

# Norway Says Goodbye to Temporary Workers? How Recent Changes to the Law Will Impact Employers

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In light of upcoming changes to Norway's Working Environment Act, employers with workers in that country need to assess and reconsider how — and whether — to hire employees for temporary positions. Lawmakers recently revoked a law that provided one common pathway for employers to hire workers on a temporary basis, meaning that as of July 1 your options will be restricted. This means you may need to shift your operations and your hiring strategies to adapt to the new normal in Norway when it comes to temporary workers. What do you need to know and what should you do about these changes?

#### What's Changed?

The main principle of <u>Norwegian employment law</u> is that employees must be "permanently employed." This means that the employment relationship is "<u>continuous and not time limited</u>" (i.e., the employeent relationship runs until the employee resigns or the employer terminates the employee).

To advance this goal, Norway's <u>Ministry of Labour and Social Inclusion recommended that the Norwegian Parliament revoke subparagraph Section 14.9(2)(f) of Norway's Working Environment Act, which permitted employers to hire an employee for temporary appointment without having to make specific showings as to why the employment needed to be temporary. <u>In April 2022, the Norwegian Parliament officially revoked the access to temporary employees under subsection (f)</u>. The revocation of access to this kind of temporary employee entails major changes for employers operating in Norway.</u>

## What's Remaining?

Given these changes, employers in Norway may now only hire an employee for a temporary basis under very limited circumstances as enumerated in Section 14.9(2) of Norway's Working Environment Act. Specifically, an employer may hire an employee for a temporary basis in the following instances:

- When the work is of a temporary nature;
- For work as a temporary replacement for another person or persons;

- For work as a trainee;
- With participants in labor market schemes under the auspices of or in cooperation with the Labour and Welfare Service; or
- With athletes, trainers, referees, and other leaders within organized sports.

Before April 2022, subparagraph (2)(f) allowed employers to hire temporary employees <u>"for a maximum period of 12 months" for up to 15% of the employer's workforce.</u> This "quota" provision did not require any showing that the position was temporary under any of the other five provisions. Rather, it was viewed as a "catchall" provision that allowed employers to hire temporary employees for any purpose, so long as they kept the number below the 15% threshold. Now, with the Norwegian Parliament removing access to this kind of temporary employee, employers must show that the work falls into one of the above requirements to constitute lawful temporary work.

## **Trend Sweeping Europe**

This trend to end temporary work has been growing since the adoption by the European Union of the Directive on Temporary Agency Work in 2008. For example, in December 2021, Spain adopted a regulation that limits the number of reasons a company can engage with a temporary worker. It also requires that workers on a temporary contract in the same position for 18 months in the last two years automatically become permanent workers.

#### What Should You Do?

The revocation of subsection (f) goes into effect on July 1, 2022. Employers should assess their hiring needs going forward and plan for how the adoption of this proposal may impact their business.

We will monitor these developments and provide updates as warranted, so make sure that you are <u>subscribed to Fisher Phillips' Insights</u> to get the most up-to-date information direct to your inbox. If your organization does business or employs any individuals in Norway, or anywhere else in the EU, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our <u>International Practice Group</u> to learn more about the implications of this new law.

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