployment fund whilst you were studying. To be entitled to this allowance you must satisfy the criteria decreed by law on unemployment benefits.

The earnings-related daily allowance consists of the basic daily allowance, which forms the basic element (this was € 25.63 per day in 2009), and of the earnings-related element. The earnings-related element is calculated as 45 per cent of the difference between a daily wage and the basic element. If the monthly salary exceeds € 2,691.15 (= 105 x the basic daily allowance), the earnings-related element will be reduced to 20 % for the figure which exceeds this limit. A child increment is added to the earnings-related daily allowance if applicable. The wages or salary subject to PAYE-taxation, which the now unemployed person received in their regular employment during a period, at least as long as that of the previous employment status requirement, is used when the earnings-related daily allowance is calculated. If the unemployed person used to be engaged in seasonal work or carried out irregular assignments, the income of the preceding 12 months will be used as the basis. Holiday pay and bonuses, and other non-earned income and earnings which cannot be considered as regular, will be deducted. After deducting these items, the equivalent of the pension and unemployment insurance payments will be deducted, however, not exceeding 4.5 per cent.

The taxable earnings-related daily allowance will be paid for five days a week for a maximum period of 500 days. An unemployed person who is engaged in part-time work or in individual work assignments, as specified in the law on unemployment benefits, may receive an adjusted daily benefit.

Contact the office of your unemployment fund for further information on the earnings-related daily allowance or look at the net pages of the Federation of Unemployment Funds in Finland (TYJ) at www.tyj.fi.

On the TYJ site you will find a calculator (laskuri), which you can use to calculate your own earnings-related daily allowance.

TO DO LIST FOR THE SOON TO BE UNEMPLOYED

1. Make sure that the reason for the revoking of your employment contract is legal.
2. Request a written employment certificate from your employer in which the period of employment and the nature of the duties of the employee should be stated. The reason for the termination of the employment, and the evaluation of the skills and behavior of the employee during the period of employment should also be provided, if the employee so requests.
3. Request your pay check from the previous 43 weeks of work.
4. Register at the employment office as a job-seeker who is looking for a full-time job. Do this on your last work day or before that if possible. To register as a job-seeker in order to be eligible for unemployment security, you must always personally visit an employment office.
5. You will be entitled to the basic daily allowance paid by the Social Insurance Institution of Finland (Kela), if you meet a specific condition regarding your employment history (i.e., you must have been employed for at least 8 months during the two years preceding the unemployment). If you have been a member of an unemployment fund for the minimum period of 10 months, you are entitled to an Earnings-related Unemployment Allowance from your unemployment fund.
6. You receive a claim for the unemployment benefit from KELA, which you should fill and send to KELA (Basic daily allowance) or to your unemployment fund (Earnings-related Unemployment Allowance) within three months of the first day when you are entitled to an unemployment benefit. Once you have been issued Basic Unemployment Allowance you must renew your status as an unemployed job-seeker by reporting regularly to Kela.
7. An absolute precondition for maintaining your right to unemployment security is that

your registration as a job-seeker remains valid. You must always sign in at the employment office no later than on the date set by the office. To qualify for unemployment security, you must be available to the labour market. If you set restrictions that prevent you from accepting work or training offered to you, you are not regarded as available to the labour market.

8. Do use the services provided by the employment office. You will receive information of their services on your first visit.

9. If there are any changes in your status as a job-seeker, inform your employment office and your unemployment fund immediately.

10. When your first claim for unemployment has been processed, you will receive Labour Market Subsidy. Once you have been issued Labour Market Subsidy, you must renew your status as an unemployed job-seeker by reporting regularly to Kela. For this purpose use the form TT 2e (Unemployment status report).

What a young person should know about earnings-related pensions?

Text by the Finnish Pension Alliance TELA, www.tela.fi

You might ask why any young person would need to know much about pensions or to start worrying about their earnings-related pension. Although the pensionable age seems very distant for both the student and the young person in paid employment, we are all participants in the generation agreement which forms the background for the statutory earnings-related pension scheme.

It will always be in the young person's interest to know the principles of the

current earnings-related pension scheme and how it will work in the future. It is useful to know how the scheme is funded: a distribution system is mainly applied in Finland. In practice, this means that those who are working pay for the pensions which the pensioners receive. However, approximately a quarter of the money which is annually collected for pensions, is deposited in various institutions for future use, because of the ageing of the population.

THE EARNINGS-RELATED PENSION AND DIFFERENT SITUATIONS IN LIFE

The earnings-related pension credits start currently accruing from the age of 18 until 68 years of age. Since the year 2005 pension credits accrual has also been possible during unpaid periods, such as, periods of study, childcare, unemployment, job-sharing, or sickness. Studying or starting a family no longer reduces the level of the pension as much as it used to do.

The earnings-related pensions are funded by **the earnings-related pension contributions** which are deducted from the earned income. These contributions are paid both by the employer and the employee. In 2010 the pension contributions of those who were less than 53 years of age were 4.5 per cent of their

earnings. Pension contributions amount to approximately 22 per cent of all wages and salaries, when the contribution paid by the employer is taken into account. It is pointless to be involved in moonlighting as that does not accrue any pension!

Pension contributions which are deducted from wages or salary constitute an insurance premium, not a tax. These contributions protect us in a variety of ways. Life does not always go according to plan. In addition to providing income when we are old, this system insures us for various social risks, for example, the inability to work. Many young people are forced to leave the world of work due to injury, or increasingly due to mental health problems, such as depression. Unfortunately, a young person may become familiar with a pension through this route.

CHECK YOUR EARNINGS-RELATED PENSION CREDIT STATEMENT – TAKE CARE OF YOUR RIGHTS!

You can check the accrual of your pension credits from your **earnings-related pension credit statement** which will be annually posted to your home address. Public sector information (the municipalities and the state) are not currently shown in the statement. Remember to check that your employment information in your pension credit statement is correct, for example, regarding any summer jobs you may have held. In future both those in paid employment and the self-employed will be held increasingly responsible for keeping their employment records up to date and correct, rather than leaving this to the pension authorities. We will all be responsible for keeping our personal records correct and updated.

THE LIFE EXPECTANCY COEFFICIENT

The life expectancy coefficient has started to influence the monetary value of pensions from the year 2010. This will be calculated

for each generation according to their life expectancy and the reason for this is the need to keep our pension costs affordable. If the life expectancy of a generation lengthens, pensions will be payable for a longer period, and this will mean that new pensions will be reduced to some extent. However, the effect of the life expectancy coefficient can be compensated by deferring retirement.

You will find further information on pensions on the following Internet sites:

Information on pensions is available on the joint earnings-related pension scheme service site **Työeläke.fi**. You can also check your earnings-related pension statement here by using your own on-line banking code.

You will find information on the development and realisation of earnings-related pensions and on pension research in the Finnish Centre for Pensions website: **www.elaketurvakeskus.fi**

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STTK-AFFILIATED UNIONS:

- ✓ The Association of Finnish Construction Engineers and Architects RIA
www.ria.fi
- ✓ ERTO - Federation of Special Service and Clerical Employees
www.erto.fi
- ✓ Jyty - The Federation of Public and Private Sector Employees
www.jytyliitto.fi
- ✓ Liiketalouden Liitto LTA
www.lta.fi
- ✓ Mediaunion MDU
www.mediaunioni.fi
- ✓ METO - Forestry Experts' Association
www.meto-ry.fi
- ✓ MVL - Professional Dairy Association
www.mvl.fi
- ✓ Nousu - Nordea Union Finland
www.nousu.org
- ✓ Pardia ry - Confederation of State Employees' Unions
www.pardia.fi
- ✓ SETELI - Finnish Federation of Technicians in Special Branches
www.seteli.fi
- ✓ SKL - Finnish Engineers' Association
www.konepaallystoliitto.fi
- ✓ SLPL - Finnish Ships' Officers' Association
www.seacommand.fi
- ✓ SPAL - The Finnish Association of Fire Fighters
www.palomiesliitto.fi
- ✓ SuPer - The Finnish Union of Practical Nurses
www.superliitto.fi
- ✓ STHL - National Union of Public Health Nurses
www.terveydenhoitajaliitto.fi
- ✓ Kirkon alat - The Union of Church Employees in Finland
www.kirkonalat.fi
- ✓ Tehy - Union of Health and Social Care Professionals
www.tehy.fi
- ✓ PRO Union
www.proliitto.fi
- ✓ VvL - The Union of Insurance Employees
www.vvl.fi

