

Time to update your employment contract templates

Changes in Swedish law following the implementation of the Transparent and Predictable Working Conditions directive

The Swedish parliament has recently passed a bill which implements the EU directive (2019/1152) on Transparent and Predictable Working Conditions. This directive was introduced with the objective of raising employment standards throughout the EU with more transparent and predictable conditions of work.

The implementation of the directive into Swedish law has primarily been made through changes in the Swedish Employment Protection Act (*Sw: Lag om anställningsskydd*) which will **enter into force on 29 June 2022**. We have summarized some of these changes in this newsletter below.

Following these changes, our recommendation is to **update your employment contract templates** and also your HR guidelines where relevant.

Additional information must be provided to the employees in writing

There are already rules in The Swedish Employment Protection Act regarding which terms and conditions of employment that the employer must provide to the employees in writing. From 29 June 2022, employers in Sweden must, also provide the employees with the following information in writing:

- The workplace or, if there is no particular workplace, information that the work will be performed on different locations or that the employee is free to choose their own workplace;
- The particular terms and conditions for any probationary period;
- The length of the employee's regular workday or workweek. A minimum number of hours must be provided, meaning that zero-hour contracts are not allowed;
- The way the salary will be paid out (e.g. via transfer to the employee's bank account);
- Whether separate compensation will be paid for overtime work or additional work (for part-time employees) and, if such compensation is paid, the rates of the compensation;
- The minimum notification period which the employer must apply when informing the employee of scheduling of working hours and on-call work. This also means that the employment contract should state the normal working hours;
- Information on whether any training will be offered to the employee during the employment (e.g. how many hours of training that will be offered or a reference to any company training policy);
- The provisions that must be adhered to for the employer and the employee to terminate the employment contract; and



- A clarification that the employer pays the statutory social security contributions on top of the salary and that the employer will pay statutory sick pay and, where applicable, any occupational health, pension etc that the employer provides.

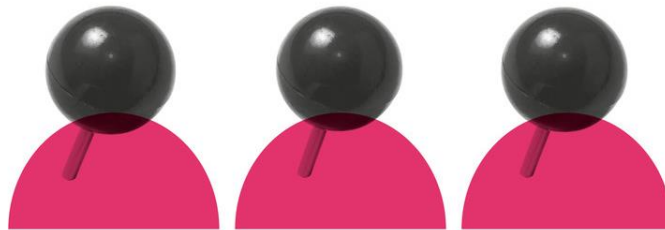
The above information must be provided in writing within one week from commencement of the employment, as opposed to the current rule which states one month. Any changes in the terms and conditions of employment must also be notified in writing no later than the day on which they are implemented, as opposed to the current rule which states within a month.

The new information requirement will apply to all categories of employees, including those who are currently exempted from The Swedish Employment Protection Act, i.e. managers, family members of the employer etc. There will also be an extended information requirement to posted workers.

New rules on the employee's right to be engaged in another employment

From 29 June 2022, employers may not prohibit employees to be engaged in another employment. This means that employees may work for two employers at the same time. Further, under the new rules, employers may not disadvantage or treat employees less favorably because they are engaged in another employment. However, the right to be engaged in another employment does not apply if the other employment 1) has a negative impact on the employee's ability to perform their work duties, 2) competes with the employer's business in a detrimental way, or 3) otherwise can be detrimental to the employer.

It is common that employment contracts in Sweden state that the employee may not be engaged in any other employment or business during the employment at all. With the new rules that will be implemented on 29 June 2022, such a provision will no longer be permissible.



Please do not hesitate to reach out to us if you have any questions or need advice related to the implementation of the new directive or if you would like our assistance with updating your employment contract templates or HR guidelines. You can contact the Employment Law Practice Group directly or send an email to us via partner Per Westman (PerWestman@eversheds-sutherland.se) or partner Torbjörn Lindmark (TorbjornLindmarkversheds-sutherland.se).

About our Employment Law Practice Group at Eversheds Sutherland Sweden

Our Employment Law Practice Group consists of partners Per Westman and Torbjörn Lindmark and associates Rebecca Farkhooy, Sina Amini, Gustav Lindgren and Elvira Näs (currently on leave of absence). We advise Swedish and international clients in employment law and GDPR related matters.



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