

MAKING EMPLOYMENT EASY

HOW TO TERMINATE A
WORKER IN SWEDEN

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CLIENT: US HEADQUARTERED BIOTECHNOLOGY COMPANY

REGION: SWEDEN

CHALLENGE

A major Biotechnology company, headquartered in the US, has partnered with Capital GES since 2016 for the employment of several of their key workers across Europe. At the end of last year, they contacted Capital GES with a tricky situation; one of their more senior workers (within their sales function) was consistently underperforming and they wanted to terminate his employment contract.

With the worker being an employee of Capital GES (via an Employer of Record solution) it was key that the client did not act alone and terminate without our guidance and support – this could lead to all sorts of fines and penalties. We therefore discussed with the client how the termination process in Sweden worked and the different steps that must be followed.

SOLUTION

Terminations are notoriously complex in Sweden as most workers sign up to a union (governed by specific collective bargaining agreements) when they start their employment. This results in extra steps and rules that must be followed to avoid any unwanted penalties and fines for the end client.

To start the termination process the worker must be first sent a pre-notice: this is a written document informing the worker that an employment termination is being considered, and that a termination notice would be sent in 14 days' time. The reason for the pre-notice is to ask whether the worker is part of a union: note that this letter does not stipulate the reasons of the termination.

Once the worker confirmed they were a member of a union, we contacted that union to inform them of the worker's termination. As part of the process, we explained the reasons behind this decision and when we intended to serve notice. In this case the union didn't agree with the termination rationale and requested additional compensation for the individual – this meant we had to enter into a formal negotiation process. Only once a settlement was agreed between both parties (which took several weeks) were we able to terminate the worker's employment contract without recourse.

RESULTS

After the worker was issued with their contractually agreed 30 days' notice, an additional severance payment which was agreed by the worker's union was given to the worker. The union also stipulated that we had to include on top of the severance package all accrued and untaken holiday.

By using Capital's EOR solution the client was able to terminate the worker in Sweden without the stress and hassle of having to understand the in-country laws and navigate around the different aspects of negotiation. The client was very happy with this outcome, and they continue to operate in Sweden successfully and profitably.



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