

### **1.13 Locally Employed Staff**

Locally employed staff members are, as a rule, permanently resident in Finland prior to their employment with a mission. Their employment differs from the employment of those staff members who are assigned to duty directly from the sending state. The latter are usually considered to be on a temporary assignment as administrative/technical staff or service staff of the Missions.

The above does not limit the right of persons who are entitled to free movement in the EU to engage themselves in employment in foreign missions.

#### ***1.13.1 Conditions of Employment***

Work performed in Finland is usually governed by the Finnish employment legislation. The employment legislation lays down the terms and conditions of employment on the labour market. In addition the employers' and employees' organisations enter into public and private sector collective agreements that specify wages and also terms and conditions of employment in a particular sector or occupation. Pursuant to the Finnish Employment Contracts Act the so-called universally binding collective agreements are binding in their respective sectors also on unaffiliated employers (i.e. employers who do not belong to an employers' organisation), even if they are not party to the collective agreement.

The employer and employee can also opt for the applicable law in employment contracts of an international nature that specify a connection with another state. However, it is the opinion of the Government of Finland that, as a rule, the minimum level of employment terms provided by the mandatory and absolute provisions of the Finnish labour and social laws must be respected whenever a mission hires local staff.

The Occupational Safety and Health Administration provides instructions and advice on questions related to terms of an employment relationship governed by the Finnish employment legislation.

Missions can contact the Occupational Safety and Health Division at the Regional State Administrative Agency for advice on employment matters. The office in Helsinki receives clients with appointments. The telephone number is 0295 016 000 (please ask for the field responsible for occupational safety and health/appointment booking) and e-mail address as follows: [tyosuojelu.etela@avi.fi](mailto:tyosuojelu.etela@avi.fi). Also the Nationwide Telephone Service (Tel. 0295 016 620) gives advice and instructions related to health and safety at work and employment terms.

More information is available on the web site of the Occupational Safety and Health Administration at [www.tyosuojelu.fi/](http://www.tyosuojelu.fi/) (please choose English)

The Ministry of Economic Affairs and Employment publishes also information on working life rules.

More information is available on the web site of the Ministry of Economic Affairs and Employment at <http://tem.fi/etusivu> (please choose English→ Working life →Labour legislation).

***Principal terms of employment:***

The following summarizes some central mandatory provisions of the Finnish labour legislation. While these guidelines aim to introduce central aspects of Finnish labour legislation, these cannot be considered as a full account on the theme.

- **The employer must present the employee with written information on the principal terms of work** including start date, duration, tasks, grounds for determining pay and other remuneration, regular working hours, annual holidays and period of notice. A format for a working contract is also available on the website of the Occupational Safety and Health Administration (Annex 9) at:

[http://www.tyosuojelu.fi/documents/95118/1478089/Contract\\_of\\_employment](http://www.tyosuojelu.fi/documents/95118/1478089/Contract_of_employment)

- **Working Hours:** The time spent on work and the time an employee is required to be present at a place of work at the employer's disposal are considered working hours. Regular working hours total a maximum of eight hours a day and 40 hours a week. During the 24 hours following each work shift, employees must be provided with a daily rest period of at least 11 hours and, once a week, a rest period of at least 35 hours. Young persons (under 18 years) are specifically protected in terms of work conditions and working hours.

Working hours may also be arranged as period-based work. More information on working hours in period based work is available at:

<http://www.tyosuojelu.fi/web/en/employment-relationship/working-hours/regular-working-hours>

- **Salary** levels should be in par with the payment levels in similar employments in Finland. If in-kind benefits such as housing benefits are provided, their tax value can be counted as part of the salary. Salary should be paid monthly or at shorter intervals. The employer must issue a pay slip to the employee in connection with every payment.

Standard tax values of the in-kind-benefits can be checked from the Tax Administration.

- The provisions in chapter 3 (**income taxation**) must also be observed. The missions are, however, not obliged to withhold taxes for the salary paid to a locally employed staff member. The income tax is paid by the employee through payment of taxes in advance.

- **Holiday:** Holiday is accumulated during the holiday credit year (1<sup>st</sup> April to 31<sup>st</sup> March).
  - If by the end of the holiday credit year (31<sup>st</sup> March) an employee has been employed for less than a year, they acquire 2 days of paid holiday per worked month.
  - If an employee has by 31<sup>st</sup> March been employed for a year or more, they acquire 2.5 days of paid holiday per month for that year.

When taking holiday, days from Monday to Saturday are calculated as taken holiday days. Only in exceptional cases (e.g. if the contract ends) holiday can be replaced by a monetary compensation. Locally employed staff members are also entitled to family leaves, such as maternity/paternity leaves, where applicable.

- **Terminating an Employment Relationship:**

An employment relationship may be terminated because of the expiry of its fixed term, dismissal, cancellation or in special circumstances being deemed cancelled. Both employer and employee may terminate the employment relationship when grounds for termination, as provided for by law, exist. More information on terminating an employment relationship is available at:

<http://www.tyosuojele.fi/web/en/employment-relationship/termination>

- *A fixed-term employment contract* is binding on the employer and the employee for the whole duration of the contract period.
- *An employment contract valid until further notice* can be terminated on the basis of a notice of termination by the employer or the employee, after the period of notice.

### **1.13.2 Statutory Earnings-related Contributions**

In Finland both the employers and the employees contribute to the statutory insurance through statutory insurance contributions. These contributions include earnings-related pension, accident insurance, health insurance and unemployment insurance.

Missions are advised to pay attention to the payment of the health insurance contribution. Foreign missions are not required to pay the employer's share of the health insurance contribution but the payment of health insurance contribution is a prerequisite for receiving compensation from the Social Insurance Institution (Kela) for e.g. necessary and reasonable costs for occupational health care. It should be noted as well that accession to the statutory public health insurance on voluntary basis is not possible in Finland.

Whenever hiring local staff missions should contact the Social Insurance Institution of Finland (Kela) in order to make certain which **social security scheme** is applicable and which payments for social security benefits are obligatory for each employee. **Kela's Centre for International Affairs** provides service on coverage and benefit issues tel. 020 634 0200 and e-mail [inter.helsinki@kela.fi](mailto:inter.helsinki@kela.fi)

Kela decides independently on the access of each employee to social benefits administered by Kela, e.g. sickness-related benefits.

More information on the social security scheme of Finland is also available on the web site of the Social Insurance Institution of Finland (Kela) at <http://www.kela.fi/>

As regards the statutory **earnings-related pension** contributions it is advisable to contact the Finnish Centre for Pensions.

Centre for Pensions:

[www.etk.fi](http://www.etk.fi)

Tel. 029 411 20

Pensions advice: Tel: 029 411 2821 / [elakekysymykset@etk.fi](mailto:elakekysymykset@etk.fi)

Customer Service Desk: Kirjurinkatu 3 (Itä-Pasila), Helsinki (from 8 a.m. to 4 p.m.)

The Federation of Accident Insurance Institution provides information on statutory **accident insurance contributions**.

Federation of Accident Insurance Institutions

[www.tvl.fi](http://www.tvl.fi)

Tel: 0405 504240

As a rule, employers and employees are also obliged to pay **unemployment insurance** contributions. Missions are advised to contact the Unemployment Insurance Fund for further advice concerning their obligations.

The Unemployment Insurance Fund

[www.tvr.fi](http://www.tvr.fi)

Customer service

Tel: 075 757 0500 (from 9 a.m. to 4 p.m.)

### **1.13.3 Occupational Health Care**

The Occupational Safety and Health Act is applicable to employment relations in Finland. This means that a mission is, as a rule, responsible for the occupational health of local staff members as provided in the Occupational Health Care Act.

The key objective in the occupational health care is to promote and maintain the employees' ability to work and prevent work-related health hazards and adverse effects.

An employer may acquire occupational health care services from:

- occupational health care units at public health centres
- municipal enterprises and companies providing occupational health care
- occupational health care centres jointly operated by several employers (occupational health care associations)
- occupational health care units at private medical centres.

The employer may also provide in-house occupational health care services.

Kela compensates the employer for necessary and reasonable costs incurred through providing occupational health care to employees who are insured in Finland and on condition that the statutory preconditions are met. The payment of health insurance contribution is a prerequisite for receiving compensation from Kela. Other preconditions include e.g. the following:

- the service is provided by a service provider that has an operating licence for the service and the service is provided by personnel qualified for occupational health care as required in the Occupational Health Care Act,
- the service is free of charge to the employees,
- the employer has a valid occupational health care service agreement,
- the occupational health service plan is up to date and the planned functions are being implemented and
- the costs of the employer are based on the accountancy of the financial year of the employer.

The foundation of occupational health care is a workplace survey, which the occupational health care service performs and writes up in a report.

There is no obligation for an employer to offer more extensive occupational health care for employees, such as services of a general practitioner.

### **1.13.4 Health Care**

Health care services in Finland are provided by the public and private sector. All foreigners have the right to urgent care in the Finnish public health care sector, which is defined as care for medical conditions arising unexpectedly in the country of stay and demanding immediate medical assistance.

Health care arrangements for locally employed staff members depend on whether the person is resident in Finland, or whether the person is entitled to public health care services under EU regulations or under a bilateral health care/ social security agreement.

Persons who are permanently resident in a municipality in Finland are, as a rule, entitled to use public health care services. A locally employed staff member may also under EU regulations or other applicable statutes be entitled to public health care services in Finland. In that case Kela will issue a Certificate of entitlement for medical care in Finland to the person concerned which shall be used whenever visiting a public health care service. If the person is not entitled to the public health care under Finnish national legislation, EU regulations or bilateral agreements, he/she is charged a fee that covers the full cost of the service.

Persons covered by the Finnish sickness insurance or persons entitled to health care benefits under Finnish legislation, EU regulations or bilateral health care/social security agreements are entitled to a partial reimbursement of the fees charged by private health care including pharmacies.

#### **1.13.5 European Health Insurance Card**

Anyone carrying a European Health Insurance Card is entitled to receive medically necessary care while staying temporarily in an EU Member State or in Iceland, Liechtenstein, Norway or Switzerland. The treatment is provided subject to the legislation and regulations of the country where it is given. The procedure for getting the treatment and any client fee charged is the same as those that apply to local residents.

A summary of the use of the European Health Insurance Card is available on the web site of Kela at <http://www.kela.fi/> (please choose in English → Our Services → Cards granted by Kela)

For treatment not covered by the European Health Insurance Card, an E112 or S2 form must be submitted to the public health care service provider. In order to receive more extensive health (including medical) care, members of missions and their family members should register for a certification which is issued by the Social Insurance Institution of Finland (Kela). An E106 or S1 form must be presented to Kela for the certification.

Both forms may be obtained from the competent authorities of the person's permanent country of residence. After registration, Kela issues a national document *Certificate of entitlement for medical care in Finland* to the person concerned, which shall be used whenever visiting the public health care service.

#### ***1.13.6 Residence of Municipality***

The Act on Municipality of Residence provides that a person, who is in the service of a diplomatic mission or in a consulate of a foreign state, does not have a municipality of residence in Finland unless the person is of Finnish nationality, or has a municipality of residence obtained prior to the service in the mission. The same applies to the family members or private servants of the person concerned.

The register offices ("maistraatti") provide information about domicile issues. More information is available on the following website: <http://www.maistraatti.fi/>