Annual Holidays Act (162/2005)

(as amended by the Act No 1448/2007)

Chapter 1 – General Provisions

Section 1 – Scope of application

Unless otherwise provided by law, this Act applies to all work carried out as part of an employment relationship or civil service relationship.

The Act's provisions concerning employees also apply to public servants in central and local government. The provisions on collective agreements correspondingly also apply to collective agreements for public servants in central and local government.

The provisions in sections 6 (2), 8 (2), 10 (3) and (4), and 11 (1) and (3) on employment contracts also apply to arrangements governing the working hours of public servants in central and local government.

Section 2 – Limitations to the scope of application

This Act does not apply to work that, on account of the nature of the employer's operations, is interrupted each year and in which the employees are, under an agreement referred to in section 30, entitled to paid leave that is at least equivalent to the annual holiday provided for in this Act.

Employees working at home referred to in section 2 (1) (3) of the Working Hours Act (605/1996) are, in lieu of annual holiday and holiday pay, entitled to the leave referred to in section 8 (1) and to holiday compensation referred to in section 16 of this Act. The same applies to an employer's family members when there are no other employees working for the employer.

Section 3 – Peremptory nature of the provisions

Any agreement reducing the benefits that an employee is entitled to under this Act is null and void unless otherwise provided in this Act. Provisions on the right of employers' and employees' national associations to deviate from the Act by collective agreements are contained in section 30.

Section 4 – Definitions

For the purposes of this Act:

1) *the holiday credit year* means the period from 1 April to 31 March inclusive;
2) *the holiday season* means the period from 2 May to 30 September inclusive;
3) *a weekday* means a day other than Sundays, church festivals, Independence Day, Christmas Eve, Midsummer Eve, Easter Saturday and the First of May.

Chapter 2 – Length of annual holiday

Section 5 – Earning annual holiday

An employee is entitled to two and a half weekdays of holiday for each full holiday credit month. However, the entitlement is two weekdays of holiday for each full holiday credit month if, by the end of the holiday credit year, the duration of the employment relationship has been an uninterrupted period of less than one year. When the number of days holiday is calculated, any fraction of a day is rounded up to constitute one full day of holiday.

The earning of annual holiday shall continue uninterrupted if the employee transfers directly to the service of an employer which, on the basis of ownership, agreement or some other arrangement, is controlled by:

1) the previous employer;
2) one or more persons who have a close relationship with the previous employer as referred to in section 3 of the Act on the Recovery of Property to the Estate of a Bankrupted Person (758/1991); or
3) persons referred to in paragraphs 1 and 2 together.

The period during which employment is suspended because the employee is doing active military service referred to in the Conscription Act (1438/2007), voluntary military service referred to in the Act on Women's Voluntary Military Service (194/1995) or non-military service referred to in the Non-Military Service Act (1446/2007) is not included in the period of uninterrupted employment referred to in subsection 1 above. (1448/2007)

Section 6 – Full holiday credit month

A calendar month during which an employee has accumulated at least 14 days at work or the equivalent of days at work, as referred to in section 7 (1) and (2), is considered to be a full holiday credit month.

If, in accordance with the employee's contract, the employee works on so few days that he/she does not therefore accumulate 14 days at work in any month or accumulates 14 days at work in only some of the calendar months, a full holiday credit month is considered to be a calendar month during which the employee has accumulated at least 35 hours at work or the equivalent of hours at work as referred to in section 7.

Section 7 – Period equivalent to time at work

Any period of absence from work for which the employer is by law obliged to pay the employee is considered to be a period equivalent to time at work. Any period during which an employee is absent from work because of time off granted for the purpose of adjusting working hours to ensure that his/her average weekly working hours do not exceed the statutory maximum is also considered to be a period equivalent to time at work. However, of the days off granted to adjust weekly working hours during one particular calendar month, only those days off in excess of four are considered to be equivalent to time at work, unless the leave has been granted as an uninterrupted period of more than six weekdays.

During an employment relationship, those working days and working hours when the employee has been unable to work for the reasons set out below are also considered to be the equivalent of days at work:

1) during maternity, special maternity, paternity or parental leave as laid down in Chapter 4, section 1, temporary child-care leave as laid down in section 6, and absence for compelling family reasons as laid down in section 7 of the Employment Contracts Act (55/2001);
2) due to illness or accident, in which case the maximum is 75 working days in one holiday credit year; even if the incapacity continues uninterrupted into the next holiday credit year, the maximum total for the illness or accident will be 75 working days;
3) due to medical rehabilitation prescribed by a doctor for treating an occupational disease or an accident and aimed at restoring or preserving working capacity, in which case the maximum is 75 working days during one holiday credit year; even if the rehabilitation continues uninterrupted into the next holiday credit year, the maximum total for the rehabilitation period will be 75 working days;
4) due to an order issued by the authorities aimed at preventing a disease from spreading;
5) due to study leave referred to in the Study Leave Act (273/1979), in which case the maximum is 30 working days during one holiday credit year and only if the employee has returned to work immediately after the study leave;
6) due to participation in training required for the job and with the consent of the employer, in which case the employer and the employee may agree that only 30 working days at a time can be equivalent to days at work;
7) due to lay-offs, in which case the maximum is 30 working days at a time;
8) due to shortened working weeks equivalent to lay-offs or other comparable working-hour arrangements, in which case the maximum is six months at a time; if such working-hours arrangements continue interrupted after the end of the holiday credit year, a new six-month period is calculated from the start of the new holiday credit year;
9) due to reserve training or extra service, or supplementary service referred to in section 58 or extra service referred to in section 64 of the Non-Military Service Act; or (1448/2007)
10) due to the carrying out of public duties of an elected official or appearance as a witness, which, by law, may not be refused or which may only be refused for special reasons laid down by law.

When applying subsection 2 to employees referred to in section 6 (2), the period equivalent to time at work is considered to be a maximum of 105 calendar days in cases referred to in subsection 2 (2) and 2 (3), and a maximum of 42 calendar days in cases referred to in subsection 2 (5) and 2 (7). When the period of absence is calculated, the absence is considered to have started on the first day on which the employee was absent from work and to have ended on the day on which the grounds for absence expired if the date was agreed or determined in advance, and in other cases on the day of absence preceding the return to work. In these cases, the hours that the employee would, in accordance with his/her contract, have spent at work had he/she not been absent are considered to be hours equivalent to hours at work.

Section 8 – The employee's right to be given leave

An employee who, in accordance with his/her contract, works for less than 14 days or 35 hours during all calendar months is, during the employment relationship, entitled to two weekdays of

leave for each calendar month in which the employment relationship has been in force if he/she so desires. Provisions on the holiday compensation payable for such a period of leave are contained in sections 16 and 19.

An employee who has worked for the same employer under repeated fixed-term employment contracts in the manner referred to in Chapter 1, section 5 of the Employment Contracts Act, is entitled to take leave equivalent to the holiday determined under sections 5-7 of this Act, to the extent that such holiday has not been taken, if he/she so desires.

The employee must give notification of his/her desire to take leave before the start of the holiday season. The provisions in sections 20-26 on the granting of annual holiday shall be observed in the granting of leave, as applicable.

Chapter 3 – Holiday pay

Section 9 – General provision on holiday pay

An employee has a right to receive at least his/her regular or average pay for the time of his/her annual holiday, as laid down in this Act.

Fringe benefits included in the pay must be given in full during the period of annual holiday. Fringe benefits that are not available to the employee during the period of annual holiday are paid as monetary compensation instead.

Section 10 – Holiday pay based on weekly or monthly pay

An employee whose pay has been agreed on a weekly basis or on the basis of a longer period also has a right to receive this pay for the period of his/her annual holiday. If, for the time at work during the holiday credit year, the employee has, in addition to weekly or monthly pay, received or is due other pay that is not related to temporary conditions, this shall be included in the holiday pay calculation as laid down in section 11 (1) and (2).

If an employee is not on annual holiday for the whole pay period, the pay for the time on holiday is calculated on a pro rata basis in relation to the time spent at work, ensuring that it is equivalent to the pay otherwise given to the employee for a corresponding period.

If the employee’s working hours and, correspondingly, his/her pay are changed by agreement during the holiday credit year, the employer and the employee may, when agreeing on the changes in working hours, agree that the employee’s holiday pay will be calculated in accordance with the average weekly or monthly pay for the holiday credit year.

If an employee referred to in section 6 (2) above has, in accordance with the employee’s contract, so few working hours that for this reason not all calendar months are full holiday credit months, his/her holiday pay is calculated as laid down in section 12.

Section 11 – Holiday pay based on average daily pay

The holiday pay of an employee who is not receiving weekly or monthly pay and who, in accordance with an agreement, works at least 14 days per calendar month, is calculated by

multiplying his/her average daily pay by a multiplier determined according to the number of days holiday:

Number of days holiday	Multiplier
2	1.8
3	2.7
4	3.6
5	4.5
6	5.4
7	6.3
8	7.2
9	8.1
10	9.0
11	9.9
12	10.8
13	11.8
14	12.7
15	13.6
16	14.5
17	15.5
18	16.4
19	17.4
20	18.3
21	19.3
22	20.3
23	21.3
24	22.2
25	23.2
26	24.1
27	25.0
28	25.9
29	26.9
30	27.8

If the number of days holiday exceeds 30, the multiplier is increased by 0.9 for each day of holiday.

The average daily pay is calculated such that the pay received by the employee, or his/her pay in arrears, for the time at work during the holiday credit year, excluding any sum payable for emergency overtime work and statutory or agreed overtime work on top of basic pay, is divided by the number of days worked during the holiday credit year, to which is added one-eighth of the hours at work in excess of statutory regular daily working hours or, if there are no legal provisions on the maximum regular daily working hours, one-eighth of the hours at work in excess of agreed regular working hours.

If, in accordance with the employee's contract, the employee's weekly working days number less than or more than five, the average daily pay is multiplied by the number of weekly working days and divided by five.

Section 12 – Percentage-based holiday pay

The holiday pay of an employee working fewer than 14 days per calendar month and not receiving weekly or monthly pay is 9 per cent or, if the employment relationship has lasted for at least one year by the end of the holiday credit year preceding the holiday season, 11.5 per cent, of the pay received, or pay in arrears, for the time at work during the holiday credit year, excluding any sum payable for emergency overtime work and statutory or agreed overtime work.

If the employee has been unable to work during the holiday credit year for reasons referred to in section 7 (2) (1-4) or 7 (2) (7), the calculated amount of unreceived pay for the period of absence is added to the pay used as a basis for calculating holiday pay, the maximum period being that laid down in section 7 (3). Unless otherwise agreed, the pay for the period of absence is calculated on the basis of the employee's average weekly working hours and his/her pay at the start of the period of absence, taking into account any pay rises introduced during the period of absence. If there has been no agreement on the average weekly working hours, the calculated pay is determined on the basis of the average weekly working hours during the 12 weeks preceding the absence.

Section 13 – Annual holiday pay based on service charges
If it has been agreed that the remuneration for work is partly or wholly in the form of service charges received from the public, these will be included in the calculation of holiday pay, pay for carried-over holiday and holiday compensation. The holiday pay payable on the basis of service charges is calculated in the manner laid down in sections 9-12.

Section 14 – Determining the holiday pay calculation method
The holiday pay calculation method is determined in accordance with sections 10-12 on the basis of the payment system applied to the employee at the end of the holiday credit year.

If the employee was receiving monthly pay before the start of the holiday, the employer and the employee may, notwithstanding the provisions in subsection 1, agree that the holiday pay for each period of holiday will be calculated on the basis of the monthly pay otherwise paid to the employee. The agreement must be in writing.

If, for part of the holiday credit year the employee has been earning holiday in accordance with section 6 and for part of the year has come under the leave arrangements referred to in section 8 (1), the holiday pay and holiday compensation for the time spent on holiday and on leave, respectively, are calculated separately for each period.

Section 15 – Payment of holiday pay
Holiday pay must be paid before the start of the holiday. For a holiday period not exceeding six days, the holiday pay may be given on the employee's normal pay day.

Chapter 4 – Holiday compensation

Section 16 – Holiday compensation during an employment relationship
An employee referred to in section 8 (1) above is entitled to receive as holiday compensation 9 per cent, or, if the employment relationship has lasted for at least one year by the end of the holiday credit year preceding the holiday season, 11.5 per cent, of his/her pay, or pay in arrears, for the time at work during the holiday credit year, excluding any sum payable for emergency overtime work and statutory or agreed overtime work. If the employee has been unable to work on account of maternity, special maternity, paternity or parental leave, the pay not received during the period of absence is added to the pay used as a basis for calculating the holiday compensation, as laid down in section 12 (2).

Section 17 – Holiday compensation at the end of an employment relationship
At the end of an employment relationship, the employee is entitled to holiday compensation instead of annual holiday for any holiday entitlement or holiday compensation earned but not yet received. If the employment relationship has lasted at least one year by the time it ends, the employee is entitled to holiday compensation from the start of the current holiday credit year for a period equivalent to the amount of holiday determined in accordance with the first sentence of section 5 (1).

If, in the first and last month of the employment relationship, the employee has accumulated a total number of days or hours at work, or a period equivalent to them, equal to the amount laid down in section 6 and 7 and has not been granted any holiday or holiday compensation for these months, then these months are each considered to constitute one full holiday credit month when the holiday compensation is determined.

Holiday compensation is calculated in compliance with the holiday pay provisions in sections 9-12, as applicable.

An employee who, at the end of the employment relationship, has not accrued holiday entitlement under sections 5-7, is entitled to an amount of holiday compensation calculated as laid down in section 16.

Section 18 – Agreement on transferring annual holiday benefits
When agreeing on a new employment relationship before the end of the current employment relationship, the employer and the employee may agree that the annual holiday benefits accrued by the employee before the end of the current employment relationship will be transferred to be granted during the new employment relationship. The agreement must be in writing.

Section 19 – Payment of holiday compensation
An employee exercising his/her right to take the leave referred to in section 8 (1) is paid holiday compensation under section 16 for this leave and in the manner laid down in section 15. Holiday compensation is otherwise paid no later than the end of the holiday season.

When an employee goes to do military service, voluntary military service or non-military service, he/she is paid holiday compensation determined in accordance with section 17, even if his/her employment relationship is continuing.

Chapter 5 - Granting annual holiday

Section 20 - Time of granting annual holiday
An employee is granted annual holiday at a time determined by the employer, unless the employer and the employee agree on arranging the holiday in the manner referred to in section 21.

A total of 24 weekdays of the annual holiday must be taken in the holiday season (*summer holiday*). The rest of the holiday (*winter holiday*) must be granted by the start of the following holiday season. Summer holiday and winter holiday must each be granted as uninterrupted periods unless, for work continuity reasons, it is essential to divide the portion of the summer holiday exceeding 12 weekdays into one or more parts.

If the granting of a holiday during the holiday season results in substantial difficulties for the employer's operations in seasonal work, the summer holiday may be granted outside the holiday season during the same calendar year.

Section 21 – Agreeing on the division and timing of the annual holiday during an employment relationship
The employer and the employee may agree that the employee will take the portion of the holiday that exceeds 12 weekdays in one or more periods.

The employer and the employee may agree on setting the annual holiday in a period that starts at the beginning of the calendar year which includes the holiday season and ends the following year before the start of the holiday season. Furthermore, an agreement can also be made on the taking of the portion of the holiday exceeding 12 weekdays within one year of the end of the holiday season.

If the employee's employment relationship ends before he/she is entitled to take annual holiday as laid down in section 20, the employer and the employee may agree that the employee can take the annual holiday earned up to the end of his/her employment relationship before the employment relationship ends.

On the initiative of the employee, the employer and the employee may agree on converting the amount of annual holiday in excess of 24 weekdays into shortened working hours. The agreement must be in writing.

Section 22 – Consulting the employees
The employer must explain to the employees or their representatives the general principles observed at the workplace in the granting of annual holidays. Before determining the timing of the holiday, the employer must grant the employees an opportunity to express their views on the matter. The employer must, as far as possible, take the proposals of the employees into consideration and observe impartiality in the timing of the holidays.

Section 23 – Giving notification of the timing of the annual holiday
When determining the timing of the holiday, the employer must notify the employees of this no later than one month before the start of the holiday. If this is not possible, notification of the timing of the holiday may be given at a later date. However, the notification must be given at least two weeks before the start of the holiday.

Section 24 – Arranging annual holiday during an employee's time off
The employer may not, without the consent of the employee, determine that the annual holiday will start on an employee's day off if this would mean a reduction in the number of days holiday for the employee. An amount of holiday that is three days or less may not, without the consent of the employee, be granted if a day of that holiday would fall on a day on which the employee, under his/her duty schedule, has a day off.

The employer may not, without the consent of the employee, determine that the annual holiday will take place at the same time as the employee's maternity or paternity leave. If, because of maternity or paternity leave, the employee's annual holiday cannot be granted in the manner referred to in section 20 or 21, the holiday may be granted within six months of the end of the leave.

Section 25 – Incapacity for work at the start of and during a period of annual holiday
If, at the start of his/her annual holiday or part thereof, an employee is incapacitated because of childbirth, illness or accident, the holiday must, at the request of the employee, be postponed to a later date. The employee also has, at his/her request, a right to have the holiday or part thereof postponed if it is known that during his/her holiday the employee has to receive medical treatment or other comparable treatment during which he/she will be incapacitated.

If the incapacity for work resulting from childbirth, illness or accident starts during a period of annual holiday or part thereof and continues for an interrupted period of more than seven calendar days, the portion of the incapacity period exceeding seven days that occurs during the same period of annual holiday is not considered to be part of the annual holiday if the employee so requests without undue delay.

The employee must, at the request of the employer, present a reliable account of his/her incapacity for work.

Section 26 – Timing of annual holiday postponed because of incapacity for work
A summer holiday postponed under the provisions of section 25 above must be granted during the holiday season, and winter holiday before the start of the following holiday season. If the granting of the holiday in this manner is not possible, the postponed summer holiday may be granted during the same calendar year after the holiday season, and winter holiday by the end of the following calendar year. If, because of a continuing incapacity for work, the granting of the holiday is not possible in the manner referred to above either, the holiday not granted is replaced with holiday compensation referred to in section 17.

The employer must give notification of the timing of the postponed holiday no later than two weeks, or if this is not possible, one week, before the start of the holiday.

Section 27 – Carrying over annual holiday
The employer and the employee may agree that the portion of the holiday that exceeds 18 days will be taken during the following holiday season or thereafter as carried–over holiday. The employee has a right to carry over any portion of his/her holiday exceeding 24 days, provided that this does not cause any serious harm to the production and service operations at the workplace.

The employer and the employee must negotiate about the carrying over of annual holiday and the number of days of holiday to be carried over no later than the time the employer consults the employees about the timing of the annual holiday, as laid down in section 22.

The carried-over holiday must be granted to the employee in the calendar year/years that he/she decides. If it is not possible to agree on a more precise timing of carried-over holiday, the employee must give notification about taking the carried-over holiday no later than four months before it starts. Provisions on the postponing of annual holiday and the granting of postponed holiday in sections 25 and 26 also apply to carried-over holiday.

An employee whose pay is determined in accordance with section 10 has a right to receive this pay for the time of the carried-over holiday. If the employee's pay is determined in accordance with sections 11 or 12, the pay payable to him/her for the time of the carried-over holiday is determined in accordance with the pay of the holiday credit year preceding the start date of the carried-over holiday or part thereof. At the end of the employment relationship, or when the employment relationship is put on a part-time basis or the employee is laid-off without further notice, the employee is entitled to compensation for carried-over holiday not taken, as laid down in section 17.

Chapter 6 – Miscellaneous provisions

Section 28 – Holiday pay statement
When paying holiday pay or holiday compensation, the employer must give the employee a statement detailing the amount of holiday pay or holiday compensation and the basis on which it was determined.

Section 29 – Keeping records of annual holidays
The employer must keep records of the employee's annual holidays and carried-over holidays and the holiday pay and holiday compensation determined on the basis of this Act (*annual holiday records*). The annual holiday records must show the duration and dates of the annual holidays, the amount of holiday pay, and holiday compensation, and the basis on which they are determined.

The annual holiday records and written agreements concluded between the employer and the employee under this Act must be shown on request to the body carrying out occupational safety inspection, the employees' shop steward or the elected representative chosen in accordance with Chapter 13, section 3 of the Employment Contracts Act or, if neither has been elected, to the occupational safety delegate. The employee or anybody authorized by him/her has a right, on

request, to receive written details of the records of the employee's annual holiday and carried-over holiday.

The annual holiday records must be kept at least until the end of the claim period laid down in section 34.

Section 30 – Deviating by collective agreement

The employers' and employees' national associations have a right to agree otherwise on the holiday season, the calculation and payment of holiday pay and holiday compensation, making winter holiday part of other arrangements concerning shortened working hours which they have agreed on, carried-over holidays and the provisions of section 8 (2). A collective agreement between these associations may also include agreement on dividing the portion of annual holiday exceeding 12 weekdays in such a way that it can be taken in one or more parts and on the period equivalent to time at work as laid down in section 7, provided that the duration of employees' annual holidays is equal to that laid down in this Act. However, the provisions of section 7 (2) (1) may not be deviated from by any agreement. Furthermore, national collective agreements for public servants in central and local government may include an agreement on the period of notice to be observed in the transfer or interruption of a public servant's annual holiday, and on the grounds for interrupting a holiday when the transfer or interruption is necessary for weighty reasons connected with the exercise of government authority or essential for carrying out the statutory health and safety-related tasks of a public body.

An employer may also apply the provisions of collective agreements referred to in subsection 1 above in employment relationships of those employees who are not bound by collective agreements but in whose employment relationships the employer is required, under the Collective Agreements Act (436/1946), to apply the provisions of collective agreements. In those employment relationships in which it is permitted to apply the provisions of a collective agreement still in force, and if so agreed in the employment contract, the provisions of a collective agreement referred to above may continue to be applied after the collective agreement expires and until the entry into force of a new collective agreement.

The provisions in this section on an employer's national association correspondingly also apply to a Government negotiating authority or other Government agreement authority, the Commission for Local Authority Employers, the Church of Finland Negotiating Commission, the Orthodox Church of Finland, the Provincial Government of Åland and the Municipal Delegation for Collective Agreements of the Province of Åland. The collective agreements referred to in this section may be concluded by the parties referred to section 46 (1) of the Act on Parliamentary Civil Servants (1197/2003) in the case of Parliament, the parties referred in section 42 (1) of the Act on Civil Servants of the Bank of Finland (1166/1998) in the case of the Bank of Finland, and the parties referred to in section 11 (2) of the Act on the Social Insurance Institution of Finland (731/2001) in the case of the Social Insurance Institution.

Section 31 – Provisions deviating from the law in a generally applicable collective agreement

An employer required to adhere to a generally applicable collective agreement referred to in Chapter 2, section 7 of the Employment Contracts Act may also observe the provisions of a collective agreement referred to in section 30 of this Act within its own scope of application,

provided that application of the provisions does not require agreement at local level. In these cases the provisions of the last sentence of section 30 (2) will also apply.

Section 32 – Annual holiday longer than that provided for by law
Unless otherwise laid down in an agreement, the provisions of this Act on holiday pay and holiday compensation shall apply to any annual holiday which is longer than that provided for by law and based on a collective agreement. Unless otherwise agreed, the portion of the holiday exceeding the holiday provided for by law shall be granted as laid down in section 20 (2) on the granting of winter holiday.

Section 33 – Longer annual holiday for public servants in central government
In addition to what is laid down on annual holiday in this Act, civil-service relationships referred to in the State Civil Servants' Act (750/1994) and the Act on Parliamentary Civil Servants are also subject to the following provisions:

1) a public servant is granted three weekdays of normal annual holiday for each full holiday credit month if, before the start of the holiday season, he/she has a total of at least fifteen years' service entitling him/her to annual holiday;
2) when a portion of a public servant's normal annual holiday other than that belonging to carried-over holiday is taken outside the holiday season, this portion of the holiday is granted with a 50 % extension, though the extension may not be more than half of the duration of the entire holiday of the person in question and may not be more than six weekdays; when a maximum of 34 weekdays of the annual holiday determined in accordance with paragraph 1 is taken during the holiday season, the holiday shall be granted with an extension of nine weekdays in the case of a public servant entitled to holiday on the basis of 12 holiday credit months; when a public servant saves some of his/her normal days of annual holiday to be taken as carried-over holiday, corresponding reductions are made to the 34-day maximum referred to above; if the public servant is not entitled to a holiday based on 12 holiday credit months but is nevertheless entitled to a holiday for at least seven holiday credit months, the holiday shall be granted with an extension of five weekdays, provided that no more than three quarters of the normal annual holiday, from which is deducted the carried-over holiday, is taken during the holiday season.

Agreements deviating from what is provided in subsection 1 may be made as laid down in section 30.

Section 34 – Claim period
The right to obtain the entitlement referred to in this Act shall expire if a claim during the employment relationship is not made within two years of the end of the calendar year during which the annual holiday should have been granted or the holiday compensation paid.

After the end of the employment relationship, any claim concerning an entitlement referred to in subsection 1 must be commenced within two years of the end of the relationship.

Section 35 – Availability
The employer must keep this Act and the agreements concluded under it freely available to the employees at the workplace.

Section 36 – Statement of the Labour Council
The Labour Council shall issue statements on the application and interpretation of this Act, as laid down in the Act on the Labour Council and Derogation Permits Concerning Labour Protection (400/2004).

Section 37 – Supervision
The occupational safety and health authorities shall supervise compliance with this Act.

Section 38 – Penal provisions
An employer or an employer's representative who deliberately or through carelessness:

1) neglects to grant an employee annual holiday as laid down in this Act or keeps an employee at work during the period it has determined as annual holiday,
2) neglects to give, without delay, the holiday pay statement laid down in section 28, after being requested by the employee, or
3) neglects its obligation laid down in section 35 concerning the availability of the Act and agreements,

shall be fined for *an annual holiday offence*. The allocation of liability between the employer and its representatives shall be determined in accordance with the grounds laid down in Chapter 47, section 7 of the Penal Code (39/1889).

Provisions on punishment for neglect or abuse concerning annual holiday records referred to in section 29 of this Act and for an annual holiday offence that has been committed in spite of a request, order or prohibition by occupational safety and health authorities are contained in Chapter 47, section 2 of the Penal Code.

Chapter 7 – Transitional provisions and entry into force

Section 39 – Entry into force
This Act enters into force on 1 April 2005.

This Act repeals the following, as amended:

1) the Annual Holidays Act of 30 March 1973 (272/1973);
2) the Act on the annual holidays of officeholders and employees in municipalities and other public sector corporations in certain cases (111/1939) of 21 April 1939;
3) the Decree on the annual holidays of Government civil servants (692/1973) of 31 August 1973;
4) the Decree on annual holidays and holiday compensation of certain part-time civil servants and part-time teachers in the Government sector (1200/1987) of 23 December 1987;
5) the Decree on the annual holidays of civil servants in the foreign service (208/1992) of 6 March 1992; and
6) the Government decision on annual holidays of Government employees (284/1978) of 20 April 1978.

If an act or decree contains references to a provision repealed by this Act, this Act will apply instead.

Section 40 – Transitional provisions

In employment relationships in which the employer must or may adhere to a collective agreement made before the entry into force of this Act under the Collective Agreements Act or Chapter 2, section 7 of the Employment Contracts Act, the employer may apply those provisions of the collective agreement that differ from this Act until the expiry of the collective agreement, unless the collective agreement is amended before that date. Correspondingly, those provisions on annual holidays issued under the Act on Collective Agreements for State Civil Servants (664/1970), the Act on Collective Agreements for Local Government Officials (669/1970) and the Act on Collective Agreements for Officials of the Evangelical Lutheran Church (968/1974) which differ from this Act may be applied until the expiry of the collective agreement, unless the collective agreement is amended before that date.

Holiday pay and holiday compensation payable for the period of annual holiday earned before the entry into force of this Act shall be in accordance with the provisions of the Annual Holidays Act in force at the time the entitlement was earned.