



**Global Employment
Compass
Sweden**

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1. Summary of applicable rights for different categories of workers

	Employees (part-time or full-time)	Independent contractors/ service providers	Volunteers
Employment laws and regulations	Yes	No*	No****
Employees' compensation/remuneration requirements	See below	No*	No****
Minimum wage requirements	See below	No*	No****
Mandatory provident fund/retirement benefit fund contributions	See below	No*	No****
Immigration requirements including the right to work in your country	Yes	Yes**	No*****
Personal Data (Privacy) laws and regulations	Yes	Yes	Yes
Anti-discrimination laws and regulations	Yes	Yes	No*****

* Assumes a genuine self-employed independent contractor/service provider arrangement and the individual not being deemed to be an employee

** The independent contractor must have required work permits in place, but the end user company is only liable in certain situations (primarily within construction work) if the independent contractor transpires to be an illegal worker

*** Assumes a genuinely voluntary arrangement, e.g. unpaid, and the individual not being deemed to be an employee, or under a contractual obligation to carry out any work

**** There is no liability for the organization other than for employees and, in some cases, independent contractors. However, due to a risk that the volunteer could be deemed an employee, it would be recommended to ensure that the volunteer has a right to live and work in Sweden



***** Assumes a genuinely voluntary arrangement and the individual not being deemed to be an employee, an intern or other categories covered by the Swedish Discrimination Act. This must be assessed on a case-by-case basis.



2. Legal requirements/rights/ practices for different categories of workers

a. Employees

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Definition of an employee

There is not any official, legal definition of an employee in any employment laws in Sweden. The assessment of whether an individual is an employee is instead made on a case-by-case basis and there is extensive case law from the Swedish Labour Court on this topic. The key factors identified in case law for determining if there is an employment relationship are: 1) it is a voluntary agreement, 2) work is considered to be performed from an employment law perspective; and 3) the individual performs the work themselves on behalf of the company (employer). Other factors such as payment of salary are also relevant in each case.

1 Contracts of Employment

What types of employment contracts are available? E.g. fixed term, part time, zero hour contracts, other? Are there any specific employment contracts available for non-profit organizations?

Fixed-term (including special fixed term, seasonal fixed term and substitute contracts) and part-time contracts are available. While zero hours contracts are not recognized as an employment form, they are in practice not feasible since there is a requirement under law to state the working time in the employment contract. Thus, employers must in practice state a minimum working time in the employment contract which is guaranteed from the employer's side.

There are not any specific employment contracts available for non-profit organizations.

Collective bargaining agreements ('CBAs') may include additional or different rules regarding employment types.





What are the key terms of employment contracts?

The following information must be provided within one week of the employment's commencement date:

- names and addresses of parties, commencement date, workplace (or, if there is no fixed or main workplace, information that the work is to be carried out in different places or that the employee can decide on their workplace);
- employee's duties, occupational designation or title;
- starting rate of pay, other wage benefits, intervals at which the pay is to be paid and payment method;
- length of the employee's normal working days or working week, or, if this cannot be determined due to how the employer arranges the working hours, information concerning the length of the employment's working hours by other means;
- conditions for over-time and additional working hours, including any remuneration that may apply for such work;
- minimum notice period to inform about changes to ordinary work hours or on-call (standby) hours, and where appropriate, whether the organization of such work hours varies from time to time and the rules for shift change; and
- whether the employment is fixed term, indefinite term or probationary, and:
 - if for an indefinite term - which notice period will apply;
 - if for a fixed-term - the expiry date of employment or conditions governing the termination of employment;
 - if probation - the length of the probation period and any other conditions that may apply to the probation period;

The following information must be provided within one month of the employment's commencement date:

- if applicable, any right to training provided by the employer;
- the length of the employee's paid annual leave;
- applicable rules for when the employer and/or employee wish to terminate the employment;
- information concerning the employer's social security contributions; and
- the collective agreement which is applicable, where relevant.

In addition to the above, an employer must, with respect to agency workers, provide the name and address of the hiring company as soon as this information is available to the employer.

Employment contracts frequently include post-employment restrictions relating to for example confidentiality and intellectual property. Additional benefits, such as company car and pension benefits, are often also included, as well as variable pay clauses (bonus and commission clauses), which are usually linked to achievement of set individual and/or company targets.





If the employer is bound by a CBA there will be a number of terms and conditions of employment which cannot be varied by an individual employment contract. Before drafting a contract, it is therefore important to check whether a CBA applies to the employment relationship.

Is it acceptable to have a probation period for employees? If yes, for how long?

Probation periods are commonly used. The maximum probation period is six months and it cannot be extended unless it is for a completely new position. There is also recent case law from the Swedish Labour Court which has established that the probation period may otherwise be extended under very special circumstances, namely if the employee has been absent for a long period (at least five of the six months of probation).

The employer shall notify the employee two weeks prior to termination. There is no notice period for termination by the employee.

CBAs may include additional or different rules regarding probation.

Are fixed term employment contracts permissible? Are there any limitations on fixed term contracts? Are there any requirements to have a fixed term contract?

Fixed term contracts are permissible. Fixed term contracts are only allowed in the following situations:

- Special fixed term employment
- For temporary substitute
- For seasonal employment
- For probationary period.

There is a maximum duration for fixed term contracts:

- 1)** For a special fixed-term contract a maximum of twelve months during five-year period.
- 2)** Probation; maximum six months.
- 3)** for a temporary substitute; a maximum of two years during a five-year period.

If the fixed-term contract exceeds the above limits, it will automatically convert into an indefinite-term employment.

Special fixed-term or temporary substitute contracts of employees aged 69 years or older do not become indefinite term employment contracts even if the above time limit has been exceeded.

In addition to the above, employers must offer indefinite term employment to temporary agency workers who have worked for the employer at the same operational unit for more than 24 months during the last 36-month period, or pay compensation (in the amount of twice the worker's monthly salary) to the temporary worker instead. Offers for indefinite-term employment must be given within one month of the temporary agency worker qualifying for the offer.

There are no limits on successive fixed term contracts, as long as the maximum duration is not exceeded. Deviation can be made by a CBA.

The employer must inform the employee in writing that the position is fixed term within one week of starting work, but in practice enter into a written employment contract before employment starts to avoid disputes.





Fixed-term employees are protected under law from being treated less favorably than employees on an indefinite-term contract, e.g. in terms of benefits and other terms and conditions of employment.

Employers must inform fixed-term employees of any vacancies that become available. If the employer is bound by a CBA, trade unions must be informed of the use of fixed-term contracts.

Do employment contracts have to be in writing? Are there any signatory requirements for employment contracts? For example, could they be signed in-person or electronically, etc.)?

There is no legal requirement for a contract of employment to be in writing. However, all employees who are covered by the Swedish Employment Protection Act are entitled to receive a written statement of certain terms and conditions within one week or one month respectively of their starting date (please see above). This means that in practice, employees normally have a written contract of employment. Managing Directors will not usually be covered by the Employment Protection Act.

Do employees have to be issued with a written employment contract before they start work?

Please see above.

Can you provide a simple template of the contracts mentioned above?

There is no universal template in Sweden. The contract should be prepared based on the particular circumstances of the appointment.

Is there an obligation for an employer to run a criminal record check to the extent that any individual they hire will be working with children or vulnerable people?

There are only certain employments that require the employer to run a criminal record check. For example, this includes employments within schools, pre-schools, high schools or other similar educational institutions, certain service providers for children with disabilities and certain types of care homes for children.

There are also other types of employment where it is legally permitted, but not legally required, for the employer to run a criminal record check. For example, this includes employment within a company or organization which performs work directly with children or which involves regular contact with children and certain types of care homes for children or disabled persons.

Where it is not legally required or permitted to conduct criminal record checks, the employer must not perform checks since it could trigger GDPR risks.

Can employers request references from former employers for new hires?

Yes.

Is an employer required to set up any form of employee representative body? If so, what is the trigger for this?

No, although legislation has been implemented in relation to European Works Councils in Sweden, in practice these are not common.

The employer must consult with and inform trade unions to which it is bound by a CBA about developments in the business and before certain decisions are taken.





Also, employers that are not bound by any CBA must inform and consult in some respects with such trade unions that have members among the affected employees. The obligation to consult must be fully carried out before the decision is taken. The final decision, however, always remains with the employer.

Is it common to have collective agreements in your jurisdiction that apply to all employers in a particular region or sector?

Traditionally, trade unions and employers' associations have a strong position and considerable influence on employment relationships. Trade union membership amongst employees is common. Around 70% of the Swedish companies are bound by a CBA and it is more common that big companies with a large headcount are bound by a CBA in Sweden than smaller companies with a smaller headcount.

If the employer is bound by a CBA, all employees (including union members and sometimes non-members) who belong to that particular industry sector are covered by the rights and obligations under that CBA.

A CBA can be negotiated directly between employer and trade union. However, they are usually negotiated between the employers' association and the trade unions for a specific industry sector. If an employer is a member of the employers' association, the CBA will, in most cases, apply to the employer.

2 Conditions of employment

What is the minimum age requirement for employment?

Children under the age of 13 may not be employed or in any other way perform work unless there are very special circumstances (e.g. very easy work duties within the family that do not involve any risk). Children between the ages of 13 and 18 may perform work but there are special rules that apply by the Swedish Work Environment Agency regarding working hours, work environment and work duties that they may perform.

What type of work may a child undertake? For example, are there any specific restrictions?

As mentioned above, children below the age of 13 may as a starting point not perform work unless there are very special circumstances. Children between the ages of 13 and 16 may perform easy work which does not involve any risk. For example, they may not perform work which involves lifting heavy objects or work in environments where there is a risk for violence or conflicts. They may also not sell tobacco, alcohol and other products that have an age limit. Children that have finished primary school and reached or will reach the age of 16 during the relevant calendar year may not perform work which involves special risk. There is a detailed list from the Swedish Work Environment Agency regarding what types of work that are prohibited for this category, for example work that involves certain chemicals or different types of construction work, homecare service etc.

All children must also receive a sufficient introduction to the work duties and have a mentor at the workplace who is at least 18 years old and has at least one year's experience of the relevant work duties. The employer must also notify and inform the child's parents/guardians about the work.

There are detailed rules on working hours for children below the age of 18, depending on their age. For example, children between 13 and 16 years of age may not work between 8 pm and 6 am,





must have 14 hours' consecutive rest per day and may not work more than 2 hours per day on weekdays and 7 hours on weekends.

Wages

What is the minimum wage requirement for employees? Are there any exceptions in minimum wages for young persons or people with disabilities?

There is no minimum wage in Sweden. However, in some sectors the trade unions have negotiated minimum wages for special groups into their CBAs.

Are there any conditions which warrant a pay raise or extra pay? If yes, what are they?

No, not under law. However, most CBAs have separate agreements (which have been negotiated between the employer's associations and trade unions) regarding annual salary reviews and pay raises.

When are wages due? For example, is there any obligation to pay wages weekly, or monthly?

There are not any legal rules on this. However, some CBAs may contain provisions in this regard. Market practice in Sweden is monthly salary paid on the 25th day of each month.

Are employers obliged to provide employees with paid leave on public holidays?

There are 13 public holidays in Sweden which are paid days for an employee who works full-time. Employees who work part-time are only entitled to paid leave on public holidays if they were scheduled to work on that day.

Are employers obliged to provide employees with annual leave?

Under the mandatory Annual Leave Act, each employee is entitled to a minimum of 25 holiday days per year; this may be paid or unpaid depending on whether any paid holiday has been accrued. A CBA can, however, give employees a right to additional holiday entitlement. Employees with no right to overtime pay and senior employees are usually entitled to additional holiday (3-5 days in addition to the statutory minimum).

Are employees entitled to receive their usual salary during their annual leave?

Yes. There are different ways to calculate vacation pay, depending on whether the employee receives a fixed salary each month or if the employee has a large portion of variable salary. The most common calculation method is that the employee receives their regular salary plus a vacation supplement of 0.43% of their monthly salary per each vacation day. CBAs normally provide a higher vacation pay and supplemental rules regarding vacation.

Is there a requirement to pay overtime? How is overtime compensated?

There is not any legal requirement to pay overtime. However, most CBAs provide compensation for overtime work or a higher salary/additional paid vacation days in lieu of compensation for overtime work. Many employers tend to mirror the terms under CBAs.

Are there any extraordinary circumstances that could be relied on to temporarily cease paying employees for the hours worked?

No. Employees may be temporarily laid off but will then keep their salary and benefits during that period. There were different allowances introduced during the pandemic where employers could





reduce working hours for employees and receive government aid for payment of salaries but these options only apply under very special circumstances.

Are employees entitled to an end-of-year payment?

No, there is not any such entitlement under Swedish law.

Are employees entitled to payments when their employment contract is terminated, such as notice or notice pay, accrued or untaken holiday and/or statutory severance?

Yes, employees are entitled to their salary and other employment benefits (e.g. pension, insurances etc.) during the notice period.

The minimum notice period for either party is one month.

The employee is entitled to a notice period of at least:

- two months – when employed for at least two but less than four years
- three months – when employed for at least four but less than six years
- four months – when employed for at least six but less than eight years
- five months – when employed for at least eight but less than ten years
- six months – when employed for at least ten years.

“When employed” means the aggregate length of employment with the employer.

The employee is also entitled to receive compensation for any accrued but untaken vacation days, which must be paid out within a month from the last day of employment. Any vacation pay paid in advance will be deducted from this amount, unless 1) more than five years has passed since the advance vacation was taken, 2) the employment terminates due to the employee’s illness, 3) the employment is terminated due to redundancy, or 4) the employee resigns due to the employer having materially breached its obligations under the employment contract.

There is not any statutory severance payment under Swedish law.

Variations to the above notice periods and rules can be made by an applicable CBA and longer notice periods can be agreed in an individual employment contract. Shorter notice periods than what is stipulated in law and/or the CBA may, however, not be agreed on an individual basis.

Working hours

What is considered a full time working week? If the employee is contractually required to work less than this amount are they considered a part time employee?

Full-time working week is 40 hours, exclusive of lunch. If the employee is contractually required to work less than 40 hours, they are considered part-time employees. However, it is not entirely uncommon that some employers (particularly foreign companies) apply 36- or 38- hours working weeks and nevertheless consider this to be a full-time employment.





Are there fixed public/statutory holidays each year? Can employees be required to work on public/statutory holidays? Are employees entitled to any other type of leave besides public/statutory holidays?

Yes, there are 13 public holidays each year. Employees are entitled to paid leave on the public holidays if they work full-time- Part-time employees are only entitled to paid leave on public holidays if they were otherwise scheduled to work on that day.

Employees can be required to work on public holidays if the need arises.

There are several types of statutory leave under Swedish law, e.g. annual leave, parental leave (including maternity and paternity leave), study leave, leave to start an own business, military leave and so forth. Most types of leave are unpaid insofar as the employer is concerned, but the employee can receive state-funded benefits instead.

Do part time employees receive any particular protection on the basis of their part-time status?

Yes. Part-time employees may not be treated less favorably than full-time employees. For example, if full-time employees are provided with insurance, pension and other benefits, this must also be offered to part-time employees (on a pro-rata basis based on hours worked). The same protection applies to fixed-term employees compared to indefinite-term employees.

If a part-time employee has informed the employer of their interest in working more hours, the employer must take this into consideration when it has a vacancy with more hours.

Do part-time employees receive the same pro-rated terms to full time employees, e.g. in relation to pay and benefits?

Yes, it could otherwise constitute an unlawful disadvantage as described in above.

Social security

What social security contributions are employers obliged to pay? Presumably, pro-rated contributions are required for part time employees?

Employers pay social security contributions at a rate of 31.42% of the employee's monthly salary. Contributions are paid by the employer on top of the salary and directly to the Swedish Tax Agency. The same percentage applies to full-time and part-time employees. However, a lower percentage could apply depending on the employee's age.

Are employers obliged to provide health insurance to their employees?

No, there is not any legal obligation to provide health insurance to employees. However, health insurance must be provided under most CBAs and it is not uncommon that employers that are not bound by a CBA provide health insurance as well.

Are employees entitled to unemployment insurance/benefits following the end of employment?

Most CBAs provide outplacement assistance funded by the employer. Employers that are not bound by a CBA may also provide certain outplacement assistance to the employee and receive compensation for this by the state.





Are employers obliged to provide sick leave? If yes, for how long? How many days have to be paid by employers? Is it possible to have unpaid sick leave?

For sick leave no payment is made for the first day of illness. The employer is however responsible for sick pay for the following 13 days of illness, at the rate of 80% of the employee's usual pay and benefits. After this, the Swedish Social Insurance Agency provides for sickness benefits within certain limits. Employers may request a sickness certificate (issued by a doctor) from the eighth calendar day of sickness, and if the employee does not provide such certificate upon request by the employer, the employer is not obligated to continue to pay sick pay beyond the eighth day.

Are employers obliged to provide maternity leave for employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid maternity leave?

Yes, employees have a right to parental leave under Swedish law, which includes maternity and paternity leave. The leave is unpaid insofar as the employer is concerned. Instead, employees can apply for parental benefit from the Swedish Social Insurance Agency. The extent of the leave entitlement depends on the age of the child and whether the employee receives parental benefit at the same time.

Maternity leave:

A birthing parent is entitled to full-time leave in connection with the birth of a child for a continuous period of at least seven weeks prior to the estimated time of birth and seven weeks after the birth. A minimum of two weeks of maternity leave is compulsory during the period before or after childbirth. It is up to each employee to decide whether to take the minimum two weeks or more. The employee is also entitled to statutory leave for breastfeeding the child.

During maternity leave, employers do not pay salary to the employee. Instead, employees can claim parental benefit from the Swedish Social Insurance Agency which amounts to approximately 80% of the salary. All birthing parents are, however, normally entitled to maternity leave even if they do not receive parental benefit from the Swedish Social Insurance Agency. For this reason, maternity leave does not need to be taken along with the payment of statutory parental benefit.

Paternity leave:

A partner of a birthing parent is entitled to take up to 10 working days paternity leave per child. This must be taken within the first 60 days of the child returning home and can be taken as whole days or 75%, 50%, 25% or 12.5% of normal working hours.

This type of leave is commonly referred to as "paternity leave". However, other persons than partners of the birthing parent may be entitled to temporary parental benefit, such as a close relative. Such persons will be entitled to paternity leave provided that they are eligible to receive temporary parental benefit from the Swedish Social Insurance Agency.

During paternity leave, employers do not pay salary to the employee. Instead, employees can claim temporary parental benefit from the Swedish Social Insurance Agency which amounts to approximately 80% of the salary. Employees are only entitled to paternity leave if they receive temporary parental benefit from the Swedish Social Insurance Agency at the same time.

Parental leave:

Any employee who is the biological parent of the child is entitled to parental leave. The same right extends to an employee who:





- is married to and permanently living with one of the child's biological parents.
- is a partner who co-habits (i.e., is a sambo (a Swedish term for two unmarried people living together as a couple)) with one of the child's biological parents.
- although not a biological parent, is the legal guardian and takes care of the child.
- has taken the child into foster care within their own home or has been legally approved to become the adoptive parent of the child.

Entitlement to parental leave is for a total of 480 days per child, with the parental benefit from the Swedish Social Insurance Agency. For the period that parental benefit is not claimed, these days are not deducted from the total entitlement of 480 days. This means that if the employee combines the different leave types described in the below (with and without parental benefit) the employee can be on leave for even longer periods.

There are different rules regarding allocation of the leave days between the parents, depending on when the child is born. If the child was born in 2016 or later (a fixed statutory date), 90 days are allocated to each parent and cannot be transferred between them. The remaining 300 days can be shared. If the child was born in 2015 or earlier (a fixed statutory date), 60 days are allocated to each parent and cannot be transferred between them. The remaining 360 days can be shared. A single parent with sole custody is entitled to take the full 480 days of leave with parental benefit.

In case of multiple births (e.g., twins) or multiple adoptions, there is an additional entitlement of 180 days of parental benefit.

- **Parental leave until the child is 18 months old**

Employees are entitled to full-time leave until the child is 18 months old. This leave does not need to be taken in conjunction with the payment of parental benefit. An employee who has adopted a child or received a child for placement with the intention of adopting is entitled to full-time leave for 18 months from the placement date.

- **Parental leave after the child is 18 months old**

Employees are entitled to:

- 1)** Part-time leave in conjunction with payment of parental benefit, either 75%, 50%, 25%, or 12.5% of normal working days. If the child was born on 1 January 2014 (a fixed statutory date) or later, the employee is entitled to parental benefit up to and including the day the child turns 12 years or when the child finishes 5th grade. If the child was born before 1 January 2014, the employee is entitled to parental benefit up to and including the day the child finishes 1st grade. If the child reaches the age of 8 after the completion of the school year, the entitlement to parental benefit applies until the child's 8th birthday.
- 2)** Part time leave without parental benefit, by shortening of normal working by up to 25%. Employees who do not receive parental benefit are entitled to shorten their normal working hours even if their full parental leave entitlement has been used. This leave entitlement applies if the child has not yet reached the age of 8 or if the child is older but has not yet completed its first school year.





Is paternity leave available to employees? If yes, for how long? How many days/months have to be paid by employers? Is it possible to have unpaid paternity leave?

Please see above.

Are employers liable for absence due to work-place injuries?

If the employee cannot work due to a work-place injury, the regular rules on sick leave apply as described above.

Are employees entitled to retirement benefits from the employer? If yes, what benefits?

No, not under mandatory law. However, if the employer is bound by a CBA, the employer must pay pension contributions under the pension schemes in the CBA.

The employer may also provide pension entitlement on a voluntary basis by, for example, paying pension premiums to an insurance company.

Are employers obliged to introduce reporting channels and legal safeguards for whistleblowers?

Yes, the EU Whistleblower Directive has been implemented in Swedish law. The national whistleblowing law in Sweden states, for example, that employers with 50 or more employees are obligated to have internal reporting channels and processes for reporting and follow-up. This must be in place by 17 December 2023 at the latest. Employers in the public sector and employers in the private sector with at least 249 employees must have implemented these channels and processes already in 17 July 2022.

3 Safe and supportive work environment

Broadly what measures have to be in place to ensure employers uphold health and safety? (such as fire or earthquake drills)

Employers are responsible for ensuring the health and safety of their employees and those that are affected by their activities. The work environments obligations are primarily regulated by the Swedish Work Environment Act and different provisions from the Swedish Work Environment Agency, the most important being the provisions on Systematic Work Environment Management. Systematic Work Environment Management means that the employer must investigate, carry out and follow-up activities in such a way that ill-health and accidents are prevented, and a satisfactory working environment is achieved. The range of legal obligations placed on employers with respect to health and safety is extensive, with the particular obligations which apply in any given case depending on factors including the activities carried out by the company and the extent of the risks posed by those activities. Employers must at all times conduct work environment risk assessments to identify and mitigate risks.

In companies with at least five employees, the employees may appoint a safety representative to represent them in matters related to the work environment. In companies with at least 50 employees, or in smaller companies when requested by the employees, a safety committee must be established which consists of representatives from both the employer and the employee.





Is there a requirement for an employer to issue any form of non-discrimination policies? (such as gender equality policies, equal employment opportunities, diversity, and inclusion policies, etc.)

Yes, employers must have written guidelines and routines in place to prevent harassment, sexual harassment and retaliation. All employers with at least 25 employees must also document in writing the active measures that they take under the Swedish Discrimination Act to prevent discrimination. Annual gender pay gap surveys must be documented in writing in companies with at least 10 employees.

Is there a requirement to provide employees with training designed to combat discrimination and harassment?

All employees must at least be informed of the discrimination, equality and harassment policies that apply in the workplace. Training could be needed for example to ensure that managers apply non-discriminatory and gender neutral work processes. Such training would then, where needed, fall within the employer's obligation to take active measures to prevent discrimination and harassment.

Is there a requirement to have a data protection policy?

Yes, companies must inform (in writing) their employees and other individuals how they process their personal data, for what purpose the data is processed etc. This information is normally provided in the form of a privacy policy.

Is it mandatory for employers to have a Child Protection Policy (CPP)? Are employees obliged to provide training on CPP to its employees?

There is not any requirement to have a Child Protection Policy in Sweden. However, employers must follow the special rules that apply for employees below the age of 18.

4 Tax

Which taxes are mandatory for employers to pay and deduct on behalf of their employees?

Employers pay social security contributions (31.42%) on top of the employee's salary directly to the Swedish Tax Agency. Further, employers withhold the applicable income tax which is deducted from the employee's salary and paid directly to the Swedish Tax Agency.

Are all employee taxes deducted from the salary that the employer pays or is there a requirement for employees to pay certain taxes directly?

The applicable income tax on the salary is withheld by the employer (not the employee) and paid directly to the Swedish Tax Agency.

5 Remote work

Are employers required to have a registered legal entity in the jurisdiction in order to employ employees in the jurisdiction?

Employees could be employed by a foreign entity but work in Sweden, provided that the foreign entity has completed the necessary tax registrations with the Swedish Tax Agency. Depending on





the establishment and business operations in Sweden, the foreign entity could also be required from a corporate and tax law perspective to establish a branch in Sweden.

Are employers required to provide any form of physical working space for employees working in your country?

No, there is not any requirement to provide a physical working space for employees. However, even if the employee works from home, the employer is still responsible for the employee's work environment and must ensure the employee's health and safety. In practice, the employer should have a dialogue with the employee regarding what they need in their home office and how to best achieve a safe workspace. The employer must also pay for the costs of any equipment needed from an ergonomic perspective (e.g. chair, desk, lamp) if the employee cannot achieve an ergonomic set-up with the means they have at home.

Please provide general instructions for employers on what to check if the employer has remote employees, including concerning employee tax liabilities.

Some examples of issues that need to be considered for remote employees are the following:

- 1) Insurance coverage. It should be checked if any insurances which the company has in place also covers incidents which occur in the employee's home
- 2) Data protection
- 3) Work environment
- 4) Payment to employees for costs incurred from the homeworking. Although this is not legally obligated, it is advisable to reimburse employees for any significantly increased costs (e.g. if the employee needs to purchase any special equipment)
- 5) If it is a foreign entity with remote workers in Sweden, it should be checked if governing law has been agreed in the employment contract. Otherwise, it should be assessed what law that is applicable to the employment. If the employee lives and performs the work only in Sweden, it is most likely Swedish law that will apply.

Tax liabilities are the same for remote and office-based employees. However, remote employees could be liable to pay benefit tax on any allowances or reimbursements that they receive from the employer for the homeworking, if the amounts exceed what covers actual costs. There may also be possibilities for the employees to make tax deductions if they have a home-office but this is up to the employee to address with the Swedish Tax Agency.

In the event that employees are working remotely from another jurisdiction, an employer will need to assess the tax obligations that will arise in the country in which the employee is working. Whilst each jurisdiction will have different obligations in terms of the payment and deduction of taxes, the following factors are likely to be relevant: where is the employee living and working, does the employee split their time working in different jurisdictions? What nationality is the employee? Where do they have tax residence? Where is the company for which they are working based?





6 What to do when things go wrong

Dispute resolution

Do employees (including volunteers) need to go through any form of dispute resolution before bringing a claim to a court or tribunal?

Where there is a requirement for employers to consult with trade unions (e.g. in cases of termination of employment), or the employee's trade union has requested consultation with the employer, the trade union consultations must first be concluded before a claim can be brought to the Swedish Labour Court. Most CBA's also have separate rules on consultation processes prior to bringing a claim to a court.

Please note the above only applies to employees and not volunteers.

Resignation

What grounds do employees have for resignation?

There are no legally specified grounds for resignation. An employee can resign for any reason at any time, giving their contractual or statutory period of notice to the employer. Employees may also resign with immediate effect, i.e. without giving notice, if the employer has materially breached its obligations towards the employee.

Termination

What grounds do employers have for the termination of employment contracts?

If the Employment Protection Act is applicable to the employment, notice of termination by the employer must be based on objective grounds. There are only two objective grounds: redundancy (e.g. reorganizations, downsizing and other reasons related to the business) or personal grounds relating to a specific employee (e.g. misconduct or poor performance).

Employees may be summarily dismissed if they have grossly neglected their obligations to the employer.

The requirement to have objective grounds does not apply to employees aged 69 years or older. This means that the employment contract of such employees may be terminated even if there are no objective grounds, and the employer does not need to specify the reason for the termination.

How do employers have to document the termination of an employment contract?

The procedure which must be followed on termination depends on the ground on which the employee is being terminated.

— Redundancy/reorganizations:

To terminate employment due to redundancy, the employer must show that there is a real redundancy situation. Generally, courts tend to accept the employer's explanation behind the redundancy but the employer should be prepared to explain and justify the business rationale, e.g. through financial reports, organization charts, business plans describing the need for the intended changes and so forth. The procedure may involve consultations with trade unions, assessment of the priority order ('last in - first out' principle), redeployment to vacant positions and, if the employment can be terminated, a written notice of termination. Work environment risk assessments should also be made, preferably in writing, which describe any risks identified with the intended reorganization and how these risks will be mitigated.





– Termination on personal grounds related to the employee:

Termination on this ground is normally difficult to carry out and the burden of proof lies with the employer. An overall assessment of all factors involved must always be made. The key factors are the severity of the employee's breach or misconduct. Length of service or the likelihood of the employee committing similar breaches in the future is not taken into consideration.

In general, the employer must be prepared to prove that the employee, for example, is guilty of misconduct, that the employer has done what can reasonably be expected to make the employee aware of the misconduct and taken steps to ensure that the employee stops the misconduct; including a "warning" that the employment may be terminated if the misconduct continues. The employer must also show that measures have been taken to support the employee and that the employee has been given reasonable chance for improvement. The procedure involves notification requirements and, if the employment is to be terminated, a formal written notice of termination.

If the employee has grossly neglected their obligations to the employer, the employee may be summarily dismissed. This is subject to notification requirements and, if the employment is to be terminated, a written notice of summary dismissal is required.

If the employment is unlawfully terminated, the employer may be liable for considerable damages. However, employees do not have a right to remain in employment during court proceedings if they challenge the termination in court.

What is the responsibility of employers for damages incurred by an employee's actions within his/her work?

As a starting point, employers are fully responsible for damages incurred by an employee during the performance of their work duties. Employees are only responsible themselves if there are special circumstances with respect to the nature of the employee's actions, the employee's position, the interests of the employer or the third-party to which the damages are incurred and other circumstances.





b. Independent contractors/consultants*

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Definition of an independent contractor/consultant

There is not any legal definition of an independent contractor or consultant under Swedish law. Instead, an assessment must be made on a case-by-case basis of whether the individual is an employee or an independent contractor. There is extensive case law on this topic and factors that generally speak towards an employment relationship rather than a consultancy agreement are:

- duty to personally carry out the work,
- performs the duties at the company's premises,
- continually performs the tasks assigned to him/her (lasting relationship),
- prohibited to perform similar work for other companies,
- subject to the company's staff management regarding e.g. how and when to perform the work, bonus entitlements etc.,
- uses the company's work equipment such as computers, software etc.,
- entitled to some sort of fixed salary and,
- indefinite duration of the relationship

As mentioned, an assessment is always made on a case-by-case basis but the above factors generally increase the misclassification risk, meaning a risk that the consultant is deemed an employee if legally challenged.

Please note that the information in the remainder of this section assumes an independent contractor/consultancy agreement, and not a hired worker from a hiring agency, since a different set of rules apply to the latter

** The term consultant will be used to also refer to independent contractors, or any other term that would mean a person that provides goods or services under a written contract or a verbal agreement but does not work to meet the definition of employee.*





1 Contracts

What types of independent contractor/consultant agreements are available? Are there any specific agreements available to NGOs?

There is no legal requirement for any particular form of agreements when engaging independent contractors /consultants, and no legally required agreement format for NGOs. When engaging contractors/consultants on an ad hoc basis, a “framework” agreement with the contractor/consultant is often used, with separate letters of instruction (or similar) then provided in advance of each new instruction.

What are the main elements of consultant agreements?

Consultant agreements will typically include provisions around the term of the engagement, duties and obligations, fees, expenses, confirmation information, data protection, intellectual property, protection for confidential information, insurance and liability, termination, notices, governing law and jurisdiction. Consultant agreements should also include a provision that the consultant must be approved for Swedish corporate tax (F-skatt) as a precondition for the agreement.

Is it possible to have probation periods for independent contractors/consultants? If yes, for how long?

This is not recommended as probation periods are used for employees, and it would significantly increase the misclassification risk.

Is it possible to have a fixed term consultation/independent contractor agreement? Are there any restrictions around fixed term consultant/independent contractor agreements?

Yes, and this is also recommended. An indefinite duration of the agreement would increase the misclassification risk significantly. Most usually, the term of the fixed contract would be for the term of a particular project, as the nature of a consultant/independent contractor arrangement is often that the arrangement ends when the work is completed.

Do independent contractor/consultant agreements have to be in writing? Are there any signatory requirements? For example, could they be signed in-person or electronically, etc.)?

There is generally no legal requirement for the consultant/independent contractor agreement to be in writing, although this is recommended and considered best practice. The agreement can be signed in person or electronically.

Do all types of independent contractors/consultants have to be under contract in order to be able to work?

The contract will set out the terms on which the work will be carried out, but there is no legal obligation for this to be in any particular format, and it can be a verbal or written agreement. However, as mentioned in 1 e., written form is recommended.

Can you provide a simple template of the agreements mentioned above?

There is no universal template in Sweden. The contract should be prepared based on the particular circumstances of the appointment.





Is there an obligation to run a criminal record check to the extent that any independent contractor will be working with children or vulnerable people?

This must be assessed on a case-by-case basis. For the types of employment that are mentioned above, where it is either required or permitted to conduct criminal record checks for employees, the same could apply to contractors but this depends on the type of consultancy agreement or arrangement in place. In these situations and sectors (e.g. schools), independent contractors are not very common. Instead, they will either be employees or hired workers from a hiring agency. In the latter case, it is the hiring agency that will run the necessary criminal record checks.

Where it is not legally required or permitted to conduct criminal record checks, the employer must not perform checks since it could trigger GDPR risks.

2 Conditions of work for consultants

Are there any minimum age requirements for an individual to work under a consultant/independent contractor agreement?

The same rules regarding underage employees apply to underage independent consultants, as described above. However, children under the age of 16 cannot establish their own company, so it will in practice not be possible to hire a person younger than the age of 16 as an independent consultant/contractor.

Does a consultant/independent contractor need to obtain a license or any other permission in order to work?

No, aside from the registrations needed from a tax and corporate perspective.

Payment

Are there any minimum pay requirements for consultants/independent contractors?

No.

Are there any exceptions in minimum wages for young persons or people with disabilities?

N/A.

Is there any requirement to provide statutory/paid leave to consultants for statutory holidays?

No, assuming that the consultant/independent contractor is not deemed to be an employee. This is also not recommended as it would significantly increase the misclassification risk.

Is there any requirement to pay annual leave to consultant/independent contractors? If so, how is this compensated, if at all?

No, assuming that the consultant/independent contractor is not deemed to be an employee. This is also not recommended as it would significantly increase the misclassification risk.

Is there an obligation to provide consultant/independent contractors with overtime? How is this compensated if required?

There is no legal right to overtime, unless provided for under the terms of the contract. However, to lower the misclassification risk, consultants/independent contractors should not receive a fixed





compensation per month but rather a compensation for each hour worked, meaning that they should also receive compensation if they work "overtime".

Are consultants entitled to an end-of-year payment?

No, and this is also not recommended as it would significantly increase the misclassification risk.

Are consultants entitled to a final payment when the contract is terminated?

There is no legal right to a final payment on termination, unless provided for under the terms of the contract.

Working hours

Are consultants entitled to any type of leave, whether paid or unpaid?

No, assuming that the consultant/independent contractor is not deemed to be an employee. This is also not recommended as it would significantly increase the misclassification risk.

Social security

Does the end user engager need to make any social security contributions on behalf of a consultant/independent contractor? Are independent contractors entitled to health insurance from the end user engager?

There is not any legal right to insurance from the end user engager and this should also be avoided to lower the misclassification risk. The end user engager does not make social security contributions. It is instead the consultant/independent contractor that pays its own taxes and contributions to the Swedish Tax Agency.

Are independent contractors/consultants entitled to unemployment insurance/benefits after termination of their independent contractor/consultancy agreement from the end user engager?

No, assuming that the consultant/independent contractor is not deemed to be an employee, they will not be entitled to benefits after termination of the agreement. This should also be avoided to lower the misclassification risk. However, contractors can apply for unemployment insurance from the Swedish Social Insurance Agency in the same way as employees who have been terminated.

Are independent contractors/consultants entitled to sick leave from the end user engager? If yes, for how long? How many days have to be paid?

No, assuming that the consultant/independent contractor is not deemed to be an employee. This is also not recommended as it would significantly increase the misclassification risk.

Are independent contractors/consultants entitled to maternity leave from the end user engager? If yes, for how long? How many days/months have to be paid?

No, assuming that the consultant/independent contractor is not deemed to be an employee. This is also not recommended as it would significantly increase the misclassification risk.





Are independent contractors/consultants entitled to paternity leave from the end user engager? If yes, for how long? How many days/months should be paid?

No, assuming that the consultant/independent contractor is not deemed to be an employee. This is also not recommended as it would significantly increase the misclassification risk.

Are employers obliged to cover work-place injuries for independent contractors/consultants?

No, and this should also be avoided to lower the misclassification risk.

Are independent contractors/consultants entitled to retirement benefits from the end user? If yes, what benefits?

No, and this should also be avoided to lower the misclassification risk.

3 Safe and supportive work environment

Are there any differences in terms of the regime that applies to employees?

A company is responsible for ensuring the health and safety of their employees as well as consultants, if the consultants perform the work in the company's workplace or if the company otherwise is in control of the workplace/work environment. To this extent, the obligation is the same as that which applies in relation to employees.

4 Remote work

Are end user engagers required to have a registered legal entity in the jurisdiction in order to hire independent contractors/consultants there?

No, but the end user engager could be required to establish a branch in the jurisdiction from a corporate and tax perspective, depending on the establishment and business operation in the jurisdiction.

5 What to do when things go wrong

Resignation

Do consultants/independent contractors need a reason to terminate the contract or can they terminate it for any reason in accordance with the terms of the contract?

There are no legally specified grounds for resignation, although the reasons for termination (and the impact of that reason on other terms such as notice) will often be set out in the contract.

Termination of agreement

What grounds do end user engagers have for the termination of consultant agreements?

There are no legally specified grounds for the termination of consultant agreements. Termination grounds will depend on the terms of the contract.

What is the responsibility of the end user engagers for damages incurred by a consultant's actions within his/her work?

This will depend on the terms of the contract. If nothing has been agreed between the parties regarding liability for damages, general principles of tort law and the Swedish Tort Liability Act will





apply. Under the Swedish Tort Liability Act, an end user engager could be liable for damages incurred by a consultant if the consultant performs work under circumstances similar to those of an employment relationship.





c. Volunteers

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Definition of a volunteer

There is not any legal definition of volunteers under Swedish employment law. Generally, volunteers will not usually be considered to be employees, as a genuinely voluntary arrangement will lack the mutuality of obligation between the volunteer and the organization they are volunteering for, and the organization will generally not provide any payment to the volunteer. If the volunteer receives any form of compensation from the organization, performs work duties similar to those of an employee and has obligations towards the organization, it should be considered whether the volunteer should instead be treated as an employee. In practice, however, the risk is not very high that a volunteer will claim to be an employee if the arrangement is entirely voluntary, even if a certain level of compensation is provided.

The information in the remainder of this section assumes a genuinely voluntary arrangement, with the volunteer not being an employee.

1 Contracts

Are organizations required to sign any form of agreement with volunteers?

There is no legal requirement to enter into a written agreement with volunteers, although from a practical perspective confirming the arrangement in writing, often in the form of a volunteer agreement and/or policy, is advisable to clarify expectations.

2 Conditions of employment

Is there a minimum age requirement for volunteers?

It is recommended to apply the same age limits and requirements that apply for employees, as described in the Employees section of this guide.

What type of volunteering work may a child undertake? Are there any restrictions around this?

It is recommended to apply the same requirements that apply for employees, as described in the Employees section of this guide.





Payments and reimbursement

Are organizations allowed to pay stipends to volunteers?

Yes, but paying any type of compensation to the volunteer will increase the risk of the volunteer being considered to be an employee. If the organization intends to compensate the volunteer the organization should instead consider hiring the volunteer as an employee.

Are organizations allowed to reimburse volunteers? If yes, for what expenses (such as transportation, food, etc.).

Yes, it is allowed to reimburse employees for actual costs incurred from the volunteer work. Provided that the reimbursement is intended to cover actual costs and not compensate the volunteer above this, there is generally not any risk that the volunteer could be considered to be an employee.

Payment that is more than out-of-pocket expenses could also trigger tax obligations for both the organization and the employee.

Working hours

Are there any obligations around how many hours volunteers can work?

No, but it is recommended to not exceed the working-hour limits that apply under law for employees. There are examples of the Swedish Work Environment Agency conducting inspections of organizations that hire volunteers and that the organizations have been deemed liable for breach of working-hour rules, since the volunteers were considered by the Swedish Work Environment Agency to be employees and had exceeded statutory working-hour limits.

Are volunteers entitled to any type of leave?

No.

Social security

Are organizations obliged to pay any social security contributions on behalf of their volunteers?

No.

Are organizations obliged to provide health insurance to volunteers?

No.

Are organizations liable for absences of volunteers due to work-place injuries?

The volunteer has no legal right to sick leave/pay. Insurance taken out by the organization to include volunteers may help to pay compensation if a volunteer is injured or becomes ill because of the volunteering activities.

3 Safe and supportive work environment

Are there any differences in terms of the regime that applies to employees?

From a strict legal perspective, the organization does not have the same work environment responsibility for volunteers as for employees and independent contractors/consultants. However, organizations should provide the same level of protection to volunteers where they carry out





similar activities and are exposed to the same level of risk as employees. Best practice would therefore be to carry out risk assessments to identify risks and put appropriate measures in place. This is particularly important in case the volunteer could be deemed an employee, e.g. in cases where the volunteer receives compensation from the organization. There are examples of the Swedish Work Environment Agency conducting inspections of the work environment of volunteers, and that an organization has been deemed liable for breaches of work environment laws in cases where the volunteers have been classified as employees.

4 Tax

Are organizations obliged to pay taxes if they pay their volunteers stipends? If yes, what types of taxes are mandatory to pay?

Any payment that is more than out-of-pocket expenses could trigger tax obligations for both the organization and the volunteer, and it would also increase the risk of the volunteer being deemed an employee.

5 What to do when things go wrong

What grounds do organizations have for the termination of volunteer agreements/arrangements?

There are no legally specified grounds for the termination of volunteer arrangements.

What is the responsibility of organizations for damages incurred by a volunteer's actions within his/her work?

Under the Swedish Tort Liability Act, an organization be liable for damages incurred by a volunteer if the volunteer performs work under circumstances similar to those of an employment relationship. There is, thus, a risk that an organization could be held liable for damages incurred by its volunteers.





d. Non-citizen employees and consultants, including refugees and others forcibly displaced

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1 Status and the right to work

Are employers obliged to secure legal status for their employees or consultants if they are non-citizens? (such as refugee status, humanitarian visas, visas for trafficking survivors, other recognized protection statuses, etc.)

No, although employers are obligated to ensure that their employees have the right to work in Sweden (please see below).

Are employers obliged to secure work permits for their employees or consultants?

No, it is the employee or consultant that must secure their own permit, but the employer or end user will likely need to be involved in the application process to verify employment/contract details etc. Further, employers are obligated to conduct right-to-work checks on their employees before commencement of work. The same obligation to conduct right-to-work checks does not apply in relation to consultants. However, in some situations, primarily within construction work, the following applies. If a company is an end user of services provided by a contractor, and one of the contractor's employees transpires to be an illegal worker, the end user company could also be held liable if they knew or had reasons to suspect that the worker did not have the necessary immigration permits and the end user company did not undertake reasonable measures to check this.

Is it always necessary to obtain a work permit?

Generally, non-EU/non-EEA citizens will require a work permit to work in Sweden.

Can asylum-seekers and other persons forcibly displaced access the right to work if they do not have refugee status or other recognized protection statuses?

In some cases, asylum-seekers can be granted an exception from the requirement to obtain a work permit and may then be allowed to work whilst waiting for their application for asylum to be processed. This must be assessed by the Swedish Work Environment Agency on a case-by-case basis.





2 Contracts

Are employment contracts or consultant agreements for non-citizens different to those for citizens?

No. However, it is recommended that employment or consultancy agreements for non-EU/non-EEA citizens are conditioned upon the employee or consultant having the right to live and work in Sweden.

3 Conditions of employment

Does national law regulate the quotas for the number of non-citizens within one organization?

No.

Are employers obliged to report about employed non-citizens?

Employers must report to the Swedish Tax Agency if they have employed a non-EU/non-EEA citizen. This must be done at the latest the 12th day of the month after the employee commenced the work. Special rules also apply for employment of asylum seekers, which is described on this page of the Swedish Migration Agency's website:

<https://www.migrationsverket.se/English/Other-operators/Employers/Employing-someone-who-is-already-in-Sweden/Asylum-seekers.html>.

Are there any other differences in conditions of employment for non-citizens and citizens?

No.

Are there any specific employment terms that apply to citizens but not apply to non-citizens?

No.

4 Safe and supportive work environment

Are there any differences in a safe and supportive work environment approach for non-citizens? If yes, please elaborate here.

No.

Does the employer have additional obligations for non-citizens?

No.

5 What to do when things go wrong?

Is the process of termination of an employment contract for non-citizens different than for citizens? If yes, please explain here.

No, provided that Swedish law applies to the employment. For asylum seekers, the employer must notify the Swedish Migration Agency if the employment is terminated. More information on this can be found on this page of the Swedish Migration Agency's website:





<https://www.migrationsverket.se/English/Other-operators/Employers/Employing-someone-who-is-already-in-Sweden/Asylum-seekers.html>.

Is the process of resignation for non-citizens different than for citizens? If yes, please explain here.

No, non-citizens can resign from their employment for any reason, similar to employees who are Swedish nationals. However, a resignation could impact their right to work status.

Are non-citizens entitled to the equal protection of employment laws in the event of employment-related disputes?

Potentially, yes. The applicable law will depend on a number of factors. Any choice of governing law expressed in the contract of employment will often be the starting point for determining the applicable law, although some laws (typically including statutory employment rights) may be mandatory, regardless of what the contract states.





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