

COLLECTIVE AGREEMENT FOR SALARIED
EMPLOYEES IN TECHNOLOGY INDUSTRIES

1 November 2013 - 31 October 2016

THE FEDERATION OF FINNISH
TECHNOLOGY INDUSTRIES

TRADE UNION PRO

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Federation of Finnish Technology Industries – TT
Trade Union Pro

SIGNING MINUTES TO THE COLLECTIVE AGREEMENT FOR SALARIED EMPLOYEES IN TECHNOLOGY INDUSTRIES

Date 23 October 2013

Place of signing Federation of Finnish Technology Industries,
Helsinki

Federation of Finnish
Technology Industries –
TT

Jorma Turunen
Risto Alanko
Jarkko Ruohoniemi
Eeva-Liisa Inkeroinen
Ari Sipilä
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Ilari Kallio

Pro

Antti Rinne
Markku Palokangas
Roni Jokinen
Jari-Pekka Suokas
Katariina Stoor
Jorma Malinen
Pasi Heikkinen

Section 1 Signing of collective agreement

It was noted that a collective agreement reflecting the negotiated settlement achieved between the federations on 9 October 2013 had been signed on the day of this meeting. The collective agreement now signed will take effect as of 1 November 2013.

Signing minutes of the collective agreement

The agreed modifications shall take effect as of 1 November 2013, unless otherwise agreed with respect to entry into force of the agreement clause concerned.

Section 2 **Salary settlement**

In 2013

Manner, time and size of salary revisions

Negotiations on the salary settlement and its criteria

Salary settlements shall be negotiated locally, allowing for the financial, order book and employment situation at the enterprise or workplace, and for cost competitiveness in the market. The employer shall provide the shop steward with the necessary information and foreseeable trends concerning the financial, order book and employment situation at the enterprise or workplace in good time before local collective bargaining commences. It will also be expedient to provide details of the grounds for any salary settlement proposal to serve as the basis for bargaining.

Local bargaining shall seek a salary settlement that suits the circumstances and needs of each enterprise or workplace with a view to supporting incentives for salary formulation, an equitable salary structure and salary grading, and improved productivity at workplaces.

The local salary settlement

A local salary settlement shall settle the manner of implementing salary revisions, their timing and their size. The agreement shall be concluded with the shop steward by no later than 30 November 2013 unless an extended bargaining period is agreed.

Information to be provided to a shop steward

A shop steward shall be entitled to an account of the allocation of the locally agreed salary settlement within a reasonable time of salary increases. The account shall specify the number of salaried employees, the number receiving an increase based on the local settlement, the average size of the increase, and the total sum of the salary increases awarded to salaried employees.

Manner of implementing the general increase in the absence of a local salary settlement

If no local settlement is achieved, then monthly salaries including benefits in kind will be increased by EUR 20 across the board by no later than as of the beginning of the salary payment period beginning on 1 March 2014 or soonest thereafter

In 2014

Manner, time and size of salary revisions

Negotiations on the salary settlement and its criteria

Salary settlements shall be negotiated locally, allowing for the financial, order book and employment situation at the enterprise or workplace, and for cost competitiveness in the market. The employer shall provide the shop steward with the necessary information and foreseeable trends concerning the financial, order book and employment situation at the enterprise or workplace in good time before local collective bargaining commences. It will also be expedient to provide details of the grounds for any salary settlement proposal to serve as the basis for bargaining.

Local bargaining shall seek a salary settlement that suits the circumstances and needs of each enterprise or workplace with a view to supporting incentives for salary formulation, an equitable salary

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structure and salary grading, and improved productivity at workplaces.

The local salary settlement

A local salary settlement shall settle the manner of implementing salary revisions, their timing and their size. The agreement shall be concluded with the shop steward by no later than 31 October 2014 unless an extended bargaining period is agreed.

Information to be provided to a shop steward

A shop steward shall be entitled to an account of the allocation of the locally agreed salary settlement within a reasonable time of salary increases. The account shall specify the number of salaried employees, the number receiving an increase based on the local settlement, the average size of the increase, and the total sum of the salary increases awarded to salaried employees.

Manner of implementing the general increase in the absence of a local salary settlement

If no local settlement is achieved, then monthly salaries including benefits in kind will be increased by 0.4 per cent across the board by no later than as of the beginning of the salary payment period beginning on 1 March 2015 or soonest thereafter

Section 3

Improvement of the salary system

The federations shall extend the assignment of the remuneration working group appointed in the preceding agreement period. To maintain and improve the salary system, the working group shall be assigned the following functions in the new agreement period:

Implementing salary system maintenance efforts focused on small and medium-sized workplaces during the agreement period.

Investigating system development needs and options during the agreement period based on studies of salary system effectiveness completed during the preceding agreement period.

Continuing to develop remuneration systems that promote productivity and provide incentives.

Promoting the appointment of remuneration working groups at individual workplaces.

Section 4

Job satisfaction, development of expertise and maintenance of working capacity

Job satisfaction activity is continual and comprehensive development of work, the working environment and the working community. Staff welfare also establishes the conditions for successful business operations. The shrinking population of working age amplifies the importance of measures taken to extend working careers.

As part of job satisfaction promotion, the federations recommend completion of the Well-being at Work Card in all working communities.

The federations will continue to support workplaces involved in the ongoing Good work – Longer career project in completing job satisfaction projects, and are committed to promoting deployment at workplaces of the career span scheme to be completed during the agreement period.

The federations shall issue joint guidelines on organising training to promote employee vocational expertise and on drafting a train-

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ing programme at workplaces. The federations urge enterprises to apply their jointly prepared Harness Expertise process format, which is available online in Finnish at www.tyohyvinvointi.info/osaaminen-haltuun.

Promoting the working and operating capacity of older employees at workplaces

Special attention will be paid to the working capacity and strain imposed on older employees. To reduce malady and consequent absences due to illness, and to conserve working capacity, workplaces should apply the lessons learned in occupational health service workplace studies, risk assessments and staffing plans. These materials will provide the basis for planning any necessary individual measures for maintaining working capacity. Workplaces may benefit from the joint materials drafted by the federations to this end.

Based on the employer's account, the employer and employees attaining the age of 58 years will discuss measures for helping an older employee to cope at work. The Technology industries career span scheme publication prepared jointly by the federations includes examples of potential measures.

Section 5

Status of the shop steward and effectiveness of staff representation

The federations shall appoint a working group to study and assess:

- the basis and effectiveness of staff representation in various enterprise structures,
- the need to determine effective staff representation in circumstances where no shop steward has been elected or when the shop steward represents a minority of a staff group at the workplace,

- the correct balance of rights and duties of staff representatives, such as dimensioning of work, allocation of costs and protection of staff representatives, and compensation in various participation and bargaining situations, and
- the effectiveness of mutual interaction between the employer and staff representatives from the perspective of regulations on terms and conditions of employment.

The working group shall submit its report and any proposals for measures to be taken by the federations and for amending the collective agreement on or before 31 October 2014.

Section 6

Problem situations involved in the status of elected representatives

Problems can arise between elected representatives and the employer that may result in situations in which the employer considers terminating the employment of the representative.

When the federations have been informed of such a situation they shall rapidly establish a negotiating channel to determine the reasons, circumstances and facts that have caused the problem. When considering any other necessary measures, the federations shall remain aware of their reciprocally enhanced duty of supervision at such times in respect of compliance with the collective agreement and with the associated peace obligation.

The federations shall take action in the matter without undue delay. They shall seek to formulate a common position on conditions that could restore the mutual trust that forms the basis of the employment relationship between the elected representative and the employer.

Signing minutes of the collective agreement

It shall also be the duty of the federations to furnish local parties with other forms of advice, training and guidance to ensure the effectiveness of the elected representative system.

Section 7 **Working groups**

7.1

Review work

The federations shall appoint a working group to consider matters pertaining to the collective agreement in accordance with the principle of continual collective bargaining, with a view to improving enterprise competitiveness and the work of salaried employees, and to take any measures that may be required. The working group shall continue to clarify the wording of agreements, focusing in particular during the current agreement period on improving the structure and readability of the collective agreement.

The working group shall also examine the effectiveness of working time flexibility regulations in the collective agreement and the needs and opportunities that are involved in using working time banks. The working group shall perform a study of the use and effectiveness of working time banks at workplaces by no later than 31 December 2014, and shall prepare joint guidelines on the working time bank system based on its findings where necessary.

7.2

Terms and conditions of employment when working abroad

The federations shall appoint a working group to prepare guidelines by 31 March 2014 on terms and conditions of employment when working abroad for enterprises and their salaried employees, based on available materials and jointly conducted studies.

7.3

Workplace-specific trials

The federations shall appoint a working group to monitor joint workplace-specific trials pertaining to the conditions of pay and service of salaried employees and other staff.

Locally agreed exceptions may be made in these trials with respect to all of the terms of the collective agreement pertaining to salaries and other monetary items payable to salaried employees. Introduction of such exceptions shall require the approval of the federations.

Workplace-specific trials will increase the workload of elected staff representatives, and this fact must be taken into consideration when assessing the need for time off referred to at point 3.1 of the co-operation agreement. Particularly in the early stages of trials, this generally means that the elected representative will be released from working duties for a specified period. Such release must be granted without reducing the earnings of the representative.

Section 8

Parallel agreements

The parties agree to use their influence to ensure that no parallel agreements are concluded within the scope of the agreement.

Section 9

Gender equality

The federations consider it important to promote gender equality in workplaces in accordance with the Act on Equality between Women and Men¹, and with this aim in view they stress the significance of implementing the obligations and measures referred to in the said Act.

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In support of this work, the parties shall, during the agreement period, organise joint annual training in preparing a gender equality plan and performing a salary review. Efforts shall be made to arrange national training events twice a year in the manner agreed by the federations. Regional and enterprise-specific training events shall also be arranged as necessary.

The federations shall assess the gender impacts of the provisions of the collective agreement during the agreement period.

Minuted note:

For this purpose the federations shall appoint a joint working group, which may consult experts if necessary. The assessment of gender impacts shall pay particular attention to indirectly discriminatory provisions and to situations and structures that lead to inequality.

Section 10 **Inspection of the minutes**

It was agreed that Jorma Turunen, Risto Alanko, Antti Rinne and Markku Palokangas would inspect these minutes.

In fidem: *Jarkko Ruohoniemi*

Minutes inspected by:

Jorma Turunen

Risto Alanko

Antti Rinne

Markku Palokangas

**Federation of Finnish Technology Industries – TT
Trade Union Pro**

**COLLECTIVE AGREEMENT FOR SALARIED
EMPLOYEES IN TECHNOLOGY INDUSTRIES**

Section 1

Scope

- 1 This Agreement shall cover persons performing salaried employee duties in enterprises affiliated to the Federation of Finnish Technology Industries. These persons may include individuals who have completed qualifications at polytechnics and other institutes of vocational education for service in technological, financial, administrative and managerial positions.

2

Upper limitation

This Agreement shall not apply to individuals representing the employer in determining the pay and conditions of service of salaried staff, or to individuals with an independent status and administrative, financial or operational responsibility within the enterprise or a substantial part thereof, or to persons of comparable status. This assessment shall allow for the size of the enterprise.

The scope of this Agreement shall also exclude persons in enterprise organisations of medium size engaged in production operations, who are classified at the level of “departmental head” and enjoy in their duties the independent status

and administrative, financial or operational responsibility referred to in the preceding paragraph. An enterprise organisation may also include individuals at the said level or at higher levels who have no managerial responsibilities, but who provide expertise in a particular specialism and who are therefore, and in view of the independence of their positions, to be equated with the foregoing persons. Large organisations naturally have more organisational levels, and thus persons serving at more organisational levels may also fall outside of the scope of the Agreement, provided that the other conditions specified in the preceding paragraph obtain.

Mere service as the supervisor of salaried employees shall not suffice to exclude a position from the scope of this Agreement. There shall be no upper educational limit to the scope of this Agreement. This means, for example, that salaried employees with university or other specialist training fall within the scope of this Agreement if the duties of the position are not those of a senior salaried employee. The duties of a senior salaried employee shall be determined in accordance with the provisions governing the scope of the collective agreement for senior salaried employees.

3

Lower limitation

This Agreement shall not apply to persons in blue collar positions.

4

Exceptional and special provisions

The relevant provisions of this Agreement shall apply to persons who mainly work on commission.

The parties agree that collective agreements for salaried employees may be concluded solely in compliance with industry-based unionism to cover all salaried employees serving in the whole of the industry in question regardless of special occupation or training.

If an employer engaged in the technology industry is also engaged in some other industry, but belongs to Technology Industries of Finland only in respect of plants or departments that are engaged in the metal industry, then this agreement shall only govern the employment relationships of salaried employees in the said plants or departments.

If the work of a salaried employee (for example, in a group company or head office) directly serves more than one branch of the Confederation of Finnish Industries EK, then the salaried employee shall be deemed to work in the main business sector of the enterprise.

Implementation regulation:

The scope shall be job-related and determined on the basis of the actual content of duties. It is a consequence of the job-related character of the Agreement that an individual's educational level, the statistical heading assigned, or the manner of salary payment shall not be decisive in settling the question of which collective agreement applies to the individual.

When hiring new employees, and when changes in duties occur, the employer's representative shall furnish the representatives of staff groups with details of the content of duties and of the collective agreement that governs them.

Collective agreement

The appendix on the board of settlement shall apply as part of the collective agreement.

Section 2

Annexed Agreements

- Co-operation agreement for the technology industry
- Agreement on protection against dismissal for salaried employees in the technology industries
- Protocol on the board of settlement

Section 3

Employment and general duties of employment

1 Right to manage

The employer shall be entitled to direct and distribute work and to engage and dismiss a salaried employee.

2 Right to organise and withholding of trade union membership subscriptions

The Parties affirm that both sides shall enjoy the unfettered right to organise and freedom of association.

The membership subscription to Trade Union Pro shall be set off from the salary of a salaried employee who has provided an authorisation and credited by salary payment period to the bank account designated by Trade Union Pro. Withholding shall be arranged in the manner separately agreed in the accord signed by the national labour and employer confederations. A certificate of the sum withheld shall be given to the salaried employee for taxation purposes after the end of the calendar year or the end of employment.

3 Liability insurance and group life insurance

The employer shall arrange employer's liability insurance for salaried employees, e.g. in supervisory positions, which shall cover the liability of the employer, the employer's deputy, and salaried employees in the service of the policyholder in a managerial or supervisory capacity, e.g. the liability of a supervisor for damage to person and property sustained by workers in the said supervisor's charge, insofar as compensation for the said damage is not payable under statutory industrial accident insurance or motor insurance. The maximum compensation for personal injury shall be EUR 150,000, subject to limits of EUR 60,000 per person and EUR 30,000 for damage to property. The other terms of insurance shall also be determined in accordance with the current general and special insurance terms for employer's liability insurance.

The employer shall arrange and defray the cost of group life insurance for salaried employees in the manner agreed between the national labour and employer confederations.

4 General obligations

A salaried employee shall promote and oversee the employer's interests in the manner required by the said employee's position.

The employer shall maintain confidence in the salaried employee and shall, where possible, also support the efforts of individual salaried employees to improve their vocational skills. The employer shall notify the salaried employee at the earliest opportunity of any changes in the latter's status and shall support the salaried employee in serving as the employer's representative. Decisions pertaining to the

salaried employee's subordinates shall be notified no later than at the time when the said subordinates are notified thereof.

A salaried employee shall be familiarised with the work and with any changes occurring therein. A new salaried employee shall also be familiarised with the enterprise and its operating principles, human resources policy and any workplace regulations.

A new salaried employee shall be advised of the applicable collective agreement, the associated bargaining system and the representatives of salaried employees.

5 Terms of service of sales staff on commission

The terms and conditions of service of sales staff working wholly or partly on commission shall be agreed with optimal precision, having regard to the Act on Commercial Representatives and Salesmen¹. This will involve determining such matters as remuneration, criteria for compensating for expenses, reckoning annual holiday and sick pay, and determining the commission element, and the time of payment of commission. It will be expedient for the employer and the sales staff concerned to discuss sales targets before the employer confirms such targets. The employer shall compensate for all expenses incurred in attending to duties of work.

6 Amendment of terms and conditions of employment

The terms and conditions of employment may be amended if both parties agree thereto. If no agreement is reached, then the amendment may be implemented where grounds for termination obtain and the period of notice is observed. The procedure is thus the same as when terminating the

employment contract.

A salaried employee may be transferred to other duties while retaining salaried employee status. If this signifies any deterioration in the benefits of the salaried employee, then the foregoing grounds for termination shall obtain in such a case and the period of notice specified in the agreement on protection against dismissal shall be observed.

Section 4

Regulations on remuneration

- 1 The pay of a salaried employee shall comprise a job-related element based on the job requirement of the position, an individual element determined on the basis of job performance and qualification factors, and any enterprise-specific element. A separate seniority bonus shall be paid on the basis of length of employment.

Minimum salary

The minimum pay of a salaried employee is obtained by adding the individual pay element to the job-related salary element.

2 Job-related salary element

- 2.1 The job requirement of a position shall be determined on the basis of the job description or of some other adequate account.

Minuted note:

The training materials prepared by the federations include an example of a job description form.

Only one method of determining job requirement will be used at the workplace. The basic measuring instrument is METTOVA. Use of other job requirement measuring instruments may be agreed locally. The instrument must be structured to enable measurement of the job requirement in all positions falling within the scope of this collective agreement.

The METTOVA job requirement measuring instrument

The following factors are used to measure job requirement at the workplace:

1 REQUIRED KNOWLEDGE AND SKILLS

Factors increasing the job requirement

- **the degree of independent judgement involved in the work**
- **the degree of knowledge and skill demanded by the work**

1.1	Detailed work instructions. Guidance at the workplace.	40
1.2	General work instructions. Necessary knowledge and skills acquired through training and/or brief experience.	70
1.3	General assignment of duties. Necessary versatile knowledge and skills acquired through training or lengthy experience.	100
1.4	General operating models. Necessary versatile and extensive knowledge and skills acquired through training or long experience supplemented with additional knowledge.	130
1.5	Actions guided by operating principles and precedent. Necessary versatile and in-depth specialist knowledge and skills acquired through training and long experience.	160

2 IMPACT OF SOLUTIONS AND DECISIONS

Factors increasing the job requirement

2.1 extent of impact on the entire workplace

2.11	Decisions generally affect the employee's own job/working team.	10
2.12	Decisions generally affect an area beyond the employee's immediate surroundings.	20
2.13	Decisions generally affect the employee's department/unit.	30
2.14	Decisions generally affect several departments/a major unit.	40

2.2 extent of financial, operational and other effects of solutions and decisions

2.21	Decisions have an ordinary impact.	10
2.22	Decisions have a moderate impact.	20
2.23	Decisions have a sizeable impact.	30
2.24	Decisions have a major impact.	40

3 INTERACTION

Factors increasing the job requirement

- **the depth and scope of the counselling, guidance, motivating or negotiation and co-operation skills required for the job.**

3.1	Contacts generally involve receiving, mediating and disseminating information.	25
3.2	Expert contacts pertaining to the job and immediate working environment.	50
3.3	The job requires negotiating or co-operation skills.	75
3.4	The job requires the ability to influence and special co-operation skills.	

4 JOB-RELATED AND MANAGERIAL RESPONSIBILITY

Factors increasing the job requirement

- **the degree of difficulty involved in managing and reconciling various aspects of the work,**
- **the degree of demand pertaining to the status of the job in operational and managerial systems.**

4.1	Individual duties, or advisory or guiding function.	15
4.2	Independent area of duties or responsibility for organisation and resources, or supervisory function.	30
4.3	Extensive, independent area of duties or extensive responsibility for organisation and resources, or extensive supervisory function.	45
4.4	Extensive and varied independent area of duties or wide-ranging responsibility for organisation and resources, or supervisory function with subordinates at several organisational levels.	60

The specified job requirement must correspond to the true demands of the position. All job requirement specifications shall be reviewed at regular intervals not exceeding one year, and by individual salaried employee whenever permanent changes occur in duties.

The job requirement of a new salaried employee shall be determined as soon as possible, and no later than four months after employment as a salaried employee begins. The same four-month time limit shall also apply whenever permanent changes occur in duties.

Representatives of the employer and of salaried employees shall review the specified job requirements and changes at least annually, and also with respect to new duties and when permanent

changes are made in duties. A representative of salaried employees shall be entitled to submit a reasoned opinion concerning the determination of job requirement, the effectiveness of the system, and any problems arising.

Minuted note:

If there is no elected representative of salaried employees at the workplace, then a salaried employee shall be entitled on request to details of the job requirement category and job requirement factors governing the said employee's duties.

Implementation regulation:

A joint remuneration working group of the employer and salaried employees shall be established to maintain the salary system at a workplace where the number of salaried employees so requires. The remuneration working group shall comprise individuals who have received salary system training and are familiar with the determination of job requirement. The remuneration working group will serve as a specialist committee meeting as necessary to consider maintenance and monitoring issues pertaining to job requirements. The group shall be entitled to submit a reasoned opinion concerning the determination of job requirements, the effectiveness of the system, and any problems arising. The working group may also consider other remuneration-related issues as locally agreed. The working group shall avoid needless delay in conducting its business. The working group will in any case meet at least once a year.

Redetermination of the job requirement of all duties by the remuneration working group may be warranted if changes of work organisation implemented at a workplace have significantly affected the content of duties. This also applies to the introduction of a system to be deployed at new workplaces.

The federations shall issue more detailed guidelines on the functions of a workplace remuneration working group in their training materials.

2.2 Salaries for job requirement categories

The job requirement category salaries applied as of 1 November 2012 under point 2.2 of section 4 of the collective agreement in force for the period from 24 October 2011 to 31 October 2013 shall continue to apply until the end of the salary payment period ending on 28 February 2014 or soonest thereafter.

Job requirement category salaries as of the start of the salary payment period beginning on 1 March 2014 or soonest thereafter (EUR/Month):

Job requirement points	Job requirement category	Weekly working time 37.5 hours, monthly salary EUR	Weekly working time 40 hours, monthly salary EUR
100–129	1	1502	1514
130–159	2	1634	1647
160–189	3	1778	1792
190–219	4	1934	1950
220–249	5	2105	2122
250–279	6	2290	2308
280–309	7	2491	2511
310–339	8	2711	2732
340–369	9	2949	2973
370–400	10	3209	3234

Job requirement category salaries as of the start of the salary payment period beginning on 1 March 2015 or soonest thereafter (EUR/Month):

Job requirement points	Job requirement category	Weekly working time 37.5 hours, monthly salary EUR	Weekly working time 40 hours, monthly salary EUR
100–129	1	1514	1526
130–159	2	1647	1660
160–189	3	1792	1807
190–219	4	1950	1966
220–249	5	2121	2138
250–279	6	2308	2327
280–309	7	2511	2531
310–339	8	2732	2754
340–369	9	2973	2997
370–400	10	3234	3260

Working times that differ from the times shown are to be taken into consideration in the job requirement category.

2.3 Locally agreed job requirement evaluation instruments

When using a locally agreed job requirement evaluation instrument the salaries based on job requirement categories shall be determined according to the requirement/salary table above so that the whole of the table is used.

If the number of locally agreed requirement categories is the same or greater than that shown in the table above, then the lowest figure shall be the lowest figure in the table and the highest figure shall be the highest figure in the table.

Collective agreement

If there are fewer job requirement categories than are shown in the table above, then the lowest category in the new table shall be based on the weighted average of the two or more lowest categories and the highest category in the new table shall be based on the weighted average of two or more highest categories in the table above.

Implementation regulation:

The weighting used for determining the weighted average shall be the quotient calculated by dividing the number of grades in the above table of job requirement categories by the number of grades in the locally agreed table.

If, for example, the number of grades in the table above is 10 and the number of grades in the locally agreed table is 8, then the quotient is $10/8 = 1.25$.

The following formulae shall be applied:

$$\frac{\text{lowest table figure} + \text{second lowest table figure} \times (\text{quotient} - 1)}{\text{quotient}}$$

$$\frac{\text{highest table figure} + \text{second highest table figure} \times (\text{quotient} - 1)}{\text{quotient}}$$

2.4 Job-related salary element

The job-related element in the pay of a salaried employee shall be determined on the basis of the requirement category for the employee's job according to its job requirement.

3 Individual salary element

The individual element of salary shall be determined on the basis of factors important for the operation of the workplace (enterprise) and the duties performed therein. Such factors may include vocational expertise, job performance and other competence factors.

Vocational competence shall be determined by examining the employee's performance in situations involving choices made at work with respect to working methods and procedures and to their development. Wide-ranging expertise shall be determined by assessing the ability and readiness of an employee to perform various duties in the organisation.

Job performance shall be determined by comparing the results of the employee's work with a "normal" outcome of work.

Other competence factors may include flexibility, interpersonal skills, development at work and the ability to allow for the needs of the working community.

The employer shall prepare a locally agreed evaluation system, which shall be discussed with the employees or with their representatives before it is introduced. The evaluation system shall be provided in writing on request.

When preparing an evaluation system the scaling factors should consist of the vocational expertise, job performance and other competence factors that are necessary locally.

Minuted note:

The training materials prepared by the federations include competence evaluation models.

Collective agreement

The job performance and competence of salaried employees shall be evaluated by their immediate supervisors.

The individual element in the pay of a salaried employee shall be no less than 3 per cent and no more than 25 per cent of the job-related element of the salary concerned.

Determination of the individual element in the pay of a salaried employee shall be independent of the job requirement. This means that differing job performance may arise in jobs of both greater and lesser requirement.

The average percentage of the locally determined individual elements in the pay of salaried employees shall vary between 11 and 17 per cent.

Attainment of the average shall be verified when determining the pay of all salaried employees. The determinations shall be performed at regular intervals of no less than one year, unless otherwise agreed.

The individual element of pay shall be determined again when a permanent change occurs in the duties of a salaried employee.

A new determination of the individual salary element shall be introduced at once when the employer has reviewed and made the necessary modifications to the workplace-specific competence measuring system and the matter has been discussed with the representative of salaried employees. The revised regulations shall be introduced by no later than as of the start of the salary payment period beginning on 1 June 2014 or soonest thereafter.

The individual element of pay for a new salaried employee shall be determined at the earliest opportunity, and no later than four months after employment as a salaried employee begins.

4 Maintenance

When redetermining, at regular intervals, the job requirement category or the individual element of pay, the corresponding changes in the job-related or individual elements of pay shall be made as of the beginning of the next pay period.

On any permanent change in duties the job-related and individual element of pay shall be redetermined at the earliest opportunity, and no later than four months after the change occurs.

Any increase in monthly salary due to a redetermination shall be implemented as of the beginning of the next pay period.

Except where otherwise agreed with the employee concerned, there shall be no decrease in pay in the event of any reduction in the resulting job-related or individual element of an employee's salary, unless reasons comparable to grounds for dismissal obtain and after observing the individual period of notice.

5 Salary determination period and modes of payment

The pay of a salaried employee shall be determined on a monthly basis.

The applicable mode of payment shall be based on the characteristics of the job and on the technical conditions for salary payment.

Modes of payment shall include time rates and various incentives. The pricing of incentives shall be agreed in advance between the employer and the salaried employee or employees to whom the incentive-pay job is offered.

Regardless of the mode of payment, a salaried employee shall be paid at least the minimum rate of pay determined by adding the

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salaried employee's individual pay element to the job-related pay element.

Modes of payment may be supplemented with various productivity bonuses.

If an employer introduces productivity bonuses payable as rewards supplementing the modes of remuneration referred to in this collective agreement, then the employer shall explain the operation of the reward system to the salaried employees before it is introduced. The said introduction shall be agreed locally and records thereof shall be kept.

The grounds for a productivity bonus shall be other than direct work performance. The grounds shall generally be a financial result, or achievement of a productivity or development target. A bonus shall often accrue over periods exceeding the regular salary payment period.

6 Substitution

Substitutions forming an essential part of a job shall be taken into account when evaluating the job requirement and individual competence of a salaried employee.

Other substitutions shall be examined to ascertain any increase in the salaried employee's job requirement, volume of work and responsibility, and special compensation shall be agreed unless the changes are so minor that there are no grounds for paying such compensation.

Implementation regulation:

Substitutions forming an essential part of a job shall mean substituting for another salaried employee during repeated brief absences or when working is otherwise prevented.

Other substitution shall mean substituting for another salaried employee under otherwise unforeseeable circumstances due to such factors as a long period of illness, family leave or some other corresponding extended absence.

7 Young salaried employees

The recommended pay for a salaried employee over 17 years of age is 80 per cent of the job-related pay in the appropriate job requirement category.

The recommended pay for a salaried employee over 16 years of age is 70 per cent of the job-related pay in the appropriate job requirement category.

If an employee under 18 years of age performs the same job as an adult salaried employee, possesses the skills and competence required for the job, and there are no legal limitations on performance of the said job other than overtime regulations, then the pay for the job shall be determined according to the appropriate salary-setting criteria.

8 Trainees

The salaries referred to at point 2.2 need not govern the pay of students working as trainees who lack the experience required for the job and whose degree requirements include one or more periods of on-the-job training.

9 Other salary structures

Other salary structures may be agreed locally. However, the rate of pay comprising the lowest job-related salary under this collective agreement plus the lowest individual pay element (3 per cent of the job-related pay) shall constitute a minimum.

10 Local collective bargaining of salary regulations

The parties to the local agreements referred to at several points of this section shall, unless otherwise specified in the said individual point, be the employer and the shop steward referred to in the collective agreement or, where there is no such shop steward, the workplace employees to whom this collective agreement applies as agreed among themselves. The agreement may be concluded for a fixed period or until further notice. An agreement concluded until further notice may be terminated at three months' notice unless some other period of notice of termination has been agreed. The agreement shall be made in writing.

11 Payment of salaries

Salaries shall be paid regularly on the salary payment dates specified in the guidelines governing salaried employees in each workplace or, if no such dates are so specified, on fixed payment dates announced in advance in some other manner.

If a permanent change in the salary payment day affects several employees or an otherwise significant part of the staff, then negotiations on the change shall be conducted with the shop steward in advance. The change shall be implemented subject to a notification period of two months, unless otherwise locally agreed.

Compensation for work performed in excess of regular working time shall be paid together with the salary for the pay period immediately following the period during which the said work was performed.

At the time of payment the salaried employee must receive a salary advice note specifying the salary paid and the criteria for determining the salary.

12 Information to be given to a salaried employee

The employer shall furnish a salaried employee annually with a written account of the job requirement category, the individual salary element and the grounds for other salary elements. The account shall also be provided on redetermining the job-related and individual salary element. No account need be provided if the details are shown in the salary advice note.

13 Benefits in kind

The fair value of a benefit in kind shall be applied as its cash value when applying the remuneration system. If the fair value cannot be determined, then the taxable value shall be applied instead. The National Board of Taxes annually specifies the criteria for determining the cash value of benefits in kind for tax purposes.

An example of reckoning the value of a benefit in kind (motor vehicle benefit and telephone benefit)

Cash salary		2,200 €
Taxable value of motor vehicle benefit	300 €	
Taxable value of telephone benefit	20 €	
Cash value of benefits in kind notified in salary statistics	320 €	320 €
Total salary applicable for the purpose of salary regulations		2,520 €

14 Seniority bonus

Unless the time of payment of seniority bonus is otherwise locally agreed, a seniority bonus shall be paid to the salaried employee at the time of the salary payment immediately following 1 December according to the length of the employee's continuous employment at the end of November of the same year.

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The bonus shall be paid as follows:

Length of uninter- rupted employment	Formula for calculating the bonus
At least 10 but not 15 years	$0.15 \times \frac{\text{Lkk}}{12} \times$ monthly salary with benefits in kind
At least 15 but not 20 years	$0.30 \times \frac{\text{Lkk}}{12} \times$ monthly salary with benefits in kind
At least 20 but not 25 years	$0.45 \times \frac{\text{Lkk}}{12} \times$ monthly salary with benefits in kind
25 years or longer	$0.60 \times \frac{\text{Lkk}}{12} \times$ monthly salary with benefits in kind

Where

Lkk = number of leave-earning months in the preceding leave-earning year.

A seniority bonus payment period of less than one year may also be agreed locally.

If the seniority bonus is paid at periods of three months or less, then it shall be treated as ordinary monthly salary for various pay and pay administration purposes (including annual holiday pay, salary for part-time work, and supplements for overtime and Sunday work).

Verification of grounds

The entitlement of a salaried employee to the bonus and the criteria on which any bonus should be paid will be settled on 30 November of each year. The criteria that are found at this time shall be applied until the next time of review. The duration and continuity of employment shall be determined in the same way as eligibility for benefits under the Annual Holidays Act2.

Exchange of seniority bonus for time off

The employer and a salaried employee who attains the age of 58 years before 30 November may conclude an annual written agreement that the seniority bonus or part thereof earned by the employee will be exchanged for corresponding time off. The time off may be taken after the time of reviewing the seniority bonus. The employer and the salaried employee shall agree on the time of taking the time off or on the procedure for taking time off. This agreement shall be made in writing.

Seniority bonus or part thereof shall be converted into time off as follows:

$$\frac{\text{Seniority bonus}}{(\text{monthly salary}/21)} = \text{number of days off}$$

The salary for regular working hours shall be paid to the salaried employee for the time off.

End of employment

In the event that the employment of a salaried employee who is eligible for the bonus ends before annual payment of the bonus, 1/12 of the sum that was last paid to the employee in seniority bonus shall be paid to the employee at the time of the final salary payment for each month for which the employee has earned annual holiday as of the start of the preceding December.

Section 5

Salary for part-time work

When reckoning the salary payable for part-time work the hourly rate is determined by dividing the monthly salary by the number of regular, scheduled hours worked in the month in question. The concept of monthly salary applied at this point shall be the same as

Collective agreement

in paragraph 2 of point 6 of section 12. A corresponding number of hours worked may also compensate for absence from work.

Implementation regulation:

Part-time salary shall be paid, for example, when the employment begins or ends on a date other than the beginning or end of a salary payment period, or when a salaried employee has been absent from work and the employer is not required to pay salary for the period of absence.

If the absence is not made up by an equal number of hours worked, then the following procedure shall be followed:

A day or hour of absence:

- *the regular scheduled working days or hours in the month are reckoned*
- *the monthly salary is divided by the number of working days or hours = the salary for a day or hour of absence*
- *the salary for the day or hour of absence is deducted from the monthly salary = the part-time salary*

The salary for a day or hour of absence will vary each month according to the number of working days or hours of work in the month concerned:

Monthly working time in 2013 – 2016

Monthly working time in 2013	Working days	37.5 hours	40.0 hours
January	22	165	176
February	20	150	160
March	20	150	160
April	21	157.5	168
May	21	157.5	168
June	19	142.5	152
July	23	172.5	184
August	22	165	176
September	21	157.5	168
October	23	172.5	184
November	21	157.5	168
December (includes Finnish Independence Day 6 December)	19	142.5	152

Monthly working time in 2014	Working days	37.5 hours	40.0 hours
January	21	157.5	168
February	20	150	160
March	21	157.5	168
April	20	150	160
May	20	150	160
June	20	150	160
July	23	172.5	184
August	21	157.5	168
September	22	165	176
October	23	172.5	184
November	20	150	160
December (excludes Finnish Independence Day falling on a Saturday)	20	150	160

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Monthly working time in 2015	Working days	37.5 hours	40.0 hours
January	20	150	160
February	20	150	160
March	22	165	176
April	20	150	160
May	19	142.5	152
June	21	157.5	168
July	23	172.5	184
August	21	157.5	168
September	22	165	176
October	22	165	176
November	21	157.5	168
December (excludes Finnish Independence Day falling on a Sunday)	21	157.5	168

Monthly working time in 2016	Working days	37.5 hours	40.0 hours
January	19	142.5	152
February	21	157.5	168
March	21	157.5	168
April	21	157.5	168
May	21	157.5	168
June	21	157.5	168
July	21	157.5	168
August	23	172.5	184
September	22	165	176
October	21	157.5	168
November	22	165	176
December (includes Finnish Independence Day 6 December)	21	157.5	168

Use of this table presumes a reckoning of part-time salaries, that the case does not concern continuous three-shift work, and that one of the two weekly days off is a Saturday.

The table shall also be applied as necessary in the situations referred to in paragraph 2 of section 7 hereof, unless otherwise locally agreed.

Section 6

Regular working time

1 Length of regular working time

- a. The regular working time of a salaried employee working in a production department or workplace where an 8-hour day and 40-hour week is the standard practice shall not exceed 8 hours a day and 40 hours a week.
- b. In other cases the regular working time shall not exceed 7.5 hours a day and 37.5 hours a week.

1.1 Average weekly working time

In daily and two-shift work with regular working time of 8 hours a day and 40 hours a week working time shall be scheduled as follows:

an average of 36.2 hours per week in 2013
an average of 36.2 hours per week in 2014
an average of 36.4 hours per week in 2015
an average of 36.5 hours per week in 2016.

Working time reduction leave, public holidays falling on weekdays and the eves of Midsummer and Christmas Day will then be used to balance the said average weekly working time over the calendar year. The provisions of paragraph 3 of this section shall govern averaging of working time.

Collective agreement

Working time in daily and two-shift work with regular working time of 7.5 hours a day and 37.5 hours a week, having regard to public holidays falling on weekdays and the eves of Midsummer and Christmas Day, shall be scheduled as follows:

an average of 36.0 hours per week in 2013

an average of 36.0 hours per week in 2014

an average of 36.1 hours per week in 2015

an average of 36.2 hours per week in 2016.

Average weekly regular working time in discontinuous three-shift work shall be 35.8 hours. Average weekly working time in continuous three-shift work and underground work in mines shall be 34.9 hours. Working time in three-shift work shall average to the foregoing weekly working time over a period not exceeding one year and generally of one calendar year in duration.

On conversion to some other form of working time, working time shall be determined after conversion according to the regulations governing the form of working time in question.

Implementation regulation:

Definitions of working time forms

TAM 1/5 refers to single shift work done on five days a week.

TAM 2/5 refers to two-shift work done on five days a week.

TAM 3/5 refers to discontinuous three-shift work done on five days a week.

TAM 3/7 refers to continuous three-shift work done in daily periods totalling 24 hours on seven days a week.

1.2 Changing of weekly working time in daily and two-shift work

Conversion from a 37.5-hour week to a 40-hour week or from a 40-hour week to a 37.5-hour week may be agreed locally by the collective bargaining procedure. The monthly salary shall be proportioned on conversion to the true change in working time unless otherwise agreed.

2 Reduction of working time in daily and two-shift work

Reduction of working time in accordance with point 1 a. in daily and two-shift work shall be implemented by granting leave so that working time reckoned over a period not exceeding one calendar year reaches the average number of hours per week referred to in paragraph 1.1. Annual leave days may not be used for averaging working time.

Leave shall be taken as indicated by the employer for periods no shorter than a full shift at a time, unless other arrangements for leave or compensation are agreed with the salaried employee in question. Any outstanding period of leave that has not been entered in the schedule of working hours and has not been taken shall be granted by no later than the end of June of the following year. If the said leave has not been granted by this date, then compensation shall be paid for it in the same manner as for weekly overtime.

Implementation regulation:

The employer and a salaried employee may agree on cash compensation for working time reduction leave or part thereof. This agreement shall be concluded for the calendar year in question or for an indefinite period. The agreement shall be made in writing. Notice may be served by no later than the end of October terminating an agreement concluded for an indefinite period with effect at the end of the calendar year.

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The compensation payable for outstanding working time reduction leave shall be reckoned using the divisors referred to in point 6 of section 12. The compensation shall always be redetermined when the salary changes.

It may be agreed locally that leave based on reduction of working time may be exchanged for flexible leave. Flexible leave shall be governed in other respects by section 27 of the Annual Holidays Act² with the exception that the time of the said leave shall be agreed. No holiday bonus shall be paid in respect of flexible leave.

If no separate decision is made to grant each individual period of leave but the dates of several or all of the leave periods are confirmed on a single occasion, then such a plan shall be called a schedule of working hours. When preparing a schedule of working hours the employer shall seek to allow for the individual wishes of salaried employees concerning the times of leave periods within the limits imposed by the needs of production and the times of operation and service.

A schedule of working hours is essentially collective, and applies to the time when the form of working time used at the worksite in question, or in a department or workplace generally, is daily or two-shift work. On conversion to some other form of working time, such as three-shift work, working time shall be determined after conversion according to the regulations governing the form of working time in question.

Where the foregoing schedule of working hours has not been decided in advance, no less than one week's notice of time off shall be given unless otherwise agreed before the time off is taken.

A reduction in working time shall be implemented without reducing earnings.

Leave granted pursuant to this paragraph that would otherwise have been working days shall be regarded as equivalent to days worked for the purpose of earning entitlement to annual holiday.

Unless otherwise indicated by the schedule of working hours, a salaried employee who is absent from work shall be considered to have received time off, even though the person absent has not been separately notified thereof, when the entire enterprise or the work department or working group thereof to which the said salaried employee belongs has taken the time off referred to in this agreement.

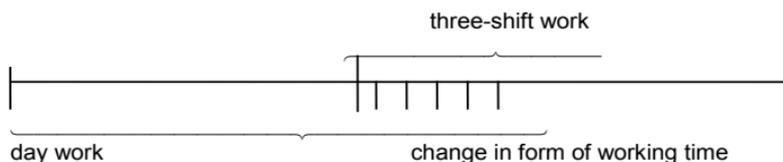
The employer shall negotiate with the representatives of the salaried employees before implementing the schedule of working hours referred to in this agreement. These negotiations shall allow for the nature of the work of salaried employees at the workplace, for secure operation and service times, for the working time arrangements of other staff groups, and for other corresponding aspects.

Certain special situations

When employment begins or ends in the middle of the year working time reduction leave shall be proportioned to the average weekly working time of the salaried employee in the calendar year concerned. Compensation corresponding to salaries for regular working time shall be paid for any leave reckoned in this way that is outstanding at the end of employment.

Change in the form of working time or department:

Before taking working time reduction leave a salaried employee may, for example, be transferred to discontinuous three-shift work so that the intended leave days become days worked.



No leave shall be carried over with the employee when changing the form of working time. Leave may, however, be granted earlier than planned for example or, where the period of three-shift work is a brief one, after the employee has been reassigned to day work. If the form of working time of a salaried employee changes frequently, then care shall be taken not to extend the relative working time of the said employee.

3 Compensation for working time reduction in three-shift work

Discontinuous three-shift work:

Working time reduction shall be implemented without reducing earnings. Any reduction in earnings shall be investigated locally and a local decision shall be made as to the manner of compensation. There is no need to change any existing arrangements at the enterprise that allow for compensation.

Uninterrupted three-shift work:

A separate monthly bonus of 5% shall be paid to a salaried employee in compensation for lost earnings in uninterrupted three-shift work and in underground work in mines. There is no need to change any existing arrangements at the enterprise that already allow for compensation.

Section 7

Scheduling of regular working time

1 Schedule of working hours

A schedule of working hours shall be prepared at the workplace where this is possible having regard to the nature of the work. The schedule of working hours for three-shift work shall be prepared in advance to cover the period over which weekly working time is averaged to the weekly average number of hours referred to in point 1.1 of section 6. The schedule of working hours shall state the beginning and the end of regular daily working hours, the duration and time of the meal break and the weekly days off.

The salaried employees concerned and the shop steward shall be notified of permanent changes in the schedule of working hours at the earliest opportunity and no later than two weeks before the change takes effect. If the change affects several employees or an otherwise significant part of the staff, then negotiations on the change shall be conducted with the shop steward in advance.

The salaried employees concerned shall be informed of temporary deviations from the schedule of working hours at the earliest opportunity and no later than on the third day before the change takes effect except in case of emergency work. The shop steward shall also be notified if the change concerns a department or corresponding operational unit.

Implementation regulation:

Definition of a temporary change

A change shall be of temporary character if the intention is for the workplace to revert to the current schedule of working hours after the circumstances motivating the change have ended.

Collective agreement

The foregoing notification periods may be modified by local agreement.

The working week shall begin on Monday unless otherwise locally agreed.

The working day shall begin at 07:00 unless otherwise locally agreed.

It is also appropriate to investigate the prospects for introducing flexible working hours when planning the introduction of various working time scheduling arrangements. Flexible working hours may be introduced where locally agreed.

2 Average regular working time

Deployment of average regular weekly working time requires the preparation of a schedule of working hours covering no less than the period over which weekly regular working time will be averaged to the agreed number of hours for the form of working time concerned; this not to exceed 40 hours per week.

2.1. By decision of the employer

Regular weekly working time may be averaged as follows, provided that regular daily working time does not exceed 8 hours:

- in day work, where absolutely required for enterprise operations, so that regular weekly working time is averaged over a period of no more than 6 weeks;
- in discontinuous two-shift work, so that regular weekly working time is averaged over a period of no more than 9 weeks; and
- in discontinuous and uninterrupted three-shift work and in

continuous shift work, so that regular weekly working time is averaged over a period of no more than one year.

Both in shift and day work the averaging period shall include an average of two days off per week.

2.2. By local agreement:

- a. Working time may also be scheduled by local agreement so as to correspond on average to the daily and weekly working time specified in point 1.1 of section 6 of the collective agreement. The averaging period shall not exceed one year. Averaging of working time to these limits may also occur by granting whole days of leave in addition to the weekly time off.

Regular daily working time may nevertheless not exceed 12 hours in such cases. The averaging period shall not exceed one year.

- b. If employment in the mode of working time referred to in this section ends during the averaging period, then the number of hours whereby the average weekly time worked exceeds the regular working time based on the agreement shall be reckoned, and compensation shall be paid for the said excess hours corresponding to the salary for regular working time. The employer shall be similarly entitled to deduct the corresponding sum from the salary of the employee if average weekly working time falls short of the said time based on the agreement. The same principles shall apply when salary payment has been interrupted during the averaging period and the time worked fails to reach the average by the end of the averaging period.

Implementation regulation:

Use of working time averaging leave shall be the primary response in cases of underemployment, resorting only thereafter to layoffs where necessary.

- c. The schedule of working hours shall be prepared for a period no shorter than three weeks at a time. It shall specify the time at which the work begins and ends.

3 Local agreement of working time regulations

The following matters may be agreed locally under collective agreement regulations:

- the maximum length of regular daily and weekly working time (sub-paragraphs a and b of point 1 of section 6),
- the length of the averaging period for working time, not exceeding one year,
- the time when the working day and working week begin (point 1 of section 7),
- the length of the daily rest period (point 1 of section 10),
- changes in the schedule of working hours (point 1 of section 7),
- introduction and maximum limits of flexible working hours (point 1 of section 7),
- taking of, or compensation for working time reduction leave (point 2 of section 6),
- compensating for additional work by corresponding time off,
- compensating for overtime and Sunday work by fixed monthly compensation or corresponding time off, or exchanging for flexible leave,
- compensating for holiday bonus by corresponding time off, or

exchanging for flexible leave.

Minuted note:

Working time reduction leave under point 2 of section 6 of this Agreement and the foregoing locally agreed leave periods or other time off under flexible scheduling shall be granted in periods of several shifts where the work situation so permits and the salaried employee so desires.

Section 8

Days off

1. One of the two days off granted in each week may be:
 - a fixed day of the week, which shall be Saturday, or a Monday where this is not possible, or
 - a varying day of the week if work is done on no fewer than six days in the week.
2. If average weekly working time is observed, then days off shall be scheduled to include enough days off to reach the average regular weekly working time over the period.

If days off cannot be scheduled in advance, then days off granted to reach the average shall be notified no later than one week in advance.

Section 9

Weeks including a weekday public holiday

1. In weeks including a weekday public holiday regular working time on the eve of the said holiday and on Saturday shall be the same as on other weekdays.
2. The following days shall nevertheless be days off:

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- a. the Saturday of the week including New Year's Day
 - b. the Saturday of the week including Epiphany
 - c. Easter Saturday
 - d. the first Saturday after Easter
 - e. the Saturday of the week including the first of May
 - f. the Saturday of the week including Ascension Day
 - g. Midsummer's Eve
 - h. the Saturday of the week including Finnish Independence Day (6 December)
 - j. Christmas Eve
 - k. the first Saturday after Christmas
3. Working time in certain weeks including a weekday public holiday in 2013-2016

Working time in certain weeks including a weekday public holiday in 2013

Week 1	the week including Epiphany	4 days
Week 13	the week before Easter	4 days
Week 14	the week after Easter	4 days
Week 18	the week including 1 May	4 days
Week 19	the week including Ascension Day	4 days
Week 25	the week including Midsummer's Day	4 days
Week 49	the week including Finnish Independence Day (6 December)	4 days
Week 52	the week including Christmas Day	2 days

Working time in certain weeks including a weekday public holiday in 2014

Week 1	the week including New Year's Day	4 days
Week 2	the week including Epiphany	4 days
Week 16	the week before Easter	4 days
Week 17	the week after Easter	4 days
Week 18	the week including 1 May	4 days

Week 22	the week including Ascension Day	4 days
Week 25	the week including Midsummer's Day	4 days
Week 52	the week including Christmas Day	2 days

Working time in certain weeks including a weekday public holiday in 2015

Week 1	the week including New Year's Day	4 days
Week 2	the week including Epiphany	4 days
Week 14	the week before Easter	4 days
Week 15	the week after Easter	4 days
Week 18	the week including 1 May	4 days
Week 20	the week including Ascension Day	4 days
Week 25	the week including Midsummer's Day	4 days
Week 52	the week including Christmas Day	3 days
Week 53	the week including New Year's Day	4 days

Working time in certain weeks including a weekday public holiday in 2016

Week 1	the week including Epiphany	4 days
Week 12	the week before Easter	4 days
Week 13	the week after Easter	4 days
Week 18	the week including Ascension Day	4 days
Week 25	the week including Midsummer's Day	4 days
Week 49	the week including Finnish Independence Day (6 December)	4 days
Week 52	the week including New Year's Day	4 days

- See point 8 of section 12 for cases in which a salaried employee has done more work in a week including a weekday public holiday than required by the working time for such weeks (collective agreement overtime).

Section 10

Rest periods and compensation for weekly time off

1. Daily rest period

Where work is arranged in regularly changing shifts of more than six hours, even in the work referred to in Section 7 of the Hours of Work Act³, a salaried employee shall be granted a rest period of not less than half an hour or an opportunity to take a meal during working time.

When working time in day work exceeds six hours a salaried employee shall be granted at least one regular rest period of not less than one hour. This rest period may be reduced to not less than half an hour where locally agreed. A salaried employee shall be freely entitled to vacate the workplace during the rest period. This shall nevertheless not apply to employees whose presence at the workplace is essential for continuing operations. Arrangements in other respects for taking meals while working may be agreed locally.

All of the time during which a salaried employee is bound to duties of work or required to remain at the workplace shall be counted as working time, but any break during which the employee has both the right and the practical opportunity to leave the workplace freely shall not constitute working time.

The Parties recommend that a salaried employee be given a daily opportunity while working, at the time most convenient for performance of duties, to take coffee or soft drinks in a manner causing minimal disruption to the flow of work.

2. Weekly time off

- 2.1. The working time of a salaried employee shall be arranged so that the employee receives a weekly continuous time off period of not less than 35 hours, scheduled where possible

for Sunday or a day adjacent thereto. The said weekly time off may be arranged as an average of 35 hours over a period of 14 days. The time off period shall nevertheless be not less than 24 hours in any week.

- 2.2. Weekly time off in continuous shift work may nevertheless be scheduled to average 35 hours per week over a period of 12 weeks, provided that it does not fall below 24 hours in any one week.
- 2.3. Exceptions to the provisions of this section governing weekly time off may occur:
 - a) when the regular working time of a salaried employee does not exceed three hours in a 24-hour period;
 - b) when a salaried employee is needed for emergency work;
 - c) when the technical character of the work does not permit full job release of some salaried employees;
 - d) when a salaried employee is temporarily needed for work during the weekly rest period in order to maintain a regular flow of work at the enterprise.

3. Compensation for weekly time off

- 3.1. Unless otherwise agreed, a salaried employee shall be compensated for work performed temporarily during the weekly time off period by deducting from the employee's regular working time a corresponding number of hours scheduled no later than during the calendar month immediately following the said work.
- 3.2. Compensation shall be paid for temporary work performed during a weekly time off period even when the salaried

employee has been absent from work during the same week due to illness, temporary child care leave, accident, training ordered by the employer, or travel at the employer's behest.

- 3.3. The regular working time during the week in which the said time off in lieu is granted shall be the weekly scheduled working time minus the number of hours of time off in lieu.
- 3.4. The following cash compensation for time worked may be paid in full for weekly time off, in addition to the monthly salary, with the consent of the employee concerned:
 - basic rate + 100 per cent, and
 - the increases stipulated herein for overtime and Sunday work if the time worked also constitutes overtime or Sunday work.

The mode of compensation shall be agreed when settling the work to be performed during a weekly rest period.

Section 11

Additional work

1. Concept of additional work

Additional work refers to work done with the consent of the salaried employee in excess of agreed working time, but without exceeding the maximum regular working time under point a) of paragraph 1 of section 6 and points 2 and 3 of section 7.

This means that, with the exception of absence from work, additional work may apply only to salaried employees with whom regular working time of less than 40 hours a week has been agreed.

2. *Forms of additional work*

Additional work may occur in the following forms:

- a. As daily additional work, usually of only 0.5 hours per day.
 - b. As additional work on leave days
 - usually not exceeding 2.5 hours when no additional work has been performed during the week, or
 - up to 40 hours per week when the salaried employee has been absent from work in the course of a week.
3. When applying average weekly working time, additional work shall be any work done in addition to agreed weekly working time averaging fewer than 40 hours over the entire period.

When the period forming the basis for the schedule of working hours is too long to fit into a single pay period, additional work may be calculated on a weekly basis using the regular weekly working time confirmed for the week in question as the basis for comparison.

4. Salary for additional work

Unless agreement has been made to grant equal time off in lieu of additional work, the said work shall be remunerated at the normal hourly rate according to the number of hours worked. The basic hourly rate payable for additional work shall be reckoned in the same manner as the overtime rate.

A salaried employee with regular daily working time of 7.5 hours and regular weekly working time of 37.5 hours shall nevertheless be remunerated for work performed in excess

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of the scheduled daily or weekly working time in the manner agreed with respect to daily or weekly overtime. Additional work shall not constitute overtime.

5. Additional work may be exchanged for flexible leave by local agreement. Flexible leave shall be governed in other respects by section 27 of the Annual Holidays Act², with the exception that the time of the said leave shall be agreed. No holiday bonus shall be paid in respect of flexible leave.

Section 12 **Overtime**

1. Any work done in excess of statutory maximum regular working time shall be counted as overtime.

Unless otherwise stipulated herein and when applying average working time, any work performed in excess of the regular working time specified in the schedule of working hours shall be counted as overtime, except when average working time is less than 8 hours per day or 40 hours per week.

Compensation for three-shift work exceeding the weekly working time set out in the schedule of working hours for the week in question shall be paid in the manner agreed for weekly overtime in the collective agreement.

The tracking period for maximum overtime under the Hours of Work Act³ shall be the calendar year.

Implementation regulation:

Instead of the start of the calendar year, use of an annual tracking period beginning from the start of the salary payment period for which salary is first paid in the calendar year may be agreed locally.

2. The pay for daily overtime shall be increased by 50 per cent (“time-and-a-half”) for the first two hours and 100 per cent (“double time”) for subsequent hours. The pay for weekly overtime (Hours of Work Act overtime and collective agreement overtime) shall be increased by 50 per cent (“time-and-a-half”) for the first eight hours and 100 per cent (“double time”) for subsequent hours.

The pay for daily overtime worked on a Saturday or on the eve of a public holiday shall be double time for all hours worked.

The pay for weekly overtime and collective agreement overtime (point 8 of section 12) worked on Easter Saturday, Midsummer’s Eve and Christmas Eve shall be double time for all hours worked.

The overtime increase or the entire salary for overtime worked may be paid as fixed monthly remuneration or exchanged for a corresponding period of time off in lieu where so agreed with the salaried employee in question. The date of the said time off in lieu shall be agreed with the salaried employee concerned.

Alternatively, it may be agreed that the overtime increase or entire overtime salary will be exchanged for a period of flexible leave. Flexible leave shall be governed in other respects by section 27 of the Annual Holidays Act² with the exception that the time of the said leave shall be agreed. No holiday bonus shall be paid in respect of flexible leave.

3. When a salaried employee has been unable to work for a period corresponding to the regular hours indicated in the schedule of working hours on account of annual holiday, illness, accident, travel performed at the employer’s behest,

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layoff for reasons of production or finance, leave granted to reduce the annual 40-hour working week, or participation in vocational training or co-operation training arranged by the employer or referred to in the inter-confederation agreement on training and education, and the said salaried employee has to work on a scheduled day off, then any work performed on the said day off shall be remunerated as agreed with respect to weekly overtime.

4. Unless otherwise provided by this agreement or an annex hereto, if a salaried employee transfers from one form of working time to another in the middle of a working week, then any work performed in excess of 40 hours a week shall be deemed weekly overtime, even when regular daily working time has not been exceeded.
5. It may be locally agreed that the compensation paid for overtime is determined using a single overtime concept. This means that compensation is no longer paid separately for daily and weekly overtime, but that compensation is paid for all overtime hours accruing over a specified longer period on the basis of one and the same overtime compensation regulation.

This local agreement must specify the length of the overtime compensation tracking period and the amount of overtime compensation payable, which will either be graded according to the number of overtime hours worked or expressed as a flat percentage rate.

The local agreement shall be concluded between the employer and the shop steward in writing.

When preparing a local agreement, the level of the current overtime compensation scheme applied at the workplace

shall be investigated over a sufficiently long period, together with the objectives of the settlement, which may concern such matters as promoting diversified scheduling, managing costs, and simplifying the principles governing compensation for overtime.

Minuted note:

The average overtime percentage at a workplace shall be reckoned as follows:

The sum of overtime percentages accruing to salaried employees is divided by the sum of hours worked that are eligible for an overtime increase.

The calculation will include the sum of overtime percentages accruing to the employees during the current year up to the time of concluding the agreement and during the preceding year.

Hours worked refers to the sum of hours worked that are eligible for an overtime increase over the corresponding period.

6. When calculating increased salary payable for overtime, the basic rate shall be reckoned by dividing the monthly salary, including benefits in kind, by 160 when the regular weekly time is 40 hours and by 158 when the regular weekly time is 37.5 hours. A divisor of 149 shall be used for continuous three-shift work and underground work in mines. The divisor for discontinuous three-shift work shall be 155. If the regular working time is some other figure, then the monthly salary shall be divided by the correspondingly reckoned average number of regular working hours actually worked during a month.

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In addition to the monthly salary, items to be included when reckoning the basic rate shall be the cash value of any benefits in kind, commission and productivity bonuses, and compensation for work as a substitute. However, shift-work bonus, compensation for regular Sunday work and extraordinary compensation items of temporary character such as overtime, Sunday work and additional work bonuses shall be excluded from the said reckoning.

If the work performed by a salaried employee continues from one day (24-hour period) or one working day to another, then the work performed until the time when the employee's regular workday normally begins shall be deemed to have been performed during the preceding day for the purpose of reckoning increases for additional work or overtime. These hours shall not then be included when reckoning the regular working time of the subsequent day.

7. When a salaried employee remains for overtime work following the end of regular working hours for an estimated period of not less than two hours, it must be considered reasonable to allow the said employee an opportunity to take a necessary meal break or an opportunity to have a meal while working.
8. A salaried employee who has worked more time in a week including a public holiday than is stipulated for the said week (collective agreement overtime) shall be remunerated for the excess time in the manner agreed for weekly overtime unless the said remuneration is paid as daily overtime. This regulation shall apply only to daily and two-shift work arranged with five regular working days in the working week (TAM 1/5 and TAM 2/5). The regulation shall not apply when average working time has been arranged in accordance with a schedule prepared in advance.

9. Remuneration shall be paid for any daily overtime incurred in starting-up and running-down work. It is therefore necessary to investigate duties at the workplace involving such starting-up and running-down work. At the same time the mode of remuneration applicable to such cases shall also be specified.

An example of overtime compensation under section 12:

Mon	Tue	Wed	Thu	Fri	Sat	Sun
8	8	8	10	8	1.5	10

reckoning total time worked in the week 53.5 hours

deducting total daily overtime (Thu and Sun) from the foregoing 4.0 hours

deducting appropriate scheduled regular working time from the remainder 49.5 hours
40.0 hours

weekly overtime 9.5 hours

Time-and-a-half (basic rate + 50 per cent) is payable for daily overtime (on Thursday). When 8 hours of overtime have already accrued during the week, however, double time (basic rate + 100 per cent) becomes payable for any further daily overtime. This means that the last two hours worked on the said Sunday are payable at double time.

Time-and-a-half (basic rate + 50 per cent) shall be paid for the first eight hours of weekly overtime and double time (basic rate + 100 per cent) for overtime hours worked thereafter. The Saturday hours shown above and the first 6.5 hours on the Sunday are remunerated as weekly overtime at time-and-a-half, and the following 1.5 hours on the Sunday as weekly

overtime at double time. The last two hours on Sunday are remunerated as daily overtime at double time.

In addition to other salary payments, a Sunday work bonus comprising the single hourly rate payable for all 10 hours shall be paid for working on a Sunday.

The weekly rest period shall also be granted at a later date, or the compensation governed by the provisions of section 10 hereof shall be paid for the said weekly rest.

Compensation for additional work is governed by section 11 of this collective agreement. Working time in weeks including a weekday public holiday is governed by section 9. Overtime on the eve of a public holiday is governed by point 2 of section 12 of this collective agreement.

Section 13

Sunday work

1. Sunday work shall denote work performed on a Sunday, on some other public holiday, on the First of May and on Finnish Independence Day (6 December). In addition to other salary payable for the said day, a Sunday work bonus comprising a single basic rate shall be paid for Sunday work.
2. Any additional or overtime work done on a Sunday shall be remunerated under the regulations governing additional or overtime work in addition to the single rate Sunday work bonus referred to at point 1.
3. By agreement with the salaried employee concerned, the Sunday work bonus or the entire salary for Sunday work may be paid at a fixed monthly rate or exchanged for an equivalent period of time off in lieu. The date of the said time off in

lieu shall be agreed with the salaried employee concerned. Alternatively, it may be agreed that the Sunday work bonus or entire salary for Sunday work shall be exchanged for flexible leave. Flexible leave shall be governed in other respects by section 27 of the Annual Holidays Act² with the exception that the time of the said leave shall be agreed. No holiday bonus shall be paid in respect of flexible leave.

Section 14

Shift work and evening and night work

1. Work shifts shall be changed regularly in shift work and rotated at intervals not exceeding four weeks. A salaried employee may nevertheless work the same shift continually where so agreed. Work in which consecutive shifts overlap by no more than one hour or are separated by an interval not exceeding one hour, and in which the shifts are amended in a predetermined manner shall also be regarded as shift work.
2. The hourly shift work bonus stipulated in the table applied as of 1 November 2012 under point 2 of section 14 of the collective agreement that was in force from 24 October 2011 to 31 October 2013 shall remain payable until the end of the salary payment period ending on 28 February 2014 or soonest thereafter.

Hourly shift work bonus as of the start of the salary payment period beginning on 1 March 2014 or soonest thereafter:

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Monthly salary (EUR) including benefits in kind	Evening shift cents	Night shift cents
less than 1859	159	298
1859 - 1958	163	308
1959 - 2054	168	316
2055 - 2148	173	325
2149 - 2241	179	338
2242 - 2339	186	344
2340 - 2435	189	351
2436 - 2531	194	360
2532 - 2628	197	367
2629 - 2720	205	377
2721 or more	209	385

3. A salaried employee who works overtime in shift work shall be paid a shift work bonus for the shift during which the overtime is worked. A salaried employee in two-shift work who remains for overtime after the end of the evening shift shall be paid the night shift bonus for this overtime.
4. When the work is not shift work, overtime or emergency work, and a salaried employee has to perform the said work between 18.00 and 22.00, such work shall be deemed to be evening work, while work done between 22.00 and 06.00 shall be regarded as night work. The same bonus shall be paid for such work as would have been payable as a shift bonus for the said work if it had been shift work in the evening or night shift.
5. When a salaried employee on the evening or night shift remains for overtime following the end of the shift, the evening or night shift bonus payable for regular working time shall also be paid for the said overtime until no later than 06:00.

6. Shift work bonus may also be paid as a separate fixed monthly bonus. This bonus shall be based on no less than the sums specified in cents herein.
7. Any shift work bonus payable for overtime or Sunday work shall be paid inclusive of any bonuses applicable to the rest of the salary payable for the period concerned.
8. Night work may be ordered in accordance with section 26 of the Hours of Work Act³ or by local agreement.

Section 15

Standby time

1. Standby refers to circumstances in which a salaried employee is contractually required to remain on standby duty outside of working hours so that the employee may be assigned to perform duties. This work may be done at the workplace, on the premises of a customer, or via remote connections. Standby time shall not constitute working time.
2. The employer shall be obliged to compensate the salaried employee for the restrictions on use of time off arising from standby.
3. The following compensation shall be payable for standby time:
 - a. 50 % of the basic rate if the salaried employee is required to start work at no more than 2 hours' notice,
 - b. 30 % of the basic rate if the salaried employee is required to start work at no more than 4 hours' notice,
 - c. 15 % of the basic rate if the foregoing response time is more than 4 hours.

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4. Standby compensation shall be paid for the time during which the salaried employee has to remain ready for duty but without working. Standby compensation shall nevertheless be paid for not less than four hours of standby time. Other standby compensation arrangements may be agreed locally.
5. If a salaried employee on standby is called to work, then salary shall be paid for the time spent at work in accordance with other regulations of this agreement. No standby or emergency work compensation shall be paid for the said working hours.

Implementation regulation:

Standby arrangements shall be agreed with the salaried employee concerned in sufficient detail to prevent subsequent disputes on the nature and duration of the intended restriction.

Standby time involving restriction to a specified place as in point 3 a shall not permanently exceed 150 hours per calendar month unless otherwise locally agreed.

Section 16

Emergency work and consultation by telephone

1. Emergency work is work done in response to an emergency call when the salaried employee concerned must attend work outside of the employee's regular working hours and after vacating the workplace.
2. Emergency compensation shall be based on the time of the emergency call as follows:
 - a) two hours at the basic rate if the emergency call occurs within regular working hours ending by 16:00, or thereafter but before 21:00, and

- b) three hours at the basic rate if the emergency call occurs between 21:00 and 06:00.
3. Double time (basic rate + 100 per cent), which shall include any applicable overtime increases, shall be paid for time spent at work when the call to emergency work is issued between 21:00 and 06:00.
 4. A salaried employee shall be paid the salary for a full hour of emergency work, even if the said work takes less than one hour.
 5. Compensation for emergency work may not be arranged by granting a corresponding period of time off in lieu to the salaried employee concerned.
 6. When the duties of a salaried employee characteristically and permanently include the obligation, even during time off, to provide specific operating instructions or to issue orders by telephone where the operations of the company so require, then this shall be taken into account either when determining the employee's total salary or in the form of a separate bonus, as locally agreed.

Implementation regulation:

A salaried employee called to perform emergency work suffers extraordinary inconvenience, which is compensated by emergency pay. When a salaried employee is called to work at a time of day when there is no public transportation available or at such urgency that it is not possible to use public transportation, then the employee's travelling expenses shall be reimbursed on rendering an account thereof.

This regulation shall nevertheless not apply if the emergency work is immediately followed by the regular work of the next

working day.

The duty to issue orders by telephone specified at point 6 shall be considered in the enterprise-specific element of the salaried employee's overall salary. A written account of this element shall be provided on request.

Salary for emergency work

In addition to emergency salary, a salaried employee shall receive the normal salary and any applicable overtime bonus for work constituting overtime. Work performed in response to a call issued between 21:00 and 06:00 shall be remunerated as separately agreed. Double time (basic salary + 100 per cent), which shall include any applicable overtime increases, shall always be payable for emergency work performed during the said period.

Emergency work regulations shall not apply to the standby situations covered by section 15 of this Agreement.

Section 17

Bonus for mine work and for uninterrupted and continuous shift work

Mining work bonus

A salaried employee regularly working underground shall be paid, independently of any minimum pay comparison figure, a separate monthly bonus of EUR 251 until the end of the salary payment period ending on 28 February 2014 or soonest thereafter, and EUR 254 as of the salary payment period beginning on 1 March 2014 or soonest thereafter. If part, but more than half, of the regular hours of work of a salaried employee are spent underground, then the mining work bonus shall be reckoned by multiplying the average monthly number of hours worked underground by EUR 1.46 until the end of the salary payment period ending on 28 February 2014 or soonest thereafter, and EUR 1.48 as of the salary payment pe-

riod beginning on 1 March 2014 or soonest thereafter. A sum reckoned by multiplying the number of hours worked above ground by EUR 1.46 or by EUR 1.48 respectively according to the foregoing dates shall be deducted from the mining bonus for any time worked above ground by a salaried employee regularly working in a mine. A salaried employee regularly working above ground at a mine shall be paid a corresponding hourly mining bonus of EUR 1.46 or EUR 1.48 respectively according to the foregoing dates for any time worked underground.

Bonus for uninterrupted and continual shift work

For each regular working hour worked on a Saturday, a salaried employee in uninterrupted three-shift work and continuous two or single shift work shall be paid a separate bonus of EUR 2.09 until the end of the salary payment period ending on 28 February 2014 or soonest thereafter, and EUR 2.11 as of the salary payment period beginning on 1 March 2014 or soonest thereafter.

Minuted notes:

- 1 The bonus shall be excluded when determining the basic rate used for reckoning overtime, Sunday, additional work or other corresponding increases. It shall not be paid for overtime. A single bonus shall be paid for work on Sundays and public holidays. The bonus shall not be included in salary payable by collective agreement on a basis other than for time worked (e.g. sick pay).*
- 2 This shall be considered at industrial plants that are already using major festive holiday compensation or a corresponding bonus. It may be implemented either by discontinuing the bonuses that were previously paid or by calculating the difference between the annual costs of the Saturday bonus now under consideration and of the bonuses that were previously paid, and using the said difference to determine the hourly*

bonus payable on Saturdays by dividing the said difference by the number of hours in the year.

Section 18

Salary during sickness or incapacity due to accident

Duty of notification and medical certificate

1. A salaried employee who is incapacitated for work due to illness shall notify the employer thereof without delay and advise the employer of the estimated duration of the said incapacity.
2. Should the employer so require, a salaried employee shall provide a medical certificate acceptable to the employer.
3. If the employer fails to approve a medical certificate submitted by the employee and refers the employee for examination by another designated physician, then the employer shall compensate for any fee charged for issuing the said medical certificate.

Conditions for sick leave salary payment

4. A salaried employee shall be paid the salary for regular working time, including benefits in kind, if the employee is incapacitated for work due to illness or accident and has not brought about the said incapacity wilfully or through gross negligence, or knowingly concealed an illness from the employer when concluding the contract of employment. Salary shall be paid as follows for working days included in the following periods:

Duration of continuous employment:	Length of paid period:
At least 1 month, but less than 1 year	28 calendar days
At least 1 year, but less than 5 years	35 calendar days
At least 5 years or longer	90 calendar days

If incapacity to work due to illness or accident begins before the employment has lasted for one month, then the employer shall pay sick leave salary at a rate of 50 per cent of the employee's salary, but for no longer than the scheduled working days over the period between the day when the incapacity to work began and the following nine weekdays.

5. The employer shall be entitled to recover any statutory or agreed daily allowance or comparable compensation payable to the salaried employee for the period during which the employer has paid sick leave salary that does not exceed the sum paid by the employer.

This right to deduction shall nevertheless not apply to any daily benefit or compensation paid to the employee on the basis of voluntary insurance that is wholly or partly financed by the employee.

If the daily benefit or comparable compensation is not paid for reasons due to the employee, or if the sum paid is lower than the sum to which the employee would have been entitled by law, then the employer shall be entitled to deduct that part of the daily benefit or compensation from the employee's salary that was not paid due to the employee's default.

Relapse

6. Should the same illness of a salaried employee recur within 30 calendar days of returning to work, then the period of employer's liability for sick leave salary shall be reckoned

as for a single uninterrupted period of illness. Should the same illness recur in the foregoing manner, sick leave salary shall nevertheless be paid for not less than the waiting period referred to in paragraph 2 of section 7 of chapter 8 of the Sickness Insurance Act⁴.

Implementation regulation:

The question of whether an illness is the same or different shall be settled in unclear cases by applying the interpretations of the Sickness Insurance Act.

Section 19

Medical examinations

Conditions for salary payment

A salaried employee shall be entitled to attend the following reviews and examinations during working hours, provided that they are so arranged as to avoid undue loss of working time:

1. Illness

Essential medical examination owing to illness or accident and associated laboratory or X-ray examinations or cancer treatment if the appointment has not been secured outside of working hours.

Specialist examinations that are necessary for determining treatment or that are the occasion for issuing necessary prescriptions for procuring instruments such as spectacles.

2. Acute dental illness

For the time taken to treat an acute dental illness if:

- the untreated dental illness incapacitates the salaried employee for work

- the dental illness requires treatment on the same day or during the same work shift
- a certificate issued by the dental practitioner indicates incapacity for work and urgency of treatment.

3. Pregnancy

When a salaried employee attends the prenatal medical examinations referred to in subsection 2 of section 8 of chapter 4 of the Employment Contracts Act⁵.

4. Statutory examinations and reviews

- a. When the salaried employee attends examinations and reviews that are associated with the work and required by law and by the employer.
- b. The employer shall compensate a salaried employee who is sent for the said examinations for loss of earnings arising from time spent travelling during regular working hours. Necessary travelling expenses and per diem allowances shall be paid in accordance with section 22 of this collective agreement.
- c. Compensation corresponding to the minimum rate of sickness benefit under section 7 of chapter 11 of the Sickness Insurance Act⁴ shall also be paid for examinations occurring during the employee's time off.

Section 20

Maternity and paternity leave pay and return to work following family leave

1. A salaried employee shall be paid the salary for regular working hours, including benefits in kind, for a total of three months during the special and ordinary maternity leave

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referred to in paragraph 1 of section 1 of chapter 4 of the Employment Contracts Act⁵. A salaried employee shall be paid salary and benefits in kind for no longer than six ordinary weekdays of paternity leave.

2. It shall be a condition of salary payment that the salaried employee's employment has continued for an uninterrupted period of not less than six months before the estimated date of confinement.
3. A female salaried employee who has adopted a child below school age shall be granted paid leave for three months, comparable to maternity leave, at the immediate time of adoption and on the foregoing conditions.
4. The employer shall be entitled to recover any statutory or agreed daily allowance or comparable compensation payable to the salaried employee for the period during which the employer has paid maternity or paternity leave pay that does not exceed the sum paid by the employer.

Implementation regulation:

If a new period of maternity leave begins during a previous period of family leave so that the salaried employee does not return to work between the said leaves, then the employer shall have no duty to pay salary for the new maternity leave.

5. At the end of the family leave periods referred to in chapter 4 of the Employment Contracts Act⁵ a salaried employee shall be primarily entitled to return to the said employee's previous duties. If this is not possible, then the employer shall primarily provide other duties under the contract of employment that correspond to the previous work, and where no such duties are available the employer shall

provide other work under the contract of employment. The employee referred to in this paragraph shall be entitled to any work before this work is assigned to any substitute who was engaged for the duration of the family leave.

Section 21

Brief temporary leave of absence

1. No deduction shall be made from the salary or annual holiday of a salaried employee on account of a brief and temporary leave of absence granted due to the sudden illness of a family member or the death of a close relative. The latter term shall denote the spouse, parents or parents-in-law of the employee, the children of the family, and any brothers and sisters.
2. A brief temporary leave of absence shall also be granted for attendance to the duties of official public appointments.

A sum corresponding to the loss of regular working time arising from participation in the meetings of elected local authority organs shall be deducted from the monthly salary of a salaried employee. The said deduction shall be implemented so that the employee continues to receive the same regular monthly salary after the reduced salary has been supplemented by compensation for lost earnings paid by the local authority. Any element payable by the employer shall be paid after the employee has furnished the employer with an account of the said compensation for lost earnings.

A corresponding adjustment of earnings shall also be made for other official public appointments.

3. Short temporary leave of absence for a child under 10 years of age denotes a period of no more than 4 working days to

care for the child or arrange such care. In other respects the length of leave of absence shall be determined in relation to the foregoing circumstances and any necessary travelling time.

4. The Parties recommend that enterprises pay sufficient salary to a salaried employee for any period of military reserve training to ensure that the salaried employee enjoys full regular salary benefits after receiving reservist pay from the State.
5. Salaried employees belonging to the Delegate Councils and Boards of the Finnish Confederation of Salaried Employees STTK and of the trade unions that are parties hereto shall be permitted, during their hours of work, to take part in meetings of the said organs that are arranged to consider issues pertaining to collective bargaining.

Section 22

Travel compensation

1. General regulations

- 1.1. Salaried employees shall make the journeys required by their duties. Journeys shall be made in an appropriate manner, so as not to spend more time or incur more expense than is necessary for performing the said duties.
- 1.2. A journey shall be deemed to have begun when the salaried employee departs from the workplace or, when separately agreed, from the employee's home before the start of regular working hours, and to have ended when the employee returns to the workplace, except where the employee goes straight home after the regular hours of work, in which case the journey shall be deemed to have ended at this time. Days

earning entitlement to a per diem allowance shall be reckoned from the beginning of the journey to its end. The regulations governing salary payable for travelling time shall not apply to the reckoning of travelling days.

- 1.3. The employer shall defray all necessary travelling expenses, including the cost of accommodation, travel tickets, luggage expenses and the cost of sleeping berths where the journey involves overnight travel.

Compensation for travelling expenses and other details of travel shall be mutually agreed as necessary before the journey begins.

2. Per diem allowance

The following per diem allowance shall be paid for each travel day when the distance between the place where work is done and the salaried employee's workplace proper or home, depending on the place from which the journey is made, exceeds 40 kilometres as measured along public highways: The place of work shall also be 15 kilometres from both the salaried employee's workplace proper and home. Per diem allowances shall be paid for each travel day as follows:

1. A full per diem allowance shall be paid when the work-related travel exceeds 10 hours.
2. A partial per diem allowance shall be paid when the work-related travel exceeds 6 hours but is less than 10 hours.
3. The partial per diem allowance shall also be paid for any partial day following on from a full travel day and comprising not less than 2 and not more than 6 hours, and a full per diem allowance shall be paid when the said continuation exceeds 6 hours.

The per diem allowance shall equal the tax-exempt sum determined annually by the National Board of Taxes.

3. Meal allowances

When no per diem allowance is paid for a travel day, the duties of the salaried employee exceptionally prevent the employee from taking meals in the employer's canteen or at the employee's home, and there is no opportunity in the vicinity of the place of work to take meals of the same standard as at the usual workplace, then the employee shall be paid a meal allowance of $\frac{1}{4}$ of the per diem allowance for journeys in Finland.

4. Overnight travel expenses

Compensation shall be paid for overnight travel expenses by paying either the accommodation costs or an overnight travel allowance as follows:

If no accommodation opportunity has been arranged for the salaried employee, then the employer shall compensate for accommodation costs during the journey in accordance with an account approved by the employer.

An overnight travel allowance equal to the tax-exempt sum determined annually by the National Board of Taxes shall be paid for any travel day that is eligible for a per diem allowance when no accommodation has been arranged free of charge for the salaried employee, or when the employee has received no accommodation compensation or been provided with a sleeping berth during the journey. No overnight travel allowance shall be paid, however, to a salaried employee who, without reason, fails to use an accommodation option that has been reserved and notified by the employer.

5. Work abroad

A per diem allowance for foreign travel shall be payable for work-related travel abroad, amounting to the tax-exempt sum determined annually for each country by the National Board of Taxes.

The partial per diem allowance paid for any partial travel day following on from a full foreign travel day and comprising not less than 2 and not more than 10 hours shall be half of the full per diem allowance, and a full per diem allowance shall be paid when the said continuation exceeds 10 hours.

The per diem allowance payable for part of a day shall be determined according to the foreign travel per diem allowance that was paid for the last full day of travel.

A full per diem allowance for the country in question shall be paid to the salaried employee if the total time spent in travelling abroad is less than 24 hours but not less than 10 hours.

6. Compensation for travelling time

- 6.1. Within the limits of the scheduled hours of work, any work performed during a travelling day shall be counted as regular working time.

When a salaried employee travels at the employer's behest at a time that is scheduled as time off, the basic rate shall be paid in compensation for travelling time for no longer than 8 hours on a working day and for 16 hours on a day off. Such travelling time shall be reckoned in full half-hours. Travelling time shall not be counted as working time. The basic rate shall be reckoned in accordance with point 5 of section 12.

This benefit may also be granted as locally agreed separate fixed monthly compensation.

Implementation regulation:

Travelling time pay shall be determined by the working day. When travelling across time zones the working day shall begin in accordance with the time zone of departure until reaching the assignment site or the place of accommodation, or until the work-related travel ends on the return journey. A working day at the assignment site shall begin in accordance with the local time zone.

- 6.2. The monthly salary of a salaried employee may not be reduced because the hours required by the schedule of working hours could not be performed within the same 24-hour period.

When reckoning the completion of regular weekly working time for the purpose of calculating weekly overtime, travelling time shall also be included up to the maximum daily regular working time on travelling days in which the full regular working time cannot otherwise be reached. Such time shall nevertheless not count as regular working time.

- 6.3. No compensation shall be paid for travelling time when the normal duties of a salaried employee require repeated travelling or when the employee, owing to the nature of the said duties, decides on travelling and the use of working time. In such cases the travelling required for the duties shall be included when determining the salary of the salaried employee.

Instead of the per diem allowances and meal allowances referred to above, a fixed separate sum of compensation

payable with the monthly salary may be agreed with a salaried employee referred to in this point.

7. Compensation for use of a private motor vehicle

If it has been agreed that salaried employees are to use their own motor vehicles, then compensation shall be paid for this corresponding to the tax-exempt sum determined annually by the National Board of Taxes.

8. Divergent agreement

Other regulations on payment of costs and compensation arising from work-related travel may be agreed locally. The local agreement shall be concluded in writing between the employer and the shop steward for salaried employees. If performance of work requires continuous residence in the same district for not less than 2 weeks, then the per diem allowances payable may also be agreed locally with the salaried employee, having regard to local conditions and to any measures taken by the employer in respect of the said residence.

Section 23

Training events

1. Training events

When the employer provides vocational training to salaried employees or when salaried employees are sent by the employer for training events with a view to improving their vocational skills, the directly associated costs of the training and travelling expenses excluding compensation for travelling time shall be defrayed in the manner stipulated in section 22 hereof.

The compensation referred to in the preceding paragraph shall also be paid to a salaried employee participating in the joint training event referred to in section 5 of the Co-operation Agreement if the purpose of the course is found locally to be promotion of the employee's vocational abilities.

If a training event is arranged at a time, for example, requiring an employee working the night shift to attend during time off, then the said employee shall either be paid compensation for the said attendance time at the basic rate, or shall be granted corresponding time off in lieu.

No reduction in salary shall occur if the event takes place during the salaried employee's regular working hours. The Parties note that if the foregoing training event occurs on the employee's day off, then the attendance compensation criteria shall be agreed locally as necessary.

Care shall be taken when arranging training events to ensure that the employee concerned is granted a daily rest period of sufficient length.

2. Assessing the need for training

The federations stress the importance of systematically developing human resources. The employer shall, as necessary, give a salaried employee an opportunity to take part in annual vocational training enabling maintenance and improvement of the employee's vocational skills. The need for training may be verified, for example, at performance appraisals conducted between the employer and the salaried employee.

Minuted note:

It was noted that under section 16 of the Act on Co-operation within Undertakings⁶ that took effect on 1 July 2007, an annual plan of human resources and training objectives must be prepared in co-operation negotiations in order to maintain and improve the occupational skills of salaried employees.

Foreseeable changes in enterprise operations of evident relevance to the structure, number or occupational skills of the workforce must be considered when preparing the plan of human resources and training objectives.

Section 24

Annual holiday

1. Annual holidays shall be governed by the Annual Holidays Act² unless otherwise provided in this collective agreement.
2. Annual holiday pay for salaried employees shall be reckoned using a standard divisor of 25. If a salaried employee is not on annual holiday for the whole of the pay period, then the holiday pay shall be reckoned in proportion to the holiday and working periods so as to correspond to the salary otherwise payable to the salaried employee for a corresponding period.

The daily salary payable as annual holiday pay shall be reckoned on the basis of commission pay by dividing the salary earned during the leave-earning months by the number of such months and further dividing by 25 to convert the average monthly salary thereby determined into daily salary.

Collective agreement

3. Where so agreed the salary for the annual holiday may be paid on the regular salary payment day for the enterprise.
4. Holiday bonus
 1. The holiday bonus shall be 50 per cent of the pay for the annual holiday (= cash salary) reckoned using the standard divisor of 25.
 2. The holiday bonus shall be paid when paying annual holiday pay or in the manner agreed within the enterprise.
 3. The holiday bonus shall always be paid with respect to holiday taken.

The holiday bonus shall also be paid in respect of holiday compensation payable for a leave-earning year that has already ended if regular employment is terminated during the holiday period for reasons not due to the employee, or when temporary employment ends during the holiday period.

The holiday bonus shall be payable to a salaried employee retiring on old-age or disability pension and on early old-age or individual early pension at the foregoing percentage of annual holiday salary and of any annual holiday compensation to which the employee is entitled.

A salaried employee returning to work after completing regular duties in the armed forces as provided in the Continuance of the Employment and Civil Service Relationship of Military Conscripts Act⁷ shall be entitled to an annual holiday bonus payable at the foregoing percentage on the annual holiday compensation that was paid to the employee on entry into the said military service.

It may be agreed locally that the holiday bonus will be exchanged for a corresponding period of time off to be taken by the end of the leave-earning year referred to above. It may alternatively be agreed that the holiday bonus will be exchanged for a period of flexible leave. Flexible leave shall be governed in other respects by section 27 of the Annual Holidays Act² with the exception that the time of the said leave shall be agreed. If the employment of a salaried employee ends before the date on which it has been locally agreed that the holiday bonus will be paid, then the holiday bonus shall be paid when the employment ends if the employee concerned is otherwise entitled to holiday bonus.

When agreeing to carry forward annual leave in accordance with section 27 of the Annual Holidays Act, an agreement shall also be reached concerning whether the holiday bonus payable with respect to the leave to be carried forward will be paid at the time of payment of annual holiday pay or whether the holiday bonus will be exchanged for a period of flexible leave in accordance with the provisions of this Agreement.

5. When so warranted by the due organisation of production and work, the employer shall be entitled to grant the portion of the holiday exceeding the 18 days referred to in paragraph 2 of section 20 of the Annual Holidays Act (the summer holiday) as a single continuous period outside of the holiday season. In addition to other agreed stipulations governing the holiday bonus, an extraordinary holiday bonus of 50 per cent of the annual holiday pay for this part of the holiday shall be paid for the said part of the holiday granted outside of the holiday season at the initiative of the employer.

6. Annual holiday in uninterrupted three-shift work

Unless other arrangements are warranted for justified reasons of production technology, or unless otherwise locally agreed, when using a five-shift system in continuous three-shift work a salaried employee shall be allowed a continuous period of 24 days of time off for an annual holiday to be taken between 20 May and 20 September.

The unused holiday days remaining from the foregoing 24-day holiday period shall generally be allowed in a continuous period during the calendar year when the leave-earning year ends.

In all of the shift work systems referred to in this agreement the portion of the annual holiday exceeding 24 days shall be allowed during the calendar year when the leave-earning year ends or by the end of April of the subsequent year.

In other respects the regulations of the Annual Holidays Act shall govern annual holidays and notification of the time thereof.

The federations nevertheless consider it expedient to seek to settle the timing of annual holidays in the schedule of working hours at the earliest opportunity.

Days off according to the schedule of working hours shall be treated as working days for the purpose of determining annual holidays, but excluding the number of ordinary days off taken by day workers included in the calendar month in question.

Section 25

Right of assembly

Provided that the arrangements and procedures are agreed in advance with the employer, associations affiliated to Trade Union Pro may arrange meetings at the workplace to discuss employment-related matters outside of working hours. The organiser of the meeting shall be entitled to invite to the meeting representatives of a federation that is a party to this collective agreement and of any association that is affiliated thereto, and representatives of the competent national labour and employer confederations.

Section 26

Use of outside labour

A term shall be included in contracts concerning subcontracting and leasing of labour whereby the subcontractor or the enterprise that leases labour undertakes to comply with the general collective agreement in its industry and with labour and social legislation.

The employer shall notify the shop steward and, where possible, also the labour protection delegate, in advance, of any outside labour that is involved in salaried employee duties at the enterprise. If this is not possible on account of the urgency of the work or for some similar reason, then the said notification may exceptionally be given afterwards and without delay.

Efforts shall be made to limit the use of leased outside labour to alleviating peak load situations or otherwise to duties that cannot be assigned to the enterprise's own salaried employees, either expediently or at all, on account of the urgency of the work, its limited duration, the requirement of vocational skills or special know-how, or other corresponding reasons.

Subscriber liability and information gathering

A justified suspicion that the subscriber's contractual partner is failing to discharge its obligations under statute or collective agreement may arise when using outside labour.

Together with the shop steward, the subscriber shall assess the situation and any information gathering that is required to resolve it, and shall take steps accordingly to obtain reports. The subscriber's shop steward shall be entitled to examine the reports obtained.

Minuted note:

A condition may be included in subcontracting and agency work agreements entitling the subscriber to require its contractual partner to provide a reliable report of the foregoing details during the contractual relationship. This report may not include information that is protected by privacy provisions.

Section 27

Negotiating procedure

1. The federations shall negotiate in a businesslike manner on all issues arising within their competence with a view to resolving them by mutual understanding. The federations shall each endeavour to establish effective and businesslike bargaining relationships at workplaces.
2. Should any differences of opinion arise concerning the interpretation or application of this agreement, or some other employment-related matter, that cannot be resolved by agreement between the salaried employee and the employer and upon which local negotiations fail to result in agreement, then the issue shall be referred for consideration by the employee and employer organisations concerned.

3. When either of the parties proposes negotiations in the foregoing cases, the said negotiations shall begin at the earliest opportunity and no later than two weeks after the proposal was submitted.
4. At the request of either of the parties, minutes or a memorandum of dispute shall be prepared for the negotiations, to be signed by each of the parties. This document shall briefly state the cause of dispute and the view taken by each of the parties. The minutes or memorandum of dispute shall be prepared within one week of the end of negotiations.
5. If the negotiations referred to at point 2 of this section concerning interpretation or application are inconclusive, then either of the parties may refer the matter for settlement by the Labour Court. The employee and employer organisations concerned may jointly request an opinion on interpretation of the agreement from the Confederation of Finnish Industries EK and the Finnish Confederation of Salaried Employees STTK.
6. No stoppage may be declared, nor may any other measures be taken to apply pressure on the other party or to impede the regular process of work while negotiations on the dispute referred to at point 2 of this section continue.
7. Representatives of the employee and employer organisations that are bound by this agreement shall be entitled to participate in local negotiations where the said employee and employer organisations so agree. It shall be a requirement for this that local negotiations on the issue have previously been conducted. If such negotiations fail to achieve unanimity, then the parties shall apply the procedure specified at points 2 and 5 of this section.

8. The local agreement referred to in several regulations of this collective agreement may be concluded under the negotiating procedure set out in the collective agreement, either between the employer and a salaried employee, or between the shop steward and the employer. An agreement concluded with a shop steward shall bind the salaried employees whom the said representative is considered to represent. The agreement may be concluded for a limited period or until further notice. An agreement concluded until further notice may be terminated at three months' notice unless some other period of notice of termination has been agreed. Agreements shall be concluded in writing if either of the parties thereto so requests. The local agreement referred to herein shall form a part of the collective agreement. It shall continue to be applied even after the collective agreement has expired in other respects. At this time, and within one month after a new collective agreement enters into force, any local agreement concluded for a specified period may also be terminated at three months' notice.

Minuted note:

The special regulations governing local agreement of the system for determining salaries are set out at point 10 of section 4.

Section 28

Binding character of agreement

1. This agreement shall bind
 - a) the undersigned organisations
 - b) the employers, the salaried employees and the associations thereof that are members of the foregoing associations or that were members during the validity of this

agreement.

2. After this agreement has become binding on the employee and employer organisations, all industrial action that is directed against this agreement as a whole or in respect of any individual regulation thereof shall be prohibited. The federations and their affiliated associations shall also be required to ensure that none of their member employers and salaried employees that are bound by the agreement engage in any industrial action of this kind or infringe the regulations of this agreement in any other manner.

Section 29

Duration of Agreement

This agreement shall be in force from 1 November 2013 until 31 October 2016, and shall continue thereafter for one year at a time unless written notice of termination of the collective agreement has been served by either of the parties hereto no later than two months before the said termination takes effect.

Bargaining on 3rd year salary adjustments

Under the pact for employment and growth, the national labour market confederations will meet in June 2015 to review progress in the general economic climate, implementation of structural reforms, employment, exports and competitiveness, and factors affecting this progress. The review will consult the Information Committee on Cost and Income Developments and external specialists as required. The review will provide a basis enabling the national labour market confederations to agree the cost impacts of the pay settlement for the third year. The pay settlement will be implemented in the technology industries bargaining sector in the same way as in the previous years of the agreement period.

Collective agreement

If the foregoing bargaining round by national labour market confederations fails to reach a negotiated settlement on or before 15 June 2015, then the sector federations will negotiate on implementation of the salary adjustment for the third year, applying the foregoing review work and seeking a settlement that strengthens export sector competitiveness, employment and purchasing power, having regard to the differences between specific enterprises and operating sectors. If the salary adjustment negotiations are inconclusive, then either of the federations may terminate the collective agreement with effect as of 31 October 2015. Written notice of termination shall be submitted to the other party by no later than 30 June 2015, with a copy for information also sent to the National Conciliator.

Helsinki, 23 October 2013

Federation of Finnish Technology Industries – TT

Jorma Turunen

Risto Alanko

Trade Union Pro

Antti Rinne

Markku Palokangas

(Endnotes)

- 1 *Laki kauppaedustajista ja myyntimiehistä*, no. 417 of 1992
- 2 *Vuosilomalaki*, no. 162 of 2005
- 3 *Työaikalaki*, no. 605 of 1996
- 4 *Sairausvakuutuslaki*, no. 1224 of 2004
- 5 *Työsopimuslaki*, no. 55 of 2001
- 6 *Laki yhteistoiminnasta yrityksissä*, no. 334 of 2007
- 7 *Laki palvelukseen kutsutun asevelvollisen työ- tai virkasuhteen jatkumisesta*, no. 570 of 1961. This Act was repealed and supplanted by the Act on Continuance of Employment of Persons Completing National Defence Duties (*Laki maanpuolustusvelvollisuutta täyttävän työ- ja virkasuhteen jatkumisesta*, no. 305 of 2009)

TECHNOLOGY INDUSTRIES OF FINLAND
UNION OF SALARIED EMPLOYEES – TU

CO-OPERATION AGREEMENT FOR SALARIED EMPLOYEES IN TECHNOLOGY INDUSTRIES

1 GENERAL REGULATIONS

The parties shall seek to promote negotiating channels and bargaining both internally and at workplaces. They shall seek to improve these objectives through various forms of co-operation and to assist in supervising compliance with any agreements concluded. The fundamental right of citizens to freedom of association shall be inviolable. This shall apply to both employers and salaried employees. Salaried employees shall be entitled to establish and serve in trade union organisations, and may suffer neither dismissal nor discrimination at work on this account. The health and safety, freedom from discrimination and equitable treatment of individual salaried employees shall be a basic principle of agreed regulations.

The national conciliator and the federations of employers and salaried employees concerned shall be notified, where possible, no later than four days before any political or sympathetic industrial action is taken. Any subsequent decision on industrial action shall be announced at the earliest practical opportunity. The announcement shall specify the causes of the intended industrial action, the time when it begins and the scope of the action.

Subject to the exclusions specified below, this agreement shall be

observed at enterprises that are affiliated to Technology Industries of Finland. The term “workplace” shall here denote a production unit or corresponding operating unit of an enterprise that is affiliated to Technology Industries of Finland.

The co-operation organisation shall be brought into line with the altered size and structure of a workplace when the operations of the workplace substantially contract or expand, or due to assignment of business operations, merger, incorporation or comparable substantial reorganisation.

The salaried employee association operating at a workplace shall notify the employer in writing of any shop stewards who are elected, of times at which a deputy is serving as a shop steward, of the service of a labour protection delegate or labour protection agent in the capacity of a shop steward, and of the service of a shop steward in a labour protection capacity. A labour protection delegate shall notify the employer in writing when a deputy deputises for the labour protection delegate. The employer shall notify the shop steward in writing of the persons who will negotiate with the shop steward on behalf of the enterprise.

The parties agree that the employer enjoys the right, pursuant to labour legislation and agreements, to engage and dismiss salaried employees and to determine the management of work.

Except where otherwise agreed herein, the Act on Co-operation Within Undertakings, the Act on Supervision of Labour Protection and Appeals in Matters of Labour Protection, and the Decree on Supervision of Labour Protection¹ shall be observed, and shall form no part of this agreement.

2

CO-OPERATION DUTIES AND CO-OPERATION ORGANISATIONS

2.1 Regulations on shop stewards

The purpose of the shop steward system is to maintain and develop bargaining and co-operation channels between the employer and salaried employees. Shop stewards represent their associations and salaried employees in matters concerning the application of collective agreements, ensuring industrial peace and complying with labour legislation.

The salaried employees at the workplace in question who belong to organisations bound by this Agreement shall be entitled to elect a shop steward and deputy shop steward from among themselves. The election may be organised at the workplace. All of the foregoing salaried employees shall then be given an opportunity to participate in the election. It may be agreed at the workplace that a labour protection delegate shall attend to the duties of shop steward or vice versa.

In addition to electing a shop steward, the salaried employees may also elect a departmental shop steward after agreeing with the employer on the operational entity for which the said departmental shop steward is to be elected. Care shall then be taken to ensure that the agreed sphere of work is of expedient size and coverage to promote the transaction of business in accordance with the bargaining system.

The salaried employees at a workplace in which no fewer than 160 such employees belonging to an organisation bound by this Agreement are working, and that includes clearly specifiable functional entities, shall be entitled to elect a departmental shop steward to represent them. The functional entity represented by

the departmental shop steward shall also be agreed before electing the departmental shop steward in such cases. The business with respect to which the said shop steward shall represent salaried employees under the negotiating procedure and the extent of this representation shall also be agreed at this time. With the exception of shop steward compensation, a departmental shop steward shall have the same rights and duties as a shop steward with respect to the functional entity represented.

Salaried employees shall nevertheless be entitled to elect at least one departmental shop steward for each group of 50 salaried employees or part thereof at a workplace.

The aims and effectiveness of the bargaining system shall be regularly discussed at the workplace. The first such discussion shall take place within two months of the beginning of the term of office of an elected representative and a departmental elected representative, and further discussions shall take place annually thereafter. The parties to these discussions shall be each elected representative and departmental elected representative together with the counterpart employer's representative, and all representatives together where so warranted. Feedback shall be provided from both sides in these discussions, which shall serve as the basis for efforts to improve co-operation still further. The need, timetable and aims of training for the duties and vocational skills of the elected representative shall also be planned at this time.

A salaried employee shall seek to resolve employment-related matters with his or her supervisor. If no resolution is achieved in this way, then the salaried employee may refer the matter for consideration in negotiations between a shop steward and the employer's representative.

2.2 Regulations on labour protection co-operation

Labour protection co-operation regulations apply at workplaces where a total of no fewer than 20 employees and salaried employees work regularly. However, a labour protection delegate must be elected when the total number of employees and salaried employees is not less than ten. Under section 10 of the Labour Protection Supervision Act, the employees of a workplace enjoying salaried employee status are entitled to elect one of their number to serve as their labour protection delegate.

In addition to the head of labour protection responsible for labour protection co-operation and the delegates and deputy delegates elected for this purpose, an employee group intended for this Agreement shall also be entitled, when locally agreed, to elect one or more labour protection agents where this is warranted by the size and other circumstances of the enterprise.

The duties of a labour protection agent shall include maintaining contact with the labour protection delegate and head of labour protection regarding labour protection matters in the agent's sphere of activities and participating in labour protection inspections when necessary. The term of office of a labour protection agent shall be the same as that of a labour protection delegate. If a labour protection agent is temporarily required to transfer to work outside of the sphere of activities proper of the said agent, efforts shall be taken to ensure that the transfer does not unreasonably impede attendance to the duties of labour protection agent. To the extent required by the duties of a labour protection agent, the agent shall be entitled to agree with the employer on discharge from work for the purpose of attending to those duties.

The Parties to this Agreement shall participate, together with occupational health care staff, line management and human resources administration, in planning, implementing and monitoring measures to maintain working capacity. This will involve monitoring how enterprise staff cope at work, and preparing instructions where necessary on referring to the care of specialists any individuals who are in need of measures to maintain working capacity.

The head of labour protection and labour protection delegate shall participate in planning measures to maintain working capacity when preparing the occupational health care action programme. They shall also take part in implementing and monitoring the plans.

3

REGULATIONS ON THE STATUS OF SHOP STEWARDS, LABOUR PROTECTION DELEGATES AND LABOUR PROTECTION AGENTS

3.1 Release from work and compensation for lost earnings

Temporary, regularly repeated or complete discharge from working duties shall be arranged for the shop steward and labour protection delegate for the purpose of attending to their duties. The volume of work shall be proportioned or other arrangements shall be made to ensure a real opportunity to use the time allotted for the duties of an elected representative. This shall allow for such factors as the number of salaried employees in the staff group concerned, the nature of production and operations, and the volume of duties required under this Agreement.

If no local agreement has been concluded for discharging from working duties a labour protection delegate representing all staff groups at the workplace, then the time spent by the labour protection

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delegate shall be reckoned in accordance with the industry-specific coefficients in force as of 1 April 1986. A labour protection delegate who only represents salaried employees shall be entitled to adequate discharge from working duties for appropriate attendance to the functions of a delegate at times that are suitable from the point of view of work. The extent of discharge and the arrangements for discharge shall be investigated and agreed locally.

There shall be no reduction in the monthly salary of a staff representative referred to in this Agreement if the representative negotiates with representatives of the employer during working hours or performs other duties agreed with the employer. If a shop steward or labour protection delegate performs duties agreed with the employer outside of regular working hours, then overtime compensation shall be paid for the time so spent or some other additional compensation shall be agreed with the person concerned.

Number of salaried employees at the workplace	Monthly compensation until 30.9.2010, EUR	Monthly compensation from 1.10.2010, EUR
5 - 9	63	67
10 - 24	103	110
25 - 50	131	140
51 - 100	188	201
101 - 200	220	235
201 - 400	263	281
401 - 600	294	315
more than 600	343	367

The employer shall pay, unless otherwise agreed, the following separate monthly compensation to a salaried employee serving as a labour protection delegate:

Number of salaried employees represented by the labour protection delegate	Monthly compensation until 30.9.2010, EUR	Monthly compensation from 1.10.2010, EUR
5 - 24	48	51
25 - 50	52	56
51 - 100	58	62
101 - 200	65	70
201 - 400	73	78
401 - 600	84	90
more than 600	96	103

In the event that the same person performs combined shop steward and labour protection duties, this shall be considered a factor tending to increase the agreed length of discharge from work and the monthly compensation payable.

3.2 Status of shop stewards and labour protection delegates

Where necessary the employer shall arrange an appropriate place for the shop steward and labour protection delegate to keep the materials that are required for performing their duties. The employer shall, where possible, designate appropriate premises in which the discussions necessary for performing the duties of labour protection delegate may be conducted. Where the size of the workplace so requires, it shall be agreed locally that the shop steward may, as necessary, use the office and similar equipment that is customarily used at the enterprise.

A salaried employee serving as shop steward, departmental shop steward or labour protection delegate may not, while attending to

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these duties or on account thereof, be assigned to work at lower pay than at the time when the employee was elected to serve in the said capacity. If the working duties of a person elected to serve as a labour protection delegate representing all staff groups hamper attendance to the duties of labour protection delegate, then other work shall be arranged for the said employee, having regard to conditions at the workplace and to the vocational skills of the labour protection delegate. Arrangements of this kind may cause no reduction in the earnings of the person concerned.

Changes in the earnings of a shop steward and labour protection delegate shall correspond to changes in earnings occurring within the enterprise. This shall be reviewed annually, and any changes that are thereby warranted shall be implemented annually.

At the end of the term of office of a shop steward or labour protection delegate who has been entirely or mainly discharged from working duties the employer and the said employee shall jointly determine whether maintenance of the employee's vocational skills requires vocational training for the said employee's former duties or for corresponding duties. The employer shall arrange any training that is required by the said determination. It is the common interpretation of the federations that, also during the term of office of a shop steward/labour protection delegate, the employer and the said representative are to determine whether any vocational training that is also arranged for other salaried employees is required in order to maintain the skills of the representative with respect to the representative's previous or corresponding duties.

3.3 Security of employment

In the event that the workforce of the enterprise is dismissed or laid off for reasons of finance or production, such measures may not affect a shop steward or labour protection delegate unless the operations of the production unit are entirely discontinued with

respect to the staff group concerned. This regulation shall not apply, however, if it is jointly verified with the shop steward or labour protection delegate that no work can be offered thereto that corresponds to the said employee's vocation or is otherwise suitable for the said employee.

The employment contract of a departmental shop steward may be terminated or a departmental shop steward may be laid off in accordance with paragraph 2 of section 10 of chapter 7 of the Employment Contracts Act only when the work entirely ends and the employer is unable to arrange work for the shop steward that corresponds to the said employee's vocation or is otherwise suitable for the said employee, or to retrain the employee for other duties in the manner referred to in section 4 of chapter 7 of the Employment Contracts Act.

A shop steward, departmental shop steward or labour protection delegate may not be dismissed for individual reasons pertaining to the said employee without the consent of a majority of the salaried employees represented by the said elected official, as required by paragraph 1 of section 10 of chapter 7 of the Employment Contracts Act.

The employment contract of a shop steward, departmental shop steward or labour protection delegate may not be rescinded in a manner contrary to sections 1-2 of chapter 8 of the Employment Contracts Act. Rescission of employment contract on the grounds that the said elected official has infringed administrative rules shall not be possible unless the said employee has also repeatedly and substantially failed to perform working obligations despite being cautioned for so doing.

The foregoing regulations on security of employment shall also apply to a candidate for the position of shop steward, the candidature of whom has been notified in writing to the employer,

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and to a candidate for the position of labour protection delegate, the candidature of whom has been notified in writing to the labour protection commission or to some other corresponding co-operation body. However, protection of candidates shall begin no sooner than three months before the start of the term of office of the shop steward or labour protection delegate to be elected, and shall expire with respect to a candidate who is not elected when the outcome of the election has been verified.

The regulations on security of employment shall also continue to apply to a salaried employee who has served as a shop steward or labour protection delegate for a further period of six months after the said employee's duties in the said capacity come to an end.

The status of a shop steward and labour protection delegate shall continue as such, notwithstanding assignment of business operations, if the assigned business or part thereof retains its independence. If a business or part thereof to be assigned loses its independence, then the shop steward and labour protection delegate shall be entitled to the subsequent protection referred to in the preceding paragraph of this agreement as of the end of the term of office arising from the assignment of business operations.

If the employment contract of a shop steward, departmental shop steward or labour protection delegate has been discontinued in a manner contrary to this agreement, then the employer shall pay compensation of no less than 10 months' and no more than 30 months' salary to the person concerned. However, in the case of a labour protection delegate the foregoing compensation shall be no less than 4 months' and no more than 24 months' salary when the total number of employees and salaried employees working regularly at a production plant or corresponding operating unit is less than 20. This compensation shall be determined on the same

basis as is prescribed in paragraph 2 of section 2 of chapter 12 of the Employment Contracts Act.

3.4 Deputies

The regulations of this chapter shall apply to a deputy shop steward and to a deputy labour protection delegate for the period during which the said deputy is serving as a deputy in accordance with the notification required under this agreement.

If the employer terminates the employment contract of the deputy elected representative or lays off the said employee at a time when the latter is not deputising for the elected representative or does not otherwise enjoy the status of an elected representative, then the said dismissal or layoff shall be deemed due to the employee's duties as an elected representative unless the employer can prove that it was due to some other reason.

4

CO-OPERATION

Development activity

In accordance with the principles of this agreement, salaried employees and their representatives shall be able to take part in developing and implementing any change in work organisations, technology, working conditions and duties at work.

The enhancement process in industry and any associated application of new technology at work must seek more meaningful, varied and progressive employee duties and improved productivity. This will facilitate the personal development of salaried employees at work and improve their ability to undertake new duties.

The measures adopted must not result in an increase in overall employee burden that jeopardises the health and safety of the salaried employee.

Implementation of co-operation

Co-operation between the employer and salaried employees may be arranged through a committee of permanent character, through task forces established for the purpose of implementing improvement projects or through negotiations between the employer and the staff. The enterprise and its employees and salaried employees shall be evenly represented on any task force that is convened for the purpose of implementing an improvement project. The salaried employees shall nominate their own representatives, who shall primarily be salaried employees at the improvement site in question.

Co-operation body

A co-operation body may be set up by local agreement to consider various aspects of development activities and other matters. This co-operation body may replace separate co-operation and labour protection commissions, and other corresponding committees. To the extent locally agreed, the same co-operation body may also be responsible for activities and plans under the Act on Co-operation Within Undertakings, the Act on Supervision of Labour Protection, the Occupational Health Care Act and the Act on Equality Between Women and Men.

5

TRAINING

5.1 Joint training

Training to promote co-operation at the workplace shall be arranged jointly by the national labour and employer confederations or by the employer and salaried employees collectively at the workplace or elsewhere.

The basic labour protection co-operation courses and the specialist courses that are necessary for labour protection co-operation shall be included in the joint training referred to herein.

The regulations on joint training shall also apply to training in participation systems and local bargaining. Participation in training may also be agreed between the employer and the person concerned.

Compensation shall be paid to those involved in the said training in the manner stipulated in section 23 of the collective agreement. Participation in training shall be agreed locally by the appropriate co-operation body or between the employer and a shop steward, depending on the nature of the training.

5.2

Trade union training

5.2.1 Retention of employment and notification periods

Salaried employees shall be given an opportunity to participate in courses arranged by the salaried employee confederation STTK and its affiliates lasting for no longer than one month unless this substantially inconveniences production or enterprise operations. Attention shall be paid to the size of the workplace when assessing the said inconvenience. The intention to take part in a course shall be notified at the earliest opportunity. In the event of refusal of permission, the shop steward shall be notified, no later than 10 days before the beginning of the course, of the grounds on which granting of discharge would cause substantial inconvenience. It would be desirable in such cases to jointly investigate the prospects for participating in the course at some other time when there would be no impediment to so doing.

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It must be determined in advance whether the training event is one for which the employer pays compensation to the employee under this agreement.

In accordance with the foregoing collective agreement section, the staff representatives referred to in clause 5.2.2 shall be given an opportunity to participate in any training referred to in this Agreement tending to improve their capacity to attend to duties under this Agreement.

5.2.2 Compensation

For courses that have been approved by the training task force and are arranged at a training institute of STTK or an affiliate thereof – or for special reasons also elsewhere – the employer shall pay the monthly salary to a shop steward, a departmental shop steward, a deputy shop steward, a labour protection delegate, a deputy labour protection delegate, a member of the labour protection commission and a labour protection agent for a period of training required for their duties not exceeding one month in the case of the foregoing shop steward and departmental shop steward, and for a period not exceeding two weeks in the case of the foregoing persons engaged in elected labour protection functions.

A shop steward and departmental shop steward shall be correspondingly compensated for loss of earnings for one month when participating in a three-month course arranged at a training institute of STTK. The same procedure shall apply with respect to the chairperson of an affiliated association, provided that the person in question works at an enterprise with no fewer than 180 employees and that the said association has no fewer than 50 members.

In compensation for the cost incurred by the course organiser in providing meals, the meal allowances agreed between the national

labour and employer confederations shall also be paid for each course day attended by the employees referred to in clause 5.2.2, for which the monthly salary is not reduced.

The employer shall be required to pay the foregoing compensation referred to in this point only once to the same person for the same training event or for a training event of comparable content.

Participation in the training referred to in clause 5.2 for no longer than one month shall cause no loss of annual holiday, pension or other comparable benefits.

6 PROVISION OF INFORMATION

The employer shall furnish the staff or their representatives with:

- 1 An explanation of the financial condition of the enterprise based on the financial statements thereof after these have been confirmed.
- 2 An account of the financial situation of the enterprise stating the outlook for production, employment, profitability and cost structure, at least twice during the financial year.
- 3 An annual staffing plan including estimates of anticipated changes in the number, type and status of staff.

The enterprise shall notify substantial changes in all of the foregoing details without delay.

In enterprises with a regular staff of no fewer than 30 the enterprise financial statement data referred to in paragraph 1 of section 11 of the Act on Co-operation in Undertakings shall be provided on request to the staff representatives in writing.

Co-operation Agreement

A staff group in the sense of this Agreement shall be entitled to arrange, at the workplace or in some other agreed premises, meetings to discuss labour market issues or matters that concern employment at the workplace or that pertain to the Act on Co-operation in Undertakings. Staff groups shall also be entitled to distribute meeting notifications and communications concerning employment at the workplace or labour market matters to their members.

In addition to labour market issues, staff groups shall also be entitled to communicate on general issues using the workplace noticeboard.

Personal and statistical information to be provided to shop stewards

1. General communications

The employer shall generally ensure that the shop steward is advised at the earliest opportunity of all matters directly or indirectly affecting salaried employees at the workplace in question.

2. Disputes

In the event of any uncertainties or disputes concerning the employment of a salaried employee the shop steward or departmental shop steward shall be advised of all details required for investigating the cause of complaint.

3. Personal details

A shop steward shall be entitled to the following details regarding the salaried employees covered by this Agreement:

1. The forenames and surname of the salaried employee
2. The time of entry into the employer's service

3. The organisational department
4. The job requirement category
5. The statistical heading

These details shall be provided at annual intervals. The details under points 1–5 shall be provided for new salaried employees at the earliest opportunity, and in any case no later than four months after employment begins.

4. Salary statistics

The following statistical details regarding salaried employees covered by this Agreement shall be provided to the shop steward annually as a workplace-specific average and distributed by job requirement category and gender:

- a) the monthly salary including benefits in kind
- b) the monthly earnings for regular working hours excluding productivity rewards
- c) the average personal salary component.

The shop steward shall also be furnished with details of the division of salaried employees into various job requirement categories.

The monthly salary including benefits in kind shall include the basic monthly salary, the variable element of the incentive rate, and the average monthly value of taxable benefits in kind. In addition to the foregoing, monthly earnings for regular working hours shall include shift and Sunday work bonuses paid for regular working hours.

These details shall be provided in writing on December salaries after the payroll statistics for the workplace have been prepared. A

Co-operation Agreement

shop steward shall not be entitled to salary statistics on groups of fewer than three persons.

5. Workforce data

As information on changes in the workforce, the shop steward shall be advised at quarterly intervals of the numbers of fully able-bodied employees and of salaried employees covered by this Agreement within the shop steward's operating sector by organisational department.

The shop steward shall also be notified of salaried employees engaged for a trial period or on a temporary basis. The shop steward shall also be advised on request of the grounds for concluding a temporary contract of employment.

6. Salary system, etc.

The shop steward shall be given an opportunity to examine the salary determination and payroll accounting systems for salaried employees that are currently used by the enterprise in the shop steward's sphere of activities. The shop steward shall also be entitled to examine the statutory register of emergency and overtime work and of the bonuses paid for such work with respect to salaried employees in the shop steward's sphere of activities.

7. Confidentiality of information

A shop steward shall receive the foregoing information in confidence for the purpose of performing the shop steward's duties. This information shall not be disclosed to elected representatives in other enterprises, nor otherwise disseminated.

7

ENTRY INTO FORCE

This Agreement shall be in force as of 28 January 2010 as part of the collective agreement.

The Agreement shall supplant:

- the co-operation agreement for the metal, engineering and electrotechnical industries signed on 6 November 2007.

Helsinki, 4 February 2010

TECHNOLOGY INDUSTRIES OF FINLAND

Martti Mäenpää

Risto Alanko

UNION OF SALARIED EMPLOYEES – TU

Antti Rinne

Markku Palokangas

(Footnotes)

¹ The Act on Supervision of Labour Protection and Appeals in Matters of Labour Protection, and its subordinate Decree on Supervision of Labour Protection were repealed and supplanted by the Act on Occupational Safety and Health Enforcement and Co-operation on Occupational Safety and Health at Workplaces (Laki työsuojelun valvonnasta ja työpaikan työsuojeluyhteistoiminnasta, no. 44 of 2006), which took effect on 1 February 2006. –Tr.

² The corresponding provision is in section 29 of the new Act on Occupational Safety and Health Enforcement and Co-operation on Occupational Safety and Health at Workplaces. –Tr.

TECHNOLOGY INDUSTRIES OF FINLAND
UNION OF SALARIED EMPLOYEES – TU

AGREEMENT ON PROTECTION AGAINST DISMISSAL FOR SALARIED EMPLOYEES IN THE TECHNOLOGY INDUSTRIES

Section 1

Scope

This agreement shall govern the termination of regular employment contracts, salaried employee lay-offs and the rescission and cancellation of employment contracts.

It shall also govern the resignation of salaried employees and the procedures to be followed when terminating employment contracts and laying off salaried employees.

Implementation regulation:

This agreement shall not apply to termination of employment or salaried employee lay-offs on the following grounds:

- rescission of employment contract during a trial period (section 4 of chapter 1 of the Employment Contracts Act),*
- enterprise restructuring (section 7 of chapter 7 of the Employment Contracts Act), or*
- the bankruptcy or death of the employer (section 8 of chapter 7 of the Employment Contracts Act).*

The procedural regulations of sections 5 and 6 of this agreement shall nevertheless apply on terminating an employment contract on the foregoing grounds, and the procedure agreed in section

11 hereof shall be followed in cases of rescission of employment contract during a trial period.

This agreement shall also not apply to the apprenticeships referred to in the Vocational Training Act (Laki ammatillisesta koulutuksesta, no. 630 of 1998).

I GENERAL REGULATIONS GOVERNING TERMINATION OF EMPLOYMENT CONTRACT

Section 2

Periods of notice

1. If no other period of notice of termination of employment has been agreed at the time of termination, the employer shall observe the following periods of notice when terminating an employment contract:
 - a. fourteen days' notice of termination when the employment has continued for no longer than one year,
 - b. one month's notice when the employment has continued for longer than one year, but no longer than four years,
 - c. two months' notice when the employment has continued for longer than four years, but no longer than eight years,
 - d. four months' notice when the employment has continued for longer than eight years, but no longer than twelve years, and
 - e. six months' notice when the employment has continued for longer than twelve years.

2. If no other period of notice of termination of employment has been agreed at the time of resignation, the salaried employee shall observe the following periods of notice when terminating an employment contract:

Agreement on protection against dismissal

- a. 14 days' notice of termination when the employment has continued for no longer than five years, and
- b. one month's notice when the employment has continued for longer than five years.

Minuted note:

The periods of notice of lay-off are set out in section 16 of this agreement.

Section 3

Right of a senior salaried employee to re-employment leave

Unless otherwise agreed by the employer and the salaried employee after the employer has terminated the employment contract on grounds referred to in section 3 of chapter 7 of the Employment Contracts Act, a salaried employee shall be entitled to leave of absence on full salary for the purpose of participating, during the said employee's period of notice, in preparing the employment programme referred to in the Act on the Public Employment Service (Laki julkisesta työvoimapalvelusta, no. 1295 of 2002), in employment policy adult education, traineeship and on-the-job training under the said programme, or in voluntary or officially sponsored job-seeking and job interviews or redeployment training.

The length of re-employment leave shall be governed by the length of the period of notice in the following manner:

- 1) no more than a total of five working days if the period of notice is no longer than one month,
- 2) no more than a total of ten working days if the period of notice is longer than one month but no longer than four months, and

- 3) no more than a total of twenty working days if the period of notice is longer than four months.

In addition to the foregoing, a salaried employee shall be entitled to no more than five working days of re-employment leave for employment policy adult education, traineeship and on-the-job training under an employment programme.

Before taking re-employment leave or part thereof the salaried employee shall notify the employer of the leave and of the reasons for it at the earliest possible opportunity, and shall provide a reliable account of the said reasons for each period of leave if so requested.

Exercise of the right to re-employment leave may not substantially inconvenience the employer.

Implementation regulation:

Working days shall denote working days according to the schedule of working hours. The total entitlement to re-employment leave may also be taken in parts of a working day.

Section 4

Failure to observe the period of notice

An employer who fails to observe the period of notice when terminating an employment contract shall compensate the salaried employee by paying full salary for a term corresponding to the period of notice.

Should a salaried employee resign without observing the period of notice, then the said salaried employee shall be liable for a non-recurrent payment to the employer of a sum corresponding to the salary for the period of notice in compensation for failure to

observe the period of notice. Subject to the provisions of section 17 of chapter 2 of the Employment Contracts Act governing the employer's right of set-off, the employer may withhold the said sum from the final salary payment payable to the salaried employee.

If either of the parties has failed to observe only part of the period of notice, then the duty to pay compensation shall concern a corresponding proportion of the salary for the period of notice.

Section 5

Notification of termination of employment contract

Notification of termination of an employment contract shall be served on the employer, the employer's representative or the salaried employee in person. If this is not possible, then the said notification may be delivered by letter or electronically. The recipient shall be deemed to have learned of such notification no later than on the seventh day following the date of despatch thereof.

When sending notification of termination of an employment contract by letter or electronically the grounds for termination referred to in section 4 of chapter 1 and section 1 of chapter 8 of the Employment Contracts Act shall be deemed to have been cited within the agreed or prescribed period if the notification was sent by post or electronically within the said period.

If, however, the salaried employee is on annual holiday according to law or agreement, or on a period of leave of no less than two weeks granted in order to achieve an average number of working hours, then termination of employment contract based on a notification sent by letter or electronically shall be deemed to have been served no sooner than on the day following the end of the said period of holiday or leave.

Section 6

Notification of grounds for termination of employment contract

At the request of a salaried employee, the employer shall notify the employee in writing and without delay of the date on which the contract of employment ends, and of the grounds for termination or rescission that are known to the employer and constitute the basis for terminating the employment contract.

Section 7

Employer's duty to notify the local employment office

The employer's duty to notify the employment office of the dismissal of a salaried employee on grounds of finance or production is prescribed in section 3a of chapter 9 of the Employment Contracts Act.

Section 8

Employer's duty to provide information on the employment programme and employment programme supplement

The employer's duty to provide information on the employment programme and employment programme supplement to a salaried employee who has been dismissed on grounds of finance or production is prescribed in section 3b of chapter 9 of the Employment Contracts Act.

II TERMINATION OF EMPLOYMENT CONTRACT AND LAY-OFF OF SALARIED EMPLOYEES FOR REASONS PERTAINING TO THE CONDUCT OF PERSON OF AN INDIVIDUAL SALARIED EMPLOYEE

Section 9

Grounds for termination of employment contract and lay-off

Grounds for termination of employment

The employer may not terminate an employment contract for reasons pertaining to the conduct or person of an individual salaried employee without the proper and pressing grounds referred to in sections 1 - 2 of chapter 7 of the Employment Contracts Act.

Implementation regulation:

Proper and pressing grounds shall denote reasons depending on the individual salaried employee such as neglect of duties, contravention of instructions issued by the employer within the limits of the employer's right of direction, unfounded absence from work and recklessness at work.

Grounds for rescission

The employer may rescind an employment contract on the grounds referred to in section 1 of chapter 8 of the Employment Contracts Act.

Grounds for considering an employment contract dissolved

The employer shall be entitled to treat an employment contract as dissolved in accordance with section 3 of chapter 8 of the Employment Contracts Act.

Lay-off for reasons pertaining to the conduct or person of an individual salaried employee

The employer may lay off a salaried employee for a fixed period without observing a period of notice on grounds upon which the employment contract could be terminated or rescinded.

Section 10

Effecting termination of employment

The employer shall effect the termination of an employment contract on the grounds referred to in sections 1 - 2 of chapter 7 of the Employment Contracts Act within a reasonable time after learning of the grounds for the said termination.

Section 11

Hearing of a salaried employee

Before terminating an employment contract on the grounds referred to in sections 1 - 2 of chapter 7 of the Employment Contracts Act, or rescinding the employment contract on the grounds referred to in section 4 of chapter 1 or section 1 of chapter 8 of the said Act, the employer shall give the salaried employee an opportunity to be heard regarding the grounds for terminating the employment contract. At such a hearing the salaried employee shall be entitled to call upon the assistance, for example, of a shop steward or colleague.

III TERMINATION OF EMPLOYMENT AND LAY-OFF OF SALARIED EMPLOYEES ON GROUNDS OF FINANCE, PRODUCTION OR REORGANISATION OF THE EMPLOYER'S OPERATIONS

Section 12

Negotiating procedure

Should the need arise at a workplace to dismiss, lay off or reduce the regular working hours of salaried employees, then the following regulations shall be considered in any statutory co-operation procedure:

Implementation regulation:

The duty to negotiate applies in enterprises falling within the scope of the Act on Co-operation within Undertakings (Laki yhteistoiminnasta yrityksissä, no. 334 of 2007, in force as of 1 July 2007). The transition provisions of this Act provide that the Act and also collective agreement provisions take effect on 1 January 2008 with respect to enterprises regularly employing no fewer than 20 but no more than 30 persons. The Act nevertheless took effect on 1 July 2007 with respect to situations in which an enterprise employing no fewer than 20 persons is considering the dismissal of at least ten employees.

The Act on Co-operation within Undertakings shall form no part of this agreement. The stipulations of this section shall supplement the said Act and supplant the corresponding clauses of the Act.

Notwithstanding the provisions of sections 45 and 51 of the Act on Co-operation within Undertakings, the duties of codetermination shall be deemed discharged when the matter has been considered

in co-operation procedures on the basis of necessary information provided in advance in the manner agreed below, following submission of a written negotiation proposal.

Minuted note:

The information to be appended to the negotiation proposal is prescribed in section 47 of the Act on Co-operation within Undertakings.

1 Grounds of finance, production or reorganisation of the employer's operations

- a) If the negotiations concern a measure that will evidently lead to a reduction in regular working hours, lay-off or dismissal of fewer than ten persons, or to a lay-off of no fewer than ten persons for no longer than 90 days, then, unless otherwise agreed, the employer's duty to negotiate shall be considered discharged when negotiations on the matter have continued for a period of 14 days following submission of the negotiation proposal.
- b) If the negotiations concern a measure that will evidently lead to a reduction in regular working hours, dismissal or lay-off for longer than 90 days of no fewer than ten persons, then, unless otherwise agreed, the employer's duty to negotiate shall be considered discharged when negotiations on the matter have continued for a period of six weeks following submission of the negotiation proposal.

In an enterprise that regularly employs at least 20 persons but fewer than 30 persons, the employer's duty to negotiate in accordance with this regulation shall, unless otherwise agreed, be considered discharged when negotiations on the matter have continued for a period of 14 days following submission of the negotiation proposal (effective as of 1 January 2008).

In an enterprise undergoing restructuring in the sense of the Restructuring of Enterprises Act (Laki yrityksen saneerauksesta, no. 47 of 1993), the employer's duty to negotiate shall, unless otherwise agreed, be considered discharged when negotiations on the matter have continued for a period of 14 days following submission of the negotiation proposal.

2 Plan of action and operating principles

When an employer has submitted a negotiating proposal regarding the employer's intention to dismiss no fewer than ten persons on grounds of finance or production, the employer shall, at the start of co-operation negotiations, furnish the representative of salaried employees with a proposal for a plan of action to promote employment. When completing the plan of action the employer shall, together with the employment authorities, immediately investigate the public manpower services that support employment.

Under paragraph 2 of section 49 of the Act on Co-operation within Undertakings, the plan of action must specify the planned timetable for co-operation negotiations, the applicable negotiating procedures, and the planned operating principles to be applied during the period of notice when using the services referred to in the Act on the Public Employment Service (Laki julkisesta työvoimapalvelusta, no. 1295 of 2002), and to promote job-seeking and retraining.

If the employer is contemplating the dismissal of fewer than ten persons, then in the course of co-operation negotiations the employer must set out the operating principles for supporting the voluntary efforts of salaried employees, during the period of notice, to seek other work or training, and their employment in the services referred to in the Act on the Public Employment Service.

Section 13

Grounds for termination of employment

The grounds for termination of employment shall comply with the provisions of sections 1 and 3 of chapter 7 of the Employment Contracts Act (reasons of finance, production, or reorganisation of the employer's operations).

Minuted note:

It is the view of the federations that the duty of the employer to offer work or to arrange training shall primarily apply to work available in the same working district to which the salaried employee may be expediently and reasonably redeployed.

Section 14

Order of staff reductions

Dismissals and lay-offs for reasons not pertaining to the individual salaried employee shall, where possible, adhere to a rule whereby the last individuals to be dismissed or laid off shall be the salaried employees who are vital to the operations of the enterprise and necessary for specialised functions, and those working for the same employer who have lost part of their working capacity, and in addition to this rule attention shall also be paid to length of employment and to the number of dependants of the salaried employee in question.

Section 15

Re-employment of salaried employees

An agreement may be concluded between the employer and the shop steward for salaried employees to set aside the re-employment provision referred to in section 6 of chapter 6 of the Employment Contracts Act. This agreement shall be concluded separately in

writing at the time of dismissal or termination of employment contract, and shall allow for the measures taken by the employer to promote re-employment of the salaried employee.

Section 16

Lay-off

1 Grounds for lay-off

The grounds for lay-off shall comply with those stipulated at points 1 – 3 of section 2 of chapter 5 of the Employment Contracts Act.

Minuted note:

It is the view of the federations that the duty of the employer to offer work or to arrange training shall primarily apply to work available in the same working district to which the salaried employee may be expediently and reasonably redeployed.

a) Temporary reduction in work

If a temporary reduction has occurred in the work or in the employer's ability to provide work, then a salaried employee may be laid off for a period corresponding to that of the temporary scarcity of work, or for an indefinite period.

Implementation regulation:

A reduction in work may be considered to be temporary when its estimated duration does not exceed 90 calendar days.

b) Non-temporary reduction in work

If it is estimated that the work will be reduced for a period of more than 90 calendar days, then a salaried employee may be laid off for a fixed period or indefinitely.

2 Shortened hours of work

The procedures governing lay-off shall also be observed when changing over to shortened daily or weekly working hours corresponding to lay-off.

3 Period of lay-off notice

Unless otherwise agreed at the time of lay-off, the period of notice of lay-off shall be 14 days if the employment has continued for no longer than one year, and one month if the employment has continued for more than one year.

There shall be no duty to provide an advance explanation of a lay-off.

4 Local agreement

Other arrangements for lay-off and the length of lay-off notice may be settled by local agreement pursuant to point 8 of section 27 of the collective agreement.

5 Deferment and interruption of lay-off

a) Deferment of lay-off

If the employer secures temporary work during the period of notice of lay-off, then the beginning of the lay-off may be deferred. The beginning of the lay-off may be deferred only once without observing a new period of lay-off notice and only for the duration of the said temporary work.

b) Interruption of lay-off

The employer may secure temporary work after the lay-off has already begun. The employer and the salaried employee shall agree on any interruption of the lay-off if the intention

is to continue the lay-off immediately after the work has been performed with no new lay-off notice. Any such agreement should be concluded before the work begins. At the same time the estimated duration of the temporary work must be investigated.

6 Termination of employment of a salaried employee during a lay-off and employer's duty to pay compensation in certain situations

Rescission of employment contract by the salaried employee

A salaried employee who has been laid off shall be entitled to rescind the employment contract without observing a period of notice unless the said employee has already learned that the lay-off is due to end within a period of seven days.

Termination of employment contract by the employer

Conditions for compensation

A salaried employee who has been laid off shall be entitled, pursuant to paragraph 2 of section 7 of chapter 5 of the Employment Contracts Act, to compensation for damages arising from the loss of salary for the period of notice if the employer terminates the employment contract so that the employment ends during a lay-off.

Limitation of liability for compensation

Any salary that may have been earned by the salaried employee elsewhere during the period of notice shall reduce the liability of the employer to compensate the employee.

Deduction of salary that the salaried employee has wilfully refrained from earning shall arise only exceptionally, for example when the employer has arranged work for the salaried employee

for the period of notice or part thereof.

The salary for the period of notice of lay-off shall not be deducted from the compensation.

Reckoning of compensation

The compensation shall be reckoned on the same grounds as stipulated below in this agreement in the paragraph on resignation of a salaried employee.

Payment of compensation

Compensation shall be paid by salary payment period unless the salaried employee is working elsewhere during the period of notice of termination.

If the salaried employee is working elsewhere during the period of notice, then the employer shall pay any difference between the compensation for the salary for the period of notice and the salary earned elsewhere at the end of the employment relationship, provided that at this time the salaried employee submits to the employer an account of the salary earned elsewhere during the period of notice.

Resignation of a salaried employee

A salaried employee who has been laid off, and who resigns pursuant to paragraph 3 of section 7 of chapter 5 of the Employment Contracts Act after the lay-off has continued without interruption for not less than 200 days, shall be entitled to compensation amounting to the salary for the prescribed period of notice that the employer must observe. Unless otherwise agreed, the said compensation shall be paid no later than one week after the employment relationship has ended.

Agreement on protection against dismissal

Annual holiday compensation for the period of notice of termination

A salaried employee shall be entitled to holiday compensation for the period of notice in accordance with the Annual Holidays Act (Vuosilomalaki, no. 162 of 2005) regardless of the party terminating the employment contract.

Minuted note:

Notwithstanding the end of the employment, the parties to the employment relationship may agree on a temporary employment contract for the period of notice or part thereof.

In such cases the salary received by the salaried employee shall be deducted from the compensation corresponding to the salary for the period of notice.

IV COMPENSATION

Section 17

Compensation

Infringement of grounds

The employer's liability to pay compensation for terminating an employment contract or laying off an employee in a manner contrary to the grounds specified in this agreement shall be determined as follows:

Termination of employment contract (sections 9 and 13)

Compensation determined according to section 2 of chapter 12 of the Employment Contracts Act.

Rescission and dissolution of employment contract (section 9)

Any damage arising from the loss of period of notice shall be compensated according to paragraph 1 of section 4 of this agreement.

Should no entitlement exist even for terminating the employment contract by dismissal, then in addition to the foregoing the compensation payable shall be determined according to section 2 of chapter 12 of the Employment Contracts Act.

Laying off of a salaried employee (section 9 and point 1 of section 16)

Compensation for damages shall be determined according to section 1 of chapter 12 of the Employment Contracts Act.

Single compensation principle

The employer may not be adjudged liable for the compensation referred to in this section in addition to or instead of compensation determined pursuant to the Employment Contracts Act.

Breach of procedural regulations

The employer may not be ordered to pay a compensatory fine pursuant to section 7 of the Collective Agreements Act (Työehtosopimuslaki, no. 436 of 1946) for failure to comply with the procedural stipulations of this agreement.

Failure to comply with procedural stipulations shall be considered as a factor that increases any compensation payable when determining the amount of compensation to be awarded for unfounded termination of employment contract or lay-off.

Relationship between compensation and compensatory fine

In addition to the compensation awarded to a salaried employee referred to in this section, the employer may not be ordered to pay a compensatory fine pursuant to section 7 of the Collective Agreements Act, insofar as the matter concerns a breach of obligations that are based on the collective agreement, but are essentially the same as those for which compensation has been ordered payable according to the agreement.

Section 18

Dispute resolution procedure

Should a salaried employee consider that the employee's employment contract has been terminated or that the said employee has been laid off without the agreed grounds, then the dispute may be submitted for settlement to the negotiation procedure referred to in section 26 of the collective agreement.

Should no settlement be achieved in a dispute concerning termination of employment contract or lay-off falling within the scope of this agreement, then the matter may be submitted for settlement by the Labour Court in the order prescribed in paragraph 2 of section 11 of the Labour Court Act (Laki työtuomioistuimesta, no. 646 of 1974).

Section 19

Statute of limitations

Entitlement to compensation pursuant to section 17 of this agreement on termination of the employment relationship shall lapse if no claim has been lodged in court within two years of the end of the said employment relationship.

Section 20

This agreement shall replace the Agreement on Protection against Dismissal that was signed on 16 June 2005 and observed as part of the collective agreement.

Section 21

Entry into force

This agreement shall be in force as of 28 January 2010 as part of the collective agreement.

Helsinki, 4 February 2010

THE FEDERATION OF FINNISH TECHNOLOGY
INDUSTRIES

Martti Mäenpää

Risto Alanko

UNION OF SALARIED EMPLOYEES – TU

Antti Rinne

Urho Laitinen

TECHNOLOGY INDUSTRIES OF FINLAND
FEDERATION OF PROFESSIONAL AND MANAGERIAL
STAFF – YTN
UNION OF SALARIED EMPLOYEES – TU

MINUTES - Board of settlement

REGARDING THE BOARD OF SETTLEMENT FOR SETTLING QUESTIONS CONCERNING THE SCOPE OF THE COLLECTIVE AGREEMENT, AS REFERRED TO IN SECTION 1 OF THE COLLECTIVE AGREEMENT FOR SALARIED EMPLOYEES IN THE TECHNOLOGY INDUSTRIES:

Section 1

The undersigned federations agree that the board of settlement referred to in section 1 of the collective agreement for salaried employees in the technology industries shall be governed by the regulations specified in these minutes.

The purpose of the board of settlement shall be to consider and finally resolve disputes regarding the scope of the collective agreement for salaried employees in the technology industries and the collective agreement for senior salaried employees in the technology industries. The undersigned federations will no longer be free to submit disputes on such questions to the Labour Court after these minutes have been signed.

The federations also agree that matters concerning the scope of collective agreements will be considered in accordance with the negotiating procedure at workplaces and between the federations

together with the representatives of the staff groups or federations between which the demarcation issue has arisen.

Section 2

The undersigned federations shall each nominate to the board of settlement one member and the necessary number of deputies for the said member. The members shall either be employees of the undersigned federations or otherwise familiar with industrial relations. The members of the board of settlement shall be appointed for a two-year term of office. The first such term of office shall run from 1 January 2008 to 31 December 2009.

To chair the board of settlement, the members of the board shall elect a person, who shall be familiar with industrial relations and impartial. If the members are unable to agree unanimously on the chairperson, then the chairperson shall be selected by the National Conciliator.

Section 3

A party hereto seeking to refer a matter to the board of settlement for resolution shall notify the other parties thereof in writing and submit a copy of the said notification to the chairperson of the board of settlement within 30 days of the date on which it becomes evident that the federations are unable to settle the matter through the negotiating procedure and a memorandum specifying the positions of the federations on the matter has been signed.

Unless otherwise agreed by the federations, the board of settlement shall convene at the invitation of the chairperson to consider and resolve the matter not later than one month after the date on which the dispute was referred to the board for settlement.

Board of settlement

The board of settlement shall form a quorum when attended by the chairperson and by the members nominated by each of the undersigned federations. In the event that a vote has to be taken and the votes cast are divided equally (2 – 2), then the vote cast by the chairperson shall settle the matter.

Section 4

The undersigned federations shall defray the expenses incurred by the members that they have nominated and shall jointly defray the expenses incurred by the chairperson of the board of settlement.

Section 5

Except where otherwise stipulated in this agreement, consideration of a dispute submitted to the board of settlement shall be governed in applicable respects by the provisions of the Arbitration Act (Laki välimiesmenettelystä, no. 967 of 1992).

A person who could be disqualified under section 9 of the Arbitration Act may nevertheless serve as a member of the board of settlement.

Section 6

A decision of the board of settlement shall be final and not open to appeal.

Helsinki, 6 November 2007

TECHNOLOGY INDUSTRIES OF FINLAND

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