

# Flexibility, adaptability and security

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

## **Reformed labour law**

Labour law will be adapted to today's labour market to meet an increased need for flexibility and security. Employers will gain increased flexibility and better opportunities to adapt skills according to the needs of their activities, as well as lower costs in connection with dismissals. Workers will gain greater security. General fixed-term employment will be abolished and replaced by specific fixed-term employment, which will be more rapidly converted into permanent employment – the time period will be halved. Steps will be taken to regulate re-regulation to lower level of working time and to prevent hiring of labour from becoming permanent. Full-time employment will be the norm.

## **Finance scheme for transition and retraining**

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

## **Transition and skills support**

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



## **Reformed labour law**

### **Order of priority in the event of dismissals**

In the event of dismissal due to lack of work, employers may exempt three employees from the rules on the order of dismissal.

### **Disputes concerning invalidity**

An employment contract is terminated at the end of the notice period, even if the dismissal is in dispute.

### **Re-regulation to lower level of working time**

In the event of a re-organisation, employees whose professional duties are equivalent are to be offered lower levels of working time under specific order of priority rules.

### **Fixed-term employment**

The employment form 'general fixed-term employment' will be abolished. It will be replaced by the employment form 'specific fixed-term employment'.

### **Hiring out of workers**

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

### **Full-time as the norm**

Full-time employment is to be the general rule unless otherwise agreed.

### **Dismissals**

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

## **Finance scheme for transition and retraining**

The new scheme can be provided for a period corresponding to a total of 44 weeks full-time studies. It is proposed that the support be provided for full-time studies and part-time studies covering 20, 40, 50, 60 or 75 per cent of full-time.

### **Target group for the support**

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

### **Eligibility for the support**

It will be possible to use the finance scheme for courses in Sweden that are currently eligible for student finance, as well as for courses financed by a transition organisation.

### **Size of support**

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

### **Administration of support**

The scheme will be administered by the Swedish Board of Student Finance.

### **Support provided subject to availability of funds**

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

## **Transition and skills support**

The new support will cover both employed workers and workers whose employment contract has been terminated. Access to the support will be conditional upon meeting a condition that the employee must have worked an average of at least 16 hours per week during each calendar month for at least twelve months in a framework period of 24 months prior to applying for support.

The basic transition and skills support will consist of guidance, advice and enhanced support.

### **The Legal, Financial and Administrative Services Agency will administer the new support**

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

### **Possibility for employers to receive compensation**

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

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