

Bird & Bird & Amendments to the Annual Holidays Act 1 April 2019

What will change and when?

The employees' statutory paid annual leave entitlement is supplemented by a completely new concept of additional leave days from 1 April 2019 onwards. The employer is obliged to grant these additional leave days, when the employee has not been able to accrue the full annual leave entitlement, which is 24 days, for example due to the employee's incapacity to work (sick leave).

The initial plan to comprehensively reform the Annual Holidays Act was withdrawn. Nonetheless, these smaller amendments aim to enforce the legal state regarding the interpretation of the Working Hours Directive also in Finland. As of 1 April 2019, the new legislation requires the employers to update their annual holiday related practices. The amendments affect, in particular, the administrative work of the employer while bearing in mind that the costs of the annual holidays are also likely to increase.

What are the next steps for the employer?

Employer's practices

- Necessary updates of the employer's practices regarding annual leave caused by the amended legislation.
- Changes in the granting of annual holidays and the practical application of the additional leave days.
- Updating the salary calculation and duties to inform and consult the employees along with possible cooperation obligations.

Annual Holiday Records

- Impacts to the employer's annual holiday system covering the calculation of the holiday entitlement and the accrual of annual leave.
- The inclusion and simultaneous separation of the additional leave days in the annual holiday records.

Our experts at your service

Bird & Bird's experts are at your disposal to assess the impacts of the new Annual Holidays Act on your business. We are also happy to assist in your practical work such as planning and conducting the needed changes.

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