

# Guide starting a business in Sweden

Here is a guide for you as an employer when starting a business in Sweden. Here you can obtain information on what to think of when hiring employees. Please note that there can be other legal areas to cover if you are about to start a business in Sweden.

## 1. Register as an employer

You are legally obliged to register your business as an employer at the Swedish Tax Authority: [www.skatteverket.se](https://www.skatteverket.se)

## 2. Right to work

You should ensure that your employees have the legal right to work in Sweden. For more information, including what documents are acceptable, see the Swedish Migration Board's homepage: <https://www.migrationsverket.se/English/Other-operators/Employers.html>

Employers can obtain fine and even prison if you cannot prove that you have checked an employee's right to work in Sweden.

You may also need to help your employee from another country to report to the Swedish Social Insurance Agency according to certain criteria: Work in Sweden - Försäkringskassan ([forsakringskassan.se](https://forsakringskassan.se))

If your employee is from a country outside of EU you may need to report this to the Swedish Tax Authority:

Om du har anställt en tredjelandsmedborgare behöver du även anmäla detta till Skatteverket: Anställning av tredjelandsmedborgare | Skatteverket

## 3. Background check

Prior to the employment commencing, you should complete any other background checks. These should include checking:

**Criminal record:** this is allowed for certain jobs, where a legislative support exists. This is allowed and required for working with children in healthcare and in schools etc. For other jobs it is not forbidden to demand an extract of criminal record but your future employee has no obligation to hand in an extract – it is voluntary.

**References:** it is common to take references from 2-3 different references.

**Professional qualifications:** certain jobs require proof of qualifications and education, if this is the case you must demand the employee to hand in a certificate to prove qualifications.

#### 4. Employment agreement, consultancy agreement

You must have legal documents signed before the person commence working at your company.

Consultancy agreement: if the person has their own business you can write a consultancy agreement. You can write this directly between, or through an interim-firm.

Agreement with a staffing company: you may enter into a contract with a staffing company and then they will help you with staffing. Please note that there are new rules regarding a maximum period of 2 years having the same person working for you through a staffing company. Läs mer här: [Hyra in konsulter och bemanningsanställda \(hrlegal.se\)](https://hrlegal.se/hyra-in-konsulter-och-bemanningsanstallda)

Employment agreement: if you have decided to employ the employment agreement must be concluded in writing before the employee starts working at your company. The employment agreement also must contain certain information according to a new rule per 29th of June 2022. Please use our employment agreement to be legally secure. You may employ an employee in any of these forms:

- Temporary agreement: maximum 12 months
- Temporary agreement through substitution: replacement of an ordinary employee: maximum 24 months.
- Probation period of 6 months: must be followed by a permanent contract, if continues. You can not use this if the employee has had a temporary contract just before the starting date.
- Permanent contract: for an indefinite period of time.

Save all signed documents for the future.

#### 5. Pension, insurances and the right to paid vacation

It is custom to pay pension in Sweden to employees, so you may want to reach out to pension suppliers in Sweden to decide which pension suppliers you would like to partner with. You should also have insurances that cover your employees if an accident or injury takes place.

Please note that according to law Swedish employees are entitled to 25 paid vacation days per year.

You are also obliged by law to make a yearly Equal Pay Audit, it should be documented if you have 10 employees or more. It is common that many salary systems have amendments to handle Equal Pay Audit, so it could be a good idea to demand this, when deciding upon salary system supplier.

#### 6. Work Environment and Work Hours regulations

There is a waste number of work environmental rules and regulations in Sweden that you are obliged to follow in Sweden. Please go to the Swedish Work Environment Authority: Acts and regulations about work environment - Arbetsmiljöverket ([av.se](https://arbetsmiljoverket.se))

The Swedish Work Environment Authority also monitor the Work Hours Act. You find more information about work hours regulations here: About the Working Hours Act - Arbetsmiljöverket ([av.se](https://arbetsmiljoverket.se))

It is your responsibility as an employer that the employee obtains accurate rest and follow the maximum work hours per week, regulations.

When your business is growing it is common to create an employee handbook with policy and information regarding the most common rules and regulations for companies, employees and HR-supporting functions. The employee handbook often continues information regarding: how to report sick leave, apply for vacation leave, policy regarding work environment, work hour, IT-equipment and IT security etc.

## **7. HR-data and GDPR**

When a person is employed you will obtain personal information regarding your new employee, hence GDPR is applicable. You are, according to GDPR, obliged to keep this information in a secure system which only a few number of employees can have access to, you are obliged to delete this information regularly and only save what is legally necessary. GDPR is monitored in Sweden by the Swedish Authority for Privacy Protection: Data protection | IMY

Please note that if you are transferrering personal information to a salary supplier or a pension supplier you must have certain agreements and systems in place to secure GDPR-accurate handelling.

## **8. Before the employment commence**

It is shown that a professional and good start for an employee creates a foundation for a long employment agreement. Please consider to prepare the following:

- Id/entering-card, computer, it-equipment and authorization in systems, phone – order and prepare as much as possible before the employee has started.
- Reach out to obtain information from the employee to secure salary payments can be made in due time and other benefits
- Introduction: is there a need for education in certain systems? Would it be a good idea to dedicate a certain colleague as a buddy to whom the employee can reach out to during the starting period?
- Are there any rules regarding safety that the employee must know about as soon as the employee has joined: please schedule meetings to secure this.
- Secure that all new employees know how to act in case of fire etc.
- Go through the Employee handbook (if applicable) or policies so the employee know what is expected.
- Ask the employee if there is something the employee lacks to secure a good onboarding, also make time to check this after a month or so.

## **9. Ending an employment agreement**

If it turns out that this was not a good employment arrangement, please note that in Sweden it is very difficult to end an employment agreement. The costs for staffing is very high in Sweden so please make sure to have a careful examination of the employee before entering an agreement. If you must end an employment agreement please reach out for legal advice and support.