



GMS Flash Alert

Immigration Edition

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Sweden - More Rights for Posted Workers, but Also More Compliance Obligations

Starting 30 July 2020, the employment rights for posted workers to Sweden are more comprehensive, and include such things as equivalency of pay (as compared with local workers) and broader applicability of rules around working conditions.¹ Additionally, the compliance requirement may be heavier for both the foreign employer as well as for the recipients of the services in Sweden, for example there are enhanced obligations around reporting to the competent authority and documentation submissions.²

WHY THIS MATTERS

All employers employing posted workers should pay attention to the recent legislative changes.

The list of working and payroll conditions that must be applied to posted workers is now broader than in the past. Furthermore, long-term posted workers (the workers posted for more than 12 months or 18 months) are now entitled to all working conditions prevalent in the host country, except for the legal regulation of the origination, change, and termination of an employment relationship.

The new rules could have the result of increasing the costs related to the posting of workers and, simultaneously, a higher administrative burden for employers.

Main Changes

- Required remuneration will no longer be limited to minimum wage pay, but a posted worker should be entitled to the same salary level as a Swedish worker.
- Posting-related compensation for travel, accommodation, and meals should not be counted when assessing the required salary.

- The rights pertaining to trade unions taking industrial actions are increased, and the so-called “hard-core” terms of employment are expanded.
- Protection for workers posted for longer periods (more than 12 months) has been strengthened, meaning that almost all domestic working conditions will apply to them.
- Foreign employers must report every posting to the Swedish Work Environment Authority and appoint a contact person in Sweden no later than the date the posting begins. The 5-day limit is removed.
- The foreign employers must provide documentation to the recipient of services in Sweden that the posting has been reported.
- Recipients of services in Sweden must notify the Swedish Work Environment Authority if they do not receive documentation from the employer that the posting was reported.

Risks of Non-Compliance

If the employer or the recipient of the services does not comply with these requirements, a penalty fine of SEK 20,000 can be imposed.

KPMG NOTE

The new rules will affect the information that needs to be provided to the Swedish Work Environment Authority when registering a posted worker. A new updated online-form will be launched this autumn.

FOOTNOTES:

1 Ref. to the Posting of Workers Act (SFS 1999:678) (Sw. *Utstationeringslagen*) and the Government bill 2019/20:150 (Sw. *Prop. 2019/20:150 “Mer likabehandling och ett stärkt skydd vid utstationering*).

2 See the full text of the [Directive 2018/957/EU](#) on posting of workers. For related coverage of the directive, see GMS [Flash Alert 2020-329](#) (27 July 2020) and [Flash Alert 2020-292](#) (23 June 2020). For coverage of the revised directive, as well as what other countries are doing to transpose the directive into national law, see the following issues of GMS *Flash Alert*: [2020-377](#) (28 August 2020), [2020-371](#) (26 August 2020), [2020-356](#) (14 August 2020), [2020-334](#) (29 July 2020), [2020-329](#) (27 July 2020), [2020-327](#) (23 July 2020), [2020-292](#) (23 June 2020), [2018-111](#) (24 August 2018), and [2017-160](#) (6 November 2017).

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