

The background is a solid teal color. It features faint, stylized icons: a large gear at the top, a human profile silhouette on the right, and a network of horizontal lines with circular nodes on the left.

**INDUSTRIAL COMPANIES**

**General conditions of employment**

**Wage formation at companies**

**Competence development in companies**

**Salaried employees**

**2013-04-01 – 2016-03-31**

**IKEM**

# **General conditions of employment Salaried employees**

**Industrial companies**

**2013 - 2016**

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# Scope of agreement

In the event of disputes arising regarding the content and implications of this agreement, the Swedish language version shall apply.

## Section 1 Scope of agreement

### Item 1 General

This agreement applies to companies that are affiliated to IKEM – Innovation and Chemical Industries in Sweden.

The agreement applies to all salaried employees with the exceptions and restrictions as detailed below.

This agreement can serve as the basis for discussions on similar rules for all employees in the company. Local parties can agree on such bipartite rules notwithstanding this agreement. In such cases, the rules require the approval of all central parties concerned. Should this not be obtained, the parties to the agreement shall take active steps to ensure that central negotiations on the issue take place between all parties.

### Item 2 Exceptions

The agreement does not apply to:

- employees whose duties and conditions of employment are such that they may be deemed to occupy a corporate executive or comparable position;
- employees whose employment is secondary to that with another employer;

*For information:*

*According to the Sick Pay Act an employee who is exempted from this agreement is entitled to receive sick pay during the sick-pay period.*

## **Item 3 Employees who have reached retirement age**

This agreement applies with the following restrictions to employees who have reached 67 years of age or who are employed by the company after they have reached the retirement age specified in the Occupational Insurance Pension plan (ITP plan) or who have been employed by the company after having reached the retirement age applied by the company:

- The right to sick pay is governed by Section 8 Item 6.2, and
- The period of notice is governed by Section 11 Item 3.3.

The employer and the employee can agree on conditions of employment that deviate from this agreement.

## **Item 4 Service abroad**

If an employee serves abroad at the request of the employer, the conditions of employment during the stay abroad shall be regulated either by an agreement between the employer and the employee or by specific rules on service abroad or similar that apply in the company.

The agreement ‘Avtal om social trygghet för tjänstemän vid utlandstjänstgöring’ (Agreement on Social Security for Salaried Employees During Service Abroad) applies during service abroad in regard to employees mentioned in the said agreement.

‘Agreed insurance and pension benefits’ means ITP, Occupational Group Life Insurance (TGL), Occupational Injuries Insurance (TFA) and benefits according to the Redundancy Agreement.

‘Statutory insurance and pension benefits’ means benefits according to the Occupational Injury Insurance Act and sickness benefits and supplementary pension benefits (ATP benefits) according to the National Insurance Act.



## Section 2 Employment

### Item 1 Permanent employment

Employment is deemed to be permanent except where otherwise agreed by the employer and the employee.

### Item 2 Conditions for temporary employment

An agreement can be reached on employment for a particular period or season or for certain work:

- if it is occasioned by the nature of the job
- with students, during holidays or a break in their studies and
- with persons who have reached 67 years of age or who have been employed by the company after having reached the retirement age specified in the ITP plan or who have been employed by the company after having reached the retirement age applied by the company.

Agreements can also be reached on temporary employment for:

- work experience
- substitute work
- temporary peak loads
- probationary employment
- agreed fixed-term employment

### Item 3 Substitute work

Substitute work means that one employee replaces another while the latter is absent or fills a vacant position until it is filled. In the latter case, the period of employment is limited to no more than six months although it is possible to extend this should the employer and the local union organisation so agree.

*Comment:*

*According to the Employment Protection Act, if an employee has been employed with the employer on a substitute work agreement for a total of more than two years during the last five years, the employment is transformed into indefinite-term employment.*

## **Item 4 Probationary employment**

Probationary employment may last for no more than six months except when the local parties agree on a longer period (subject to a maximum of 12 months).

If the employee has been sick for more than a month during the probationary period, the probationary period can be extended by a period not exceeding the time of sickness, provided that the employer and the employee so agree.

An agreement on probationary employment may be reached:

- if the employee's qualifications for the position are untested or
- if there otherwise are special grounds for testing the employee's qualifications and working potential in view of the particular demands of the work tasks.

## **Item 5 Agreed fixed-term employment**

Agreements regarding agreed fixed-term employment may, in respect of an individual employee, comprise in total a maximum of twelve months over three years, and no contract period may be less than one month. In a newly established business or undertaking that has not previously had any employees, when an employee is employed for the first time and for three years thereafter, contracts for agreed fixed-term employment in respect of an individual employee may be concluded for at most 18 months over three years.

On any given date, an employer may have a maximum of five employees employed on agreed fixed-term agreements.

## **Item 6 Information to local branch of salaried employees' union**

Before taking on any employees during peak periods or on a probationary basis, employers should if practically possible inform the relevant branch of the salaried employees' union at the company. This information should be submitted no later than one week after the employment agreement has been signed.

## **Item 7 Cancellation of employer's right to offer probationary employment and employment at peak periods**

The local salaried employees' organisation or union concerned can revoke the employer's right to offer employment at times of temporary peak working or on a probationary basis. The period of notice is three months.

Employers who wish to retain this right shall promptly request appropriate negotiations to be carried out during the period of notice. The union side may extend the period of notice to allow negotiations to be completed in accordance with the negotiating procedures before the period of notice expires. In the final instance, the matter can be referred to the SAF-PTK Salaried Employees Labour Market Board for its consideration.

## **Section 3 General rules of conduct**

### **Item 1 Loyalty and trust**

The relationship between the employer and the employee is based on mutual loyalty and trust.

The employee shall apply discretion regarding the company's affairs, such as prices, designs, experiments and research, operating conditions, business circumstances, etc.

### **Item 2 Secondary employment**

An employee may not work or engage, either directly or indirectly, in any sort of business activities for a company that is in competition with the employer. Nor may an employee accept contracts or carry on a business that could jeopardise his or her own work for the employer. Any employee who intends to accept a contract or engage in secondary employment on an extensive scale should therefore consult the employer before doing so.

### **Item 3 Elected positions**

An employee is entitled to hold elected positions for central or local government or unions.

## **Section 4 Pay for parts of a salary period**

A daily wage is paid to employees who begin or end their employment during a calendar month for each calendar day the employee has worked during the said month.

For calculating the daily wage, refer to sub-section 9 Item 3.3

## **Section 5 Overtime**

### **Item 1 Overtime work**

#### **Item 1.1 Definition**

‘Overtime work’ that entitles the employee to overtime compensation means work carried out by a full-time employee over and above his or her regular daily working hours, if the employer has requested the overtime work or consented to it later.

If working hours have been shortened for a certain period of the year without being lengthened correspondingly at other times of the year, overtime will only be credited once the employee has completed the longer daily working hours that apply for the remainder of the year.

Overtime does not include any time taken to carry out any necessary preparation or rounding-off work that is normally part of the job.

#### **Item 1.2 Calculation of overtime**

Overtime is credited by the full half-hour. If overtime work is carried out both before and after regular working hours on any one day, the two periods will be added together.

## Item 2 Compensation for overtime

### Item 2.1 Cash, leave, salary, vacation

Overtime compensation takes the form of:

- cash
- leave
- higher salary
- longer vacation

in accordance with the rules below.

### Item 2.2 Cash or leave

The employee is entitled to overtime compensation either in cash (overtime pay) or in time (leave in lieu), except where otherwise specified in Item 2.3 or Item 2.4 below.

Leave in lieu is given if the employee so wishes and if the employer, after consulting the employee, deems that such leave can be taken without inconvenience to the business. When consulting the employee, the employer should as far as possible satisfy the employee's wishes as to when the leave shall be taken.

### Item 2.3 Higher salary, longer vacation

The employer and the employee can reach an agreement that the employee will receive, instead of cash or leave, a higher salary and/or three or five vacation days in addition to the statutory number. Such agreements should be reached with managerial staff or employees whose working hours are difficult to verify or who are at liberty to plan their own working hours.

The agreement shall be in writing and applies to one vacation year except where otherwise agreed by the employer and the employee. Such an agreement may be renegotiated for each new vacation year.

#### *Comment:*

*Any agreement on such an exception should be structured such that its meaning is clear and should be subject to regular evaluation in a dialogue with the employee.*

### Item 2.4 Preparation and rounding-off

If the employer and the employee have reached an explicit agreement that preparation and rounding-off work shall be carried out daily and the salary has not been determined, or is determined taking this into account, the employee shall be compensated by receiving 28 days of vacation.

### Item 2.5 Informing local branch of salaried employees' union

If an agreement has been reached in accordance with Item 2.3 or Item 2.4, the employer shall inform the relevant branch of Ledarna thereof. After informing the branch, the employer is obliged, if so required by the branch, to state the reasons for the agreement.

## Item 3 Calculation of overtime compensation and leave in lieu

### Item 3.1 Overtime compensation

Overtime compensation is paid for each hour in accordance with the following formula:

Overtime 6.00 a.m.-8.00 p.m. Mon-Fri without public holidays	Overtime at other times
$\frac{\text{Monthly salary}}{94}$	$\frac{\text{Monthly salary}}{72}$

'Monthly salary' means the relevant, fixed cash monthly salary.

Overtime on weekdays when the individual employee would not be working and on the Midsummer, Christmas and New Year's Eves is deemed to be overtime 'at other times'.

The amount of compensation includes vacation pay.

### Item 3.2 Leave in lieu

Leave in lieu is calculated for each hour of overtime in accordance with the following formula:

Overtime 6.00 a.m.-8.00 p.m. Mon-Fri without public holidays	Overtime at other times
1,5 hours	2 hours

# Overtime

## Item 3.3 Overtime work separated from regular working hours

Overtime work separated from regular working hours is compensated according to local agreement.

If a local agreement cannot be reached, compensation is given according to the following:

- If the overtime work implied that the employee presented himself/herself at work, overtime compensation or leave in lieu is provided as if the overtime work had been performed for at least three hours. This does not apply if the overtime is separated from regular working hours only by a mealtime break.
- If the overtime work did not imply that the employee presented himself/herself at work, overtime compensation is provided for the time during which work has actually been performed.

The employer shall refund any travel costs incurred in connection with overtime work as defined above. This also applies to employees who are not entitled to overtime compensation or leave in lieu.

## Item 4 Part-time employment

### Item 4.1 Compensation for extra hours

If a part-time employee works for longer than the regular working hours for his/her part-time employment (extra hours), compensation is paid for each additional hour at the following rate:

$$\frac{\text{Monthly salary}}{3.5 \times \text{weekly working hours}}$$

‘Monthly salary’ means the relevant, fixed cash monthly salary.

‘Weekly working hours’ means the part-time employee’s working hours for a week without public holidays, calculated as an average per month.

Compensation for extra hours includes vacation pay.

Extra hours are credited on the basis of only full half-hours. If extra hours have been worked both before and after the regular working hours on any one day that apply to the part-time employee in question, both periods will be added together.

## Item 4.2 Overtime compensation

If the extra hours are worked before or after the times scheduled for a regular working day for the equivalent full-time employees at the company, overtime compensation is paid.

When calculating overtime compensation in accordance with sub-section Item 3.1, the employee's salary shall be adjusted up pro rata to a full-time salary.

## Section 6 Compensation for travelling time

### Item1 Travelling time

'Travelling time' that gives entitlement to compensation means the time taken on a business trip made at the request of the company to reach the destination.

Travelling time that lies within the employee's regular working hours is counted as working time. Travelling time therefore only includes the hours spent on travel that occurs outside regular working hours.

Only full half-hours are included in travelling time. If time is spent on travel both before and after regular working hours on any one day, the periods are added together.

If the employer has defrayed the cost of a sleeping compartment or cabin for the whole or part of a journey, the hours between 10.00 p.m. and 8.00 a.m. shall not be included in travelling time.

Travelling time also includes the normal time spent by an employee driving a car or other vehicle at the request of the company, irrespective of whether it is owned by the company or not.

The journey shall be considered to have commenced and ended in accordance with the employer's rules for travel expenses or the equivalent.

Travelling time should be planned so that it does not unreasonably burden the employee with regard to night, daily and weekly rest.



# Compensation for travelling time

## Item 2 Entitlement to compensation for travelling time

An employee is entitled to compensation for travelling time according to the following general rule and exceptions:

### General rule

- If the employee is entitled to specific compensation for overtime work, the employee is entitled to compensation for travelling time according to Section 3 below.
- If the employee is not entitled to specific compensation for overtime work, the employee is entitled to compensation for travelling time according to Section 3, unless the employer and employee have agreed that the employee shall be exempted from the provisions on compensation for travelling time.

### Exceptions

- The employer and the employee may agree that compensation for travelling time shall be provided in another form, e.g. travelling time requirements may be taken into consideration when determining the salary.
- An employee who holds a position that normally involves a considerable amount of business trips, e.g. travelling sales representatives, service technicians, etc., is entitled to compensation for travelling time only if the employer and the employee have reached an agreement to this effect.

## Item 3 Compensation

Compensation for travelling time is paid by the hour with:

$$\frac{\text{Monthly salary}}{240}$$

When the journey is made between 6.00 p.m. on Friday and 6.00 a.m. on Monday, or between 6.00 p.m. on the day before a public holiday and 6.00 a.m. on the day following a public holiday, compensation is instead calculated using the following formula:

Monthly salary

240

‘Monthly salary’ means the relevant, fixed cash monthly salary.

Normal compensation for travelling time (denominator 240) is paid for a maximum of six hours per calendar day.

The amount of compensation includes vacation pay.

When calculating compensation for travelling time, the salaries of part-time employees are adjusted up pro rata to a full-time salary.

## Section 7 Vacations

### Item 1 General rules

Employees are statutorily entitled to vacation with the supplements stated in Item 2, Item 3, Item 5.1, Item 5.2, Item 6 and Item 7, and the exceptions stated in Item 4 and Item 5.3. Exceptions have only been made to the extent that they are specifically mentioned in the above sections and sub-sections.

*Comment:*

*It is necessary that the main vacation may be fixed so no disruptions in the business arise.*

### Item 2 Adjusting vacation year and/or earning year

The employer can reach an agreement with an individual employee and the local salaried employees’ organisation to stagger the vacation year and/or earning year.

### Item 3 Length of vacation

#### Item 3.1 Agreement on longer vacation

According to sub-section Item 2.3, agreement can be reached between the employer and the employee that the employee will receive three or five vacation days in addition to the statutory number.

# Vacations

‘Vacation days’ refers to both paid and unpaid vacation days.

*For information:*

*For employees with more vacation days than the statutory number, the number of days for which vacation pay is received is stipulated in Section 7 of the Annual Leave Act.*

## **Item 3.2 Guarantee rule**

If an employee is entitled by collective or individual agreement to more vacation days than provided in this agreement, the employee retains his or her longer vacation.

However, this guarantee rule does not apply when an employee receives a longer vacation in the form of overtime compensation or is no longer obliged to carry out standby or rounding-off work as specified in subsection Item 2.4.

## **Item 3.3 Previous rules**

Previous rules concerning the number of vacation days a year shall continue to apply in a company if this agreement would mean that the number of vacation days would otherwise be reduced.

If the need arises to change the vacation rules at a company, the salaried employees’ side must be notified. Negotiations shall take place before any decision is made, if so required by the salaried employees’ side.

## **Item 3.4 Transfer within a group of companies**

An employee who is transferred from one company to another within the same group may credit the period of employment with the first company when calculating the number of vacation days earned unless vacation compensation has already been paid by that company.

## Item 4 Vacation pay, vacation compensation, etc

### Item 4.1 Vacation pay

Vacation pay consists of the monthly salary at the time of the vacation and vacation supplement as follows:

The vacation supplement for each paid vacation day is calculated as:

- 0.8 per cent of the employee's current monthly salary at the time of the vacation.

'Current monthly salary' in this context means the fixed, cash monthly salary plus any fixed salary supplements per month.

For changes in working hours, see sub-section Item 4.4.

- 0.5 per cent of the sum of the variable salary components that have been paid during the earning year.

*Comment:*

*Payment of the 0.5 per cent vacation supplement assumes that the employee has earned a full paid vacation. If this is not the case, the vacation supplement shall be adjusted upwards by multiplying the 0.5 per cent by the number of vacation days the employee is entitled to in accordance with Item 3, and dividing the result by the number of paid vacation days that the employee has earned.*

'Variable salary component' here means:

- commission, bonus, premium or similar
- premium pay or efficiency bonuses
- compensation for staggered hours, duty or standby compensation or similar, if not included in the monthly salary.

'Commission, bonuses and similar items' means such variable parts of the salary that are directly linked to the employee's individual performance at work.

# Vacations

For each calendar day (whole or in part) that entitles the employee to vacation pay, an average daily income of variable salary components is added to the “the sum of the variable salary components that have been paid during the earning year”. This is calculated using the following formula:

$$\text{Average daily income} = \frac{\text{Variable salary component paid during the earning year}}{\text{number of days of employment minus number of vacation days taken plus whole calendar days with entitlement to vacation pay during the earning year}}$$

*For information:*

*The number of days of employment is defined in Section 7 of the Annual Leave Act.*

Compensation for staggered hours and for duty and standby hours or similar shall not be included in the above calculation if the employee has received such compensation for a maximum of 60 days during the earning year.

*For Information:*

*Overtime compensation, compensation per extra hour in the case of part-time employment, and compensation for travelling time are not included in the calculation of vacation supplement (see sub-sections Item 3.1, Item 4.1 and Section 6 Item 3 respectively).*

## **Item 4.2 Vacation compensation**

Vacation compensation is calculated at 5.4 per cent of the relevant monthly salary per untaken paid vacation day plus any vacation supplement of 0.5 per cent as specified in Item 4.1. Vacation compensation for saved vacation days is calculated as though the saved days were taken during the same vacation year that employment ceased. For changes in working hours, Item 4.4.

## **Item 4.3 Unpaid vacation**

A deduction of 4.6 per cent of the monthly salary is made from the employee’s current monthly salary for each unpaid vacation day taken.

For definition of the term ‘monthly salary’, refer to Item 4.1.

## **Item 4.4 Changed level of employment**

If during the earning year, the employee had different level of employment than at the time of the vacation, the monthly salary that applies at this time shall be adjusted pro rata in relation to the employee’s proportion of full regular working hours at the workplace during the earning year.

If the level of employment has changed during the current calendar month, the employee’s level of employment for the major part of the month shall apply.

For definition of the term ‘monthly salary’, see Item 4.1.

## **Item 4.5 Disbursement**

The following rules apply to the disbursement of vacation pay:

### **Main rule**

The vacation supplement of 0.8 % is disbursed together with the normal salary at the time of the vacation, or on the next occasion thereafter.

The vacation supplement of 0.5 % is disbursed by no later than the end of the vacation year.

### *Comment:*

*When possible, the local parties may agree that the vacation supplements shall be disbursed before the main vacation.*

### **Exception 1**

If the salary consists largely of flexible salary components, the employee is entitled to receive, at the same time as the normal salary disbursement in connection with the vacation a provisional vacation supplement, as estimated by the employer, that relates to the flexible component. The employer must have disbursed any vacation supplement remaining after calculation in accordance with Item 4.1 by no later than the end of the vacation year.

## Exception 2

If an agreement has been reached that the vacation year and the earning year shall be the same, the employer may disburse the remaining vacation pay for the flexible salary components after the expiry of the vacation year. In such a case, this shall be done in conjunction with the first payment of normal salary during the new vacation year.

## Item 5 Saving of vacation

### Item 5.1 Number of days

If an employee is entitled to more than 25 vacation days with vacation pay, the employee can, subject to agreement with the employer, save these surplus vacation days, provided that the employee does not take previously saved vacation in the same year.

The employee and the employer can reach an agreement regarding the vacation year and when during the year the saved days of vacation may be taken.

### Item 5.2 Taking vacation

Saved vacation days shall be taken in the order they have been saved.

Saved statutory vacation days shall be taken before vacation days saved in accordance with Item 5.1 during the same year.

### Item 5.3 Vacation pay

Vacation pay for saved vacation days is calculated using the formula given in Item 4.1 (excluding the comment). However, in the calculation of vacation supplement of 0.5 per cent, all leave taken during the earning year, excluding normal vacation, shall be treated in the same way as leave entitling the employee to vacation pay.

Vacation pay for saved vacation days shall be adjusted to the employee's proportion of full regular working hours during the earning year that preceded the vacation year when the day was saved.

For calculating the proportion of full regular working hours, see Item 4.4.

The following applies to vacation years from 2014 onwards.

All saved vacation days taken shall be considered earned during the immediately preceding earning year.

The following applies to vacation years before 2014.

Vacation pay for saved vacation days shall be adjusted to the employee's proportion of full regular working hours during the earning year that preceded the vacation year when the day was saved.

## **Item 6 Vacation for new employees, etc.**

If a new employee's paid vacation days do not cover the duration of the company's main vacation period, or if the new employee otherwise wishes to have a longer period of leave than corresponds to the number of vacation days, the employer and the employee can reach an agreement on unpaid leave of absence, or leave without deduction of salary for the number of days required.

Such an agreement shall be in writing.

The following points apply to leave without deduction of salary. If the employment ceases within five years from the day it began, the deduction is made from the accrued salary and/or vacation compensation in accordance with the same rules as apply to unpaid leave, but calculated on the basis of the salary that applied during the period of leave. No deduction shall be made if the employment ceases on account of the employee:

- falling sick, or
- having vacated his/her post, as defined in the first sentence in the third paragraph of Section 4 of the Employment Protection Act, or
- having been given notice of termination due to redundancy.

### *Information:*

*For employees who have received more paid vacation days than earned, the rules on vacation pay in advance in paragraph 3, Section 29 of the Annual Leave Act shall apply, except where otherwise agreed in writing.*



## **Item 7 Vacation in the case of employment for less than 3 months**

In the case of employment which is intended to last for no more than three months and which does not last longer, unless otherwise agreed, the employee shall only be entitled to vacation pay. This does not apply where the employee has several consecutive short periods of employment within the same group.

## **Item 8 Vacation certificate**

When the employment ceases, the employee is entitled to a certificate specifying the number of vacation days taken – see Section 11 Item 3.8.

## **Item 9 Vacation for intermittent part-time workers**

### **Item 9.1 Number of days**

If an employee is employed part-time and has a working hours schedule that does not involve working on every day of every week (intermittent part-time work), the following applies. The number of vacation days in accordance with Item 3 (gross vacation days) to be scheduled during the vacation year shall be proportional to the employee's proportion of the regular working hours of full-time employees in an equivalent position in the company. The number of vacation days thus received (net vacation days) shall be scheduled on days on which the employee would otherwise have worked.

If both paid vacation days (normal vacation and saved vacation) and unpaid vacation days are to be scheduled during the vacation year, they shall be adjusted separately using the following formula:

Number of working days per week/5 x gross vacation days to be scheduled =  
number of vacation days to be scheduled on days that would otherwise have been working days (net vacation days)

Should a fraction arise, it shall be rounded up to the nearest whole number.

'Number of working days per week' means the average number of days which, according to the schedule, are working days per working week

without public holidays during a period of four weeks (or other period that covers a whole scheduling period).

If an employee's schedule involves working both whole days and part days in any one week, the part day worked in the context shall be calculated as a whole day. When vacation is scheduled for such an employee, a whole vacation day shall also be taken for the days when the employee would have worked part of the day.

## Example

Part-time hours scheduled on the following average number of working days per week	Net vacation days (in the case of 25 gross vacation days)
4	20
3.5	18
3	15
2.5	13
2	10

If the working hours schedule is changed so that the 'number of working days a week' also changes, the number of untaken net vacation days shall be adjusted to correspond to the new working hours schedule.

## Item 9.2 Compensation and deductions

Vacation supplement, vacation compensation and salary deductions (in the event of unpaid vacation) are calculated on the basis of the number of gross vacation days.

### Section 8 Sick pay, etc.

#### Item 1 Right to sick pay

The employee is entitled to sick pay in accordance with the rules in this chapter. Otherwise, the Sick Pay Act shall apply.

#### Item 2 Reporting of sickness

An employee who is unable to work because of sickness, accident or occupational injury shall as soon as possible report this to the employer or make the notification in the manner decided by the employer. If there are valid reasons why a report cannot be submitted, the report shall be sent as soon as this obstacle is removed. The employee shall also inform the employer as to when he/she expects to be able to return to work. The same applies to employees who have to stay away from work on account of risk of contagion.

The employee is not entitled to sick pay for the time preceding the submission of the said report.

#### Item 3 Written verification and medical certificate

The employee shall verify to what extent his/her working capacity has been reduced by means of a written assurance sent to the employer. The employee will not be entitled to sick pay until such an assurance has been provided.

From the eighth calendar day, the employee is always obliged to verify the reduction in his/her working capacity and the extent of that reduction by means of a medical certificate that also shows the duration of the sickness period. The employer may also require the employee to verify the reduction in working capacity and the extent of that reduction by means of a medical certificate to cover the first seven calendar days.

The employer may nominate a doctor to issue the medical certificate, in which case the employer shall cover the cost of the certificate. If the employer has nominated a doctor to issue a medical certificate, it is a prerequisite for the right to receive sick pay that the deduction in the employee's ability to work is verified by a certificate from the nominated doctor.

The employee is not entitled to sick pay if he/she provides incorrect or misleading information concerning circumstances relevant to the right to sick pay.

*Comment:*

*It is in the common interest of the employer and the employee – for purposes of rehabilitation - that the cause of the sickness be determined as early as possible. This is particularly important in the event of recurrent cases of sickness.*

## Item 4 Amount of sick pay

### Item 4.1 Sickness until and including 14th calendar day

For each hour that an employee is absent due to sickness, a salary deduction is made using the following formula:

For the first day of sick leave (qualifying day)	From second day of sick leave onwards
$\frac{\text{Monthly salary} \times 12}{52 \times \text{weekly working hours}}$	$\frac{20\% \times \text{Monthly salary} \times 12}{52 \times \text{weekly working hours}}$

If the employee would have worked during scheduled staggered working hours, sick pay is also paid, except for the qualifying day, at 80 per cent of the compensation that the employee would otherwise have received.

### Item 4.2 New period of sickness within five calendar days

If a new period of sickness begins within five calendar days of the end of a previous period of sick leave, this shall be treated as a continuation of the previous period.

### Item 4.3 When deductions have already been made for ten qualifying days

If the employee has had a total of ten qualifying days within the previous 12-month period, the salary deduction is made for the first day of the next period of sick leave in accordance with the formula for the second day of sick leave inclusive (see above).

# Sick pay, etc.

## Item 4.4 Sick pay of 80% for entire period

In the case of employees who are entitled to sick pay of 80 per cent for the entire sick-pay period following a decision by the social insurance agency, the salary deduction is made in accordance with the formula for the second day of sick leave onwards (see above).

*For information:*

*The content of sub-sections Item 4.2, Item 4.3 and Item 4.4 is from the Sick Pay Act.*

## Item 4.5 Sickness from and including 15th calendar day

*Deduction for sickness per day*

For each day of sick leave, including non-working days, a deduction for sickness is made using the following formula:

For employees with a monthly salary of no more than 7.5 base amounts/12	For employees with a monthly salary of more than 7.5 base amounts/12
$\frac{90\% \times \text{monthly salary} \times 12}{365}$	$\frac{90\% \times 7.5 \text{ base amounts}}{365}$
	$\frac{10\% \times (\text{monthly salary} \times 12 - 7.5 \text{ base amounts})}{365}$

If the salary changes, the sickness deduction is based upon the earlier salary up to the day when the employee was notified of his/her new salary.

*Maximum sickness deduction per day*

The sickness deduction may not exceed

$$\frac{10\% \times (\text{monthly salary} \times 12 - 7.5 \text{ base amounts})}{365}$$

When calculating the maximum sickness deduction per day, the following are deemed to be monthly salary:

- the fixed salary supplement per month (e.g. compensation for staggered working hours or overtime supplement)
- such commissions, bonuses, premiums or similar earned during the period of leave without having a direct connection with the employee's personal input

- guaranteed minimum commission or the like.

### **Item 4.6 Definition of monthly salary and weekly working hours**

#### **Monthly salary**

By monthly salary in sub-sections Item 4.1 and Item 4.5 is meant the following:

- The relevant fixed cash monthly salary and any fixed salary supplements per month
- The estimated average income per month in the form of commissions, bonuses, premiums, premium pay or other similar variable salary components. If a significant part of the employee's salary consists of such variable salary components, the employer and the employee should reach an agreement on what salary to base the sickness deduction to be made.

In the event of sickness deduction as from the 15th calendar day, monthly salary is also deemed to include benefits in the form of food and accommodation valued in accordance with the National Tax Board flat rates.

#### **Weekly working hours**

'Weekly working hours' means the number of hours per working week without public holidays worked by the employee in question. In the event of irregular working hours, the weekly working hours are calculated as an average over a month or any other such scheduling period.

If the employee works a different number of working hours at different times of the year, the weekly working hours should be calculated as an average for the entire year.

### **Item 5 Duration of sick pay period**

The entitlement to sick pay expires after sick leave has been taken for more than 90 consecutive calendar days. For employees who have had continuous employment for less than one year, and who have not transferred directly from a post in which they were entitled to 90 days' sick pay, entitlement expires after 45 consecutive calendar days.

## Sick pay, etc.

The right to sick pay also expires after the employee has been on sick leave during the past 12-month period for a total of 105 (or 45) calendar days during the period. The right to sick pay expires when the employee draws early pension in accordance with the ITP plan.

*For information:*

*The provisions of sub-section Item 5 do not restrict the right to statutory sick pay for the sick-pay period.*

### **Item 6 Rules for coordination and restrictions**

#### **Item 6.1 Employee in receipt of compensation from another source**

If an employee receives compensation from the government, from an insurance policy or from a third party injury, the employer can decide to reduce or cancel the sick pay in order to avoid over-compensation in the event of sickness in relation to the sick-pay levels that apply pursuant to this agreement. This does not apply to compensation from the social insurance agency or as provided by collective agreement.

#### **Item 6.2 When employees reach 60 years of age**

If the employee has reached 60 years of age at the time of employment, the employer and the employee can reach an agreement that the employee shall relinquish his/her entitlement to sick pay from and including the 15th calendar day of the sick-pay period. The employer shall notify the local salaried employees organisation in the event of such an agreement being reached.

For pensioners according to Section 1 Item 3, the provisions of Item 4.5 only apply if a separate agreement has been reached between the employer and the employee.

#### **Item 6.3 Withholding information about sickness**

Employees who at the time of employment withhold information about any chronic sickness from which they are suffering are not entitled to sick pay from and including the 15th calendar day of the period of sickness due to that particular sickness. The same applies if at the time of employment the employer requested a certificate of good health from the employee but the employee was unable to provide one on account of sickness.

## Item 6.4 Reduced sickness benefits

If the employee has wholly or partially been exempt from sickness benefit pursuant to the Social Insurance Code, sick pay is reduced to a corresponding extent.

## Item 6.5 Accidents, etc

If the employee has been injured in an accident while working for another employer or in connection with his/her own business activities, the employer shall pay sick pay from and including the 15th calendar day of the period of sickness only if the employer has undertaken specifically to do so. The same applies if the employee has been injured as a result of wartime measures.

If the inability to work is self-inflicted, the employee is not entitled to sick pay from and including the 15th calendar day.

## Item 7 Parental leave supplement

An employee on parental leave in connection with the birth or adoption of a child is entitled to a parental leave supplement from the employer if:

- the employee has been employed at the company for at least one continual year, and
- the employee's period of employment continues for at least three months after the period of parental leave

Female employees are also entitled to a parental leave supplement for leave of absence during pregnancy. However, the parental leave supplement is not paid for periods longer than those specified below.

Parental leave supplement is paid:

Period of employment	Parental leave supplement
At least one consecutive year	Maximum of 60 days
Two consecutive years or more	Maximum of 90 days
At least three consecutive years	Maximum of 180 days



## Sick pay, etc.

The parental leave supplement is calculated as:

- Two monthly salaries minus 60 daily salary deductions, calculated according to the formulae below, if the employee has been employed for one but less than two consecutive years.
- Three monthly salaries minus 90 daily salary deductions, calculated according to the formulae below, if the employee has been employed for two consecutive years or more.
- Five monthly salaries minus 180 daily salary deductions, calculated according to the formulae below, if the employee has been employed for three consecutive years or more.

For each day, including non-working days, a calendar day deduction is made according to the following formulae.

For employees with a monthly salary of no more than 10 x the base amount / 12:

$$90 \% \times ((\text{monthly salary} \times 12) / 365)$$

For employees with a monthly salary of more than 10 times the base amount / 12

$$(90 \% \times ((10 \times \text{base amount}) / 365) + (10 \% \times ((\text{monthly salary} \times 12) - (10 \times \text{base amount}) / 365))$$

If the salary is changed, the deduction is made based on the old salary until the day the employee is informed of the new salary.

The deduction may not be in excess of:

$$\frac{(\text{monthly salary} \times 12)}{365}$$

When calculating the maximum deduction per calendar day, the following items are deemed equal to monthly salary:

- Fixed salary supplements per month (e.g. compensation for staggered hours and overtime pay)
- Such commission, share of profits, bonus or similar items which are earned during time off, without being directly linked to the employee's individual performance at work.
- Guaranteed minimum commission or similar.

The time can be distributed during 18 months calculated from the child's birth or from receiving custody in connection with adoption.

Should the leave of absence be shorter than two, three or six months respectively, the parental leave supplement is not paid for any longer period than the duration of the leave of absence.

Half the amount is paid when the period of leave begins, and the remainder is paid once the employee has been back at work for three months after the period of leave has ended.

If the period of leave is shorter than one month, the following method of payment shall be applied instead of the above.

The parental leave supplement regarding two months is calculated according to the above. The amount is thereafter divided by 42. The resulting calculated amount is paid per working day in connection with leave during a maximum of 42, 63 or 126 working days respectively in the event of a two-, three- or six-month parental leave supplement. Payment is made in the month following parental leave, in conjunction with the ordinary salary payment.

*Comment:*

- *When the parental leave supplement is paid per working day, the provision in the second point of the first paragraph of this item, that the employment shall continue for at least three months after the period of parental leave, shall not apply,*
- *A partial day of parental leave uses up one full day of the total number of days. Compensation is given in proportion to the partial leave.*

The parental leave supplement is not paid if the employee is excluded from parental benefit under the terms of the Social Insurance Code. If parental benefit has been reduced, the parental leave supplement is reduced pro rata.

For salary deductions during parental leave in accordance with this point, the provisions of Section 9 Item 3.2 and Section 9 Item 3.3 apply, regardless of whether the employee is entitled to parental leave supplement or not.

### Item 8 Leave with temporary parental benefit

A salary deduction is made for each hour of absence using the following formula:

$$\frac{\text{Monthly salary} \times 12}{52 \times \text{weekly working hours}}$$

In the event of absence for a full calendar month, a deduction equivalent to a full monthly salary is made.

For definition of monthly salary and weekly working hours, see Item 4.6.

### Item 9 Carriers of contagious diseases

If an employee is required to stay away from work owing to a risk of contagion, and the employee is entitled to contagion-carrier's allowance, a deduction is made using the following formula:

*Up to an including the 14th calendar day:*

For each hour of absence, the deduction is calculated as

$$\frac{\text{Monthly salary} \times 12}{52 \times \text{weekly working hours}}$$

*From the 15th calendar day inclusive:*

The deduction is calculated in accordance with sub-section Item 4.5.

For definition of monthly salary and weekly working hours, see Item 4.6.

## Section 9 Leave

### Item 1 Paid leave of absence

'Paid leave of absence' means a short period of leave with pay.

Paid leave of absence is generally only granted for part of the working day. In special cases, however, paid leave of absence can be granted for one or more days, in the event, for example, of a sudden illness in the employee's family or the death of a close relative.

If the days before Easter, Midsummer, Christmas and New Year's Days are not customarily days off, paid leave should be granted for these days, if this is not inconvenient to the company.

*For information:*

*For companies that already take off the day prior to Easter, Midsummer, Christmas and New Year's Days, this rule does not imply any shortening of working hours.*

### Item 2 Unpaid leave

'Unpaid leave' means leave of absence without pay (=leave for at least one day) or another type of leave (=leave for part of a day).

Unpaid leave is granted if, in the view of the employer, it does not inconvenience the company.

When unpaid leave is granted, the employer shall specify the period concerned. Unpaid leave may not be scheduled to begin or end on a day that would otherwise be a non-working day for the employee.

### Item 3 Deductions for unpaid leave

#### Item 3.1 Other types of leave

In the case of other types of leave, salary deductions are made for each full half-hour. The deduction per hour is

$$\frac{\text{Current monthly salary (adjusted pro rata to full-time salary)}}{175}$$

175

## Item 3.2 Unpaid leave for a maximum of five working days

In the case of unpaid leave for a maximum of five working days, a deduction of

$$\frac{\text{Current monthly salary}}{21}$$

is made for each working day taken.

*Comment:*

*For six-day weeks, the denominator is changed from 21 to 25.*

## Item 3.3 Unpaid leave for longer than five working days

In the case of unpaid leave for more than five working days, one full day's salary is deducted for each working day taken:

$$\frac{\text{Fixed cash monthly salary} \times 12}{365}$$

'Fixed cash monthly salary' means:

- fixed salary supplements per month (e.g. compensation for staggered working hours or overtime supplement),
- such commission, share in profits, bonus or similar which are earned during the period of leave but have no direct connection with the employee's work input,
- guaranteed minimum commission or the like.

## Item 3.4 Intermittent part-time work

If an employee is employed on a part-time basis and works full regular working hours for certain days of the working week (intermittent part-time work), a salary deduction shall be made for each day of unpaid leave that would otherwise have been a working day for the employee using the following formula:

Monthly salary divided by

$$\frac{\text{number of working days per regular working week (average/month)} \times 21}{5}$$

*Comment:*

*For six-day weeks, the denominator is changed from 5 to 6.*

Examples of deductions for unpaid leave for intermittent part-time employees

No. of working days/week on average per month	Deduction/working day
4	$\frac{\text{Monthly salary}}{16.8}$
3.5	$\frac{\text{Monthly salary}}{14.7}$
3	$\frac{\text{Monthly salary}}{12.6}$
2.5	$\frac{\text{Monthly salary}}{10.5}$
2	$\frac{\text{Monthly salary}}{8.4}$

### Item 3.5 Leave for a full month

If an employee is on leave during a full calendar month, the entire monthly salary is deducted. The same applies if the company uses another payment period of the same length instead of the calendar month.

## Section 10 Employees' obligations and rights in connection with disputes between employer and employees

### Item 1 Obligation to work

During an industrial dispute (strike, lockout, blockade or boycott) the employee has the following obligations:

- to carry out in the normal way the duties and responsibilities that are associated with his/her position
- to carry out such work as otherwise falls within his/her work area
- to carry out work that enables, or facilitates, the resumption of operations at the end of the dispute
- to carry out maintenance and repair work on machinery, tools and other equipment for use by the company. These tasks will in the first instance be entrusted to employees normally involved with maintenance and repair work or who have a supervisory position within the area of activity concerned.

If the employer unloads goods intended for the company's own use with his/her own workforce, and was not able to cancel the delivery of such goods when notice of an industrial dispute was given, the employee is obliged also to take part in such work, should the employer so require.

### Item 2 Health and safety work

Over and above the obligations laid down in Item 1, the employee is also required to take part in health and safety work when necessary.

Health and safety work includes:

1. such work as, on the break out of a dispute, is necessary to ensure that the operations can be closed down in a technically proper manner, and
2. such work as is necessary to prevent

# Disputes between employer and employees

- risk to people, or
- risk of damage to buildings or other installations, vessels, machinery or domestic animals, or
- risk of damage to such stocks that will not be used during the dispute to maintain the operations of the company or will be disposed of in order to prevent the spoiling or destruction to which the goods by their nature are exposed.

Work that someone is required to perform pursuant to a specific provision in a law or statute and work which if neglected can constitute malpractice, negligence or breach of duty are deemed to be health and safety work.

## **Item 3 Discussions on certain work**

If during a dispute the employer questions the performance of a particular job that is not mentioned in this section, the work in question shall be discussed with the individual(s) assigned to carry out the work or with representatives appointed by the employees. If the relevant employer's association and the salaried employees' party have reached an agreed decision on such work, the employees are obliged to comply with this decision. If the two sides fail to reach an agreement, the matter shall be referred at the request of either party to the Conciliation Board, whose decision is final.

## **Item 4 Illegal disputes**

In the event of disputes that are not permitted by law or collective agreement, each employee is obliged to carry out, to a reasonable extent, all work that might be required on the basis of the prevailing conditions, should the employer so require.

## **Item 5 Notice of termination, etc**

An employee may not be given notice of termination on account of a threatened or on-going dispute unless there are reasonable grounds for supposing that the changed conditions will make it impossible to provide



## Disputes between employer and employees

the employee with employment once operations are restored.

If a dispute has continued for at least three months and the employee cannot be provided with full employment, the working hours and salary can each be reduced by 10 per cent. After a further month, a further 10 per cent reduction may be made and so forth until the salary has been reduced to 60 per cent of the original amount.

On no account may a salary reduction lead to any reduction in premiums (or similar) paid in for a pension or any other occupation-based insurance policy.

## Section 11 Termination of employment

### Item 1 Notice given employee

#### Item 1.1 Term of notice

The employee's period of notice is as follows, except where otherwise specified in sub-sections Item 3.1 – Item 3.4 below.

The following conditions apply to employees employed as of 1 July 1997 and later:

Total period of employment with the company	Period of notice (in months)
Less than 2 years	1
From 2 to 6 years	2
6 years and longer	3

The following conditions apply to employees employed before 1 July 1997:

Total period of employment with the company	Age of employee and period of notice (in months)			
	< 25	25 and above	30 and above	35 and above
Less than 6 months	1	1	1	1
From 6 months to 6 years	1	1	2	3
6 years and longer	1	2	3	3

*Comment:*

*The method used for calculating the period of employment is in certain cases stipulated in Section 3 of the Employment Protection Act (LAS). See comment under Item 2.1.*

#### Item 1.2 Written notice

The employee should give notice in writing to ensure that no dispute arises as to whether or not notice has been given. If notice is still given orally, the employee should confirm this in writing to the employer as soon as possible.

# Termination of employment

## Item 2 Notice given by employer

### Item 2.1 Period of notice

For employees employed on 1 July 1997 and later, the applicable periods of notice are those laid down in Employment Protection Act.

*Information:*

*According to the Employment Protection Act as of 1 May 1998, the following periods of notice apply:*

Total period of employment with the company	Period of notice (in months)
Less than 2 years	1
At least 2 years but less than 4	2
At least 4 years but less than 6	3
At least 6 years but less than 8	4
At least 8 years but less than 10	5
At least 10 years	6

The following conditions apply to employees employed before 1 July 1997:

Total period of employment with the company	Age of employee and period of notice (in months)					
	< 25	25 years and above	30 years and above	35 years and above	40 years and above	45 years and above
Less than 6 months	1	1	1	1	1	1
6 months to 6 years	1	2	3	4	5	6
6 years - 9 years	2	3	4	5	5	6
9 years - 12 years	-	3	4	5	6	6
> 12 years	1	3	4	5	6	6

*Comment:*

1. *According to Section 11 of the Employment Protection Act and its wording as at 1 July 2006, the notice period of an employee who is on parental leave according to Article 4 or 5 of the Parental Leave Act does not start until the employee, in part or in full, commences work or should have commenced work according to his/her application for parental leave.*

2. *An employee shall not receive a shorter notice period than is provided for in the Employment Protection Act.*
3. *The method of calculating the period of employment in certain case, is laid down in Section 3 of the Employment Protection Act.*

According to the Employment Protection Act as at 1 May 1998:

1. An employee who changes job by transferring from one employer to another may in the new job credit the duration of the previous job if the employers, at the time of the transfer, belong to the same group.
2. An employer who changes job in connection with the transfer of the company, business or division from one employer to another by means of the type of transfer specified in Section 6b may credit the time with the first employer when the period of employment with the second is being calculated. This also applies to a change of employment in connection with a bankruptcy.
3. If the employee makes several such changes of employment as referred to in 1-2 above, the employee may accumulate the periods of employment with all the employers.

## **Item 2.2 Extended term of notice**

If an employee has been released on account of lack of work and, at the time of notice, has reached 55 years of age or more and has an uninterrupted period of employment of ten years, the period of notice shall be extended by six months.

*Comment:*

*Such an extension of the notice period is made until the 65th birthday at the latest.*

## **Item 2.3 Ranking order in connection with redundancies**

If redundancies become necessary, the local parties shall evaluate the company's personnel needs and manning requirements. If these needs cannot be satisfied through the application of the relevant laws, a ranking order shall be determined that departs from the statutory provisions.

# Termination of employment

The local parties shall then select which employees shall be given notice, paying particular attention to the company's need for competence and its ability to continue to run a competitive business and thereby provide continued employment.

It is assumed that the local parties will, at the request of either party, reach an agreement on ranking order in connection with redundancies on the basis of Section 22 of the Employment Protection Act and such departures from the Act as are deemed necessary.

The local parties may also reach agreement on ranking order for re-employment that departs from the provisions of Sections 25-27 of the Employment Protection Act. In this case, the criteria mentioned above shall apply.

The local parties are obliged, on request, to engage in negotiations on ranking order for re-employment and to confirm any agreements reached in writing.

It is assumed that the employer provides the local and central parties to the agreement with the necessary facts ahead of the processing of issues referred to in this section.

## *Information:*

*In the absence of local or central agreements as referred to above, redundancies necessitated by lack of work and re-employment can be subject to legal review with due account being given to the negotiating procedures.*

## **Item 2.4 Redundancy notices**

The notice that the employer is obliged pursuant to the Employment Protection Act to give to the local union organisation shall be deemed to have been given either when the employer has submitted written notice to the local salaried employees' party or two days after the employer has sent the papers by registered post to the address of the relevant salaried employees' union.

If such notice is given when the company is closed for vacation, it is deemed to have been submitted the day after the company re-opens after the vacation.

## **Item 2.5 Salary during period of notice**

Further to Section 12 of the Employment Protection Act, the following apply to employees who cannot be provided with employment during the period of notice and

- who receive commission, share of profits, bonus or similar that are directly related to the employee's personal input or
- who would normally have received compensation for staggered working hours or for being on-call or on standby:

For each calendar day that the employee cannot be offered work, compensation shall be deemed to amount to 1/365th of the corresponding compensation received during the most recent 12-month period.

## **Item 3 Other rules related to the giving of notice**

### **Item 3.1 Agreement on different period of notice**

The employer and employee can reach an agreement on another period of notice. In this case, the period of notice given by the employer must not be shorter than:

- the period of notice given in sub-section Item 2.1
- two months, if the employee at the time employment commenced was unemployed and 55 years of age or older. After three years of employment, the period of notice must not be shorter than that specified in sub-section Item 2.1.

### **Item 3.2 Probationary employment**

If a period of probationary employment must be terminated prematurely, a mutual period of notice of one month shall apply.

### **Item 3.3 Pensioners**

For pensioners (see Section 1 Item3), a mutual period of notice of one month shall apply.

### **Item 3.4 Employees who have reached retirement age**

Unless the employee and the employer have agreed otherwise, the employment is terminated without notice at the end of the month when the employee reaches the age of 67. The employer does not need to provide information pursuant to Section 33 of the Employment Protection Act.

# Termination of employment

## *Comment:*

*The employer should, in good time, prior to the beginning of the month when the employee reaches 65 years of age, which is the agreed retirement age according to the ITP-plan, obtain information from the employee as to whether the employee wishes to end his/her employment on reaching the retirement age according to the ITP-plan, or whether the employee wishes to use his/her right to remain employed until the end of the month during which the employee reaches the age of 67.*

## **Item 3.5 Shortening the employee's period of notice**

If because of exceptional circumstances an employee wishes to leave his employment before the end of his or her period of notice, the employer should consider whether that can be granted.

## **Item 3.6 Damages**

If an employee leaves his employment before the period of notice expires, the employer is entitled to claim damages for any financial loss and inconvenience that this causes, for a minimum amount equivalent to the employee's salary for the part of the period of notice that was not worked.

## **Item 3.7 Certificate of employment/assessment**

After notice has been given by either the employer or the employee, the employee is entitled to receive a certificate stating the period of employment and responsibilities at work (certificate of employment).

Should the employee so request, the employer must also provide an assessment of the way in which the employee has performed his or her work responsibilities (job reference).

The certificate or reference shall be provided within one week of the request being submitted.

## **Item 3.8 Vacation certificate**

Once employment has ceased, the employee is entitled to receive, within one week of requesting it, a certificate indicating how many of the statutory vacation days have been taken for the current vacation year. If the employee is entitled to more vacation days than the statutory number, all excess days shall be deemed to have been taken first.

## Section 12 Collectively agreed part time working for retirement purposes

### Item 1 Part time working for retirement purposes (semi-retirement)

Employees can apply for the right to semi-retirement from and including the month

in which the employee reaches the age of 62.

If semi-retirement is approved, from the time at which semi-retirement takes effect, the employee's post shall be a part-time position with the level of occupation determined in accordance with semi-retirement.

On approval of semi-retirement, the employer shall, for employees covered by ITP 2, also continue to report income on the basis of the employee's previous level of occupation.

The priority right to employment at a higher level of occupation under Section 25a of the Swedish Employment Protection Act shall not apply to employees who have part-time employment as a result of semi-retirement under this agreement.

*Comment:*

*The parties agree that the agreement shall be adapted to the constitutional rules regarding retirement prevailing at any given time, such as tax rules relating to payments from pension insurance.*

### Item 2 Application and notice

The employee shall apply to the employer in writing for semi-retirement six calendar months before they wish the semi-retirement to begin. The application shall clearly state the level of occupation requested.

When the application is submitted to the employer, the employee shall also notify the local branch of the salaried employees' union at the company.



## Collectively agreed part time

Within two months of receiving the application, the employer shall provide its response in writing to the employee and the local branch of the local salaried employees' union at the company as to whether the application is successful or not, unless a delay is agreed with the employee. Failure to respond in a timely manner constitutes a violation of a procedural regulation and therefore does not mean that the application shall be considered to be approved. Where the application is not subsequently granted, the employer shall, where appropriate, pay SEK 2,000 for the breach of the procedural regulation to the affected employee.

The employer may reject the application for semi-retirement if, in an objective assessment, to grant it would entail considerable disruption to operations.

### **Item 3 Negotiation and disputes**

Where the application for semi-retirement has been rejected and the employee wishes to have the application examined through the negotiation process, the employee shall inform the local branch of the trade union which is responsible for requesting local negotiation. The dispute shall then be deemed to apply to semi-retirement with a level of occupation of 80 per cent and shall be handled in accordance with the relevant negotiation procedure in accordance with the following.

The question of whether semi-retirement is to be approved can be dealt with in local negotiations and thereafter, if the matter is not resolved, finally in central negotiations.

If the parties are unable to reach agreement in either local or central negotiations on the issue of whether semi-retirement in accordance with the agreement can be approved without causing considerable disruption to operations, the local branch of the trade union shall, if the employee wishes to pursue the matter further, request local negotiations on the liability of the employer to pay damages for the failure to apply the agreement.

### **Section 13 Negotiating procedures, the Salaried Employees' Labour Market Board SAF-PTK, the Salaried Employees' Labour Market Committee SAF-PTK**

Rules regulating which negotiating procedures and which regulations for the Salaried Employees' Labour Market Board SAF-PTK and the Salaried Employees' Labour Market Committee SAF-PTK apply are provided in Section 7 of the agreement dated 10 May 1989 between SAF and PTK, and in Section 9 and 10 of the minutes on the agreement dated 21 May 1976 between SAF and PTK. The rules apply autonomously, regardless of whether equivalent rules for salaried employee apply between SAF and PTK.

As for the managerial and professional staff, the negotiation procedures stated in the managerial and professional staff agreement of 29 January 2001 applies.

*Note in the minutes:*

*It is assumed that the local branches of the salaries employees' unions at the company and specially appointed representatives within the PTK area must first reach agreement on a bipartite body (PTK-L). This represents the salaried employees as the local salaried employees' party (PTK-L) under the terms of this agreement and the reorganisation agreement, and as the local employees' organisation (PTK-L) under the terms of the Employment Protection Act.*

## **Section 14 Term of agreement**

This agreement applies from 1 April 2013 until 30 March 2016.

The parties shall enter into negotiations on a new agreement in accordance with the agreement on negotiation procedures reached between the parties on 18 March 1997.

The Parties have until 30 September 2014 to give notice for this agreement to terminate on 31 March 2015.

The time schedule and procedure for re-negotiation in connection with the termination of the agreement are laid out in Appendix A Sections 5 and 6 of the Industrial Agreement.

## Working hours agreement for salaried employees

### Section 1 Scope of agreement

#### Item 1

This agreement applies to all salaried employees whose employers are affiliated to the Swedish Industrial and Chemical Employers Association. This agreement entirely replaces the Working Hours Act. In this agreement the terms ‘salaried employee’ (or ‘employee’) and ‘the local branch of the salaried employees’ union’ include ‘supervisors’ and ‘the local branch of the supervisors’ union’.

The parties agree that this agreement lies within the scope of Directive 2003/88/EC concerning certain aspects of the organisation of working time, which aims at providing employees with security and health when organising working time. Specific rules pertaining to working time for juveniles are found in the Work Environment Act.

#### Item 2

The rules in Sections 2-4 do not apply in regard to:

- employees with managerial status
- employees who carry out work in their homes or otherwise under such conditions that it cannot be considered to be the employer’s responsibility to supervise how the work is arranged.

#### Item 3

Employers and employees who reach an agreement that the right to specific compensation for overtime shall be replaced by longer vacation, or compensated for in some other way in accordance with 5.2.3. in the agreement on general conditions of employment, may reach an agreement that the employee shall be exempted from the provisions in Sections 2-4. Such

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agreement may only be reached with respect to:

1. work that is performed under such conditions that it cannot be deemed to be the task of the employer to supervise it, and
2. work performed by employees whose duties and conditions of employment are such that they may be deemed to occupy a managerial or comparable position, or by employees who, considering their duties of employment, are entrusted to organise their working hours themselves.

*Comment on Items 2 and 3:*

*According to Items 2 and 3 above, the rules in Sections 2-4 do not apply to certain employees. However, it is in the mutual interest of the employer and the local branch of the salaried employees' union to gain an idea of the total number of working hours of these employees. For some of them, hours are registered by a time stamp or in some other way, for example when a company applies a system of flexible working hours. In these cases, the system provides a basis on which to assess working hours. In other cases hours cannot be registered in the same manner as for other employees. If the local branch of the salaried employees' union so requests, the employer and the local branch of the union shall jointly prepare a suitable system on which to assess the volume of working hours for these employees.*

*Some employees who are exempt from the provisions of Sections 2-4 have, in accordance with current practice, had a certain amount of freedom with regard to the scheduling of working hours. This freedom is not affected by the agreement now reached.*

Exemption from working hours regulation is primarily intended to apply to employees who have freedom with regard to the scheduling of their working hours and for employees who are able to influence their own work volumes.

Agreements which cover Sections 2-4 of the Working Hours Agreement should be formulated such that their meaning is clear.

## **Item 4**

In addition to the exemptions in Items 2 and 3, written agreement may be reached between the employer and the local branch of the salaried employees' union that certain employees or groups of employees shall be exempted from the rules in Sections 2-4, in those cases where the employees, with respect to their duties, can be deemed to have a particular position of trust regarding working time or if particular circumstances exist.

For the term of such agreements, see Section 7 Item 2.

## **Section 2 Amount of working hours, etc.**

### **Item 1 Available working time**

The total working time during any seven-day period may amount to a maximum of 48 hours on average over a reference period of 12 months. Regular working time, overtime, extra hours for part-time employees and on-call duty time shall be included in the total working time.

When calculating the total working time, paid vacation and sick leave during periods when the employee otherwise should have been working, shall be deemed equal to performed working time.

### **Item 2 Regular working hours**

Regular working hours may not, over a reference period of 12 months, exceed an average of 40 hours per week with no public holidays.

For employees working intermittent three-shift work, regular working hours may not exceed an average of 38 hours per week with no public holidays over a reference period of 12 months.

For employees working underground or on continuous three-shift work, regular working hours may not exceed an average of 36 hours per week with no public holidays over a reference period of 12 months.

*Comments:*

*1. The following applies for employees who follow the production:*

*Employees working in intermittent two-shift work, with an average of 40 effective working hours per week with no public holiday, shall be given paid time off to the same extent as is given, according to collective bargaining agreements, to subordinate workers. To the extent that such time off is not provided for in the working time schedule, the time off shall be given in the form of paid days off, after consultation between the employee and the employer. During the consultation, both the legitimate interests of the production and of the employee shall be taken into account. For employees who benefit from compensatory time off according to the above, this shall be taken into account during the local salary review.*

*2. Three-shift work may be carried out with three or more shift teams.*

*3. The parties agree that a working time that differs during various times of the year may be used.*

The local parties may, in addition to the alternatives given in this agreement, agree on different ways to organise working time, which promote the business but also meet individual requests regarding the working-time schedule.

### **Item 3 Breaks, mealtime breaks, pauses**

Unless the local parties do not agree otherwise, breaks shall be arranged so that the employee does not work for more than five consecutive hours at a time. ‘Break’ means an interruption in the daily working hours during which the employees are not obliged to remain at their places of work. The employer shall in advance, as accurately as possible considering the circumstances, state the duration and schedule of breaks.

Breaks may be replaced by mealtime breaks at the workplace. Such mealtime breaks are included in the working hours.

The employer shall arrange the work in a manner so that an employee is able to take necessary pauses in addition to breaks. If working conditions so require, special pauses during work may be scheduled instead. Pauses are included in the working hours.

## Item 4 Daily rest

### Item 4:1 General rule

Every employee is entitled to at least eleven consecutive hours of rest per 24-hour period, calculated from the start of the spell of work, according to the employee's working-time scheme (daily rest).

### Item 4:2 Exceptions

1. The local parties may agree on deviations from the provisions in Item 4:1, provided that the employee is given an equivalent period of rest in connection with the spell of work that discontinued the period of daily rest.
2. If no local agreement according to the first point is made, temporary deviations from Item 4:1 are permitted, if caused by special circumstances that the employer could not have foreseen, provided that the employee is given an equivalent period of rest in connection with the spell of work that discontinued the period of daily rest.
3. If no local agreement according to the first point is made, deviations from Item 4:1 are permitted in the event of work during standby duty, provided that the employee is given an equivalent period of rest in connection with the spell of work that discontinued the period of daily rest.

### Item 4:3 Deviations regarding the schedule of the equivalent rest period

If, due to objective reasons, it is not possible to schedule an equivalent rest period according to Item 4:2 in connection with the spell of work that discontinued the period of daily rest, the equivalent period of daily rest shall be scheduled within seven calendar days.

#### *Comment:*

*In the event of work during standby duty during several consecutive days, the equivalent rest periods regarding these days may be added together and scheduled within seven days from the last standby duty spell. However, this presupposes that the employee, despite interruptions to the rest periods, is given sufficient rest during the standby period.*



If the equivalent rest period cannot be given within seven calendar days, the local parties may agree on other appropriate protection measures.

*Comment:*

*Other appropriate protection measures do not mean financial compensation only.*

## **Item 4:4 Scheduling the equivalent rest period in regular working hours**

No salary deduction shall be made if the employer schedules the equivalent rest period in regular working hours.

## **Item 5 Night rest etc**

### **Item 5:1 Night work**

‘Nighttime’ refers to the period between 10 pm and 6 am. Through a local agreement, nighttime may be defined as another period of at least seven hours including the period between midnight and 5 am.

All employees shall be free from work to rest at night. The period between midnight and 5.00 am shall be included in this time off work.

Deviations from the second paragraph are permitted if, considering the nature of the work, the needs of the public or other particular circumstances, the work must be carried out between midnight and 5 a.m.

Deviations from the second paragraph may also be made on the basis of a local agreement.

### **Item 5:2 Night workers**

‘Night workers’ are employees who normally work at least three hours of their working time during the night and employees who are likely to work at least half of their annual working time during nighttime.

The regular working hours for night workers shall, on average, not exceed eight hours per 24-hour period over a reference period of 12 months.

*Comment:*

- 1. When calculating the average, for each commenced period of seven days the weekly rest shall be deducted from the reference period. Vacation and sick leave during periods when the employee should otherwise have been working shall be deemed equal to performed working time.*
- 2. It is the intention of the parties that the length of the reference period shall not be applied in such a manner that working time implying extremely long spells of work without sufficient rest is scheduled for any longer period of time.*

### **Item 5:3 Night workers whose work implies special hazards**

Night workers whose work implies special hazards or heavy physical or mental strain may not work for more than eight hours during any 24-hour period when performing night work.

### **Item 6 Weekly rest**

Each employee shall have at least 36 continuous hours of rest during each period of seven days (weekly rest).

Time on standby duty, when the employee is allowed to remain outside the workplace but is obliged to be at the employer's disposal to do work when the need occurs, is not included in weekly rest.

Weekly rest periods shall, as far as possible, be scheduled at weekends.

Deviations from the first paragraph are permitted; e.g. in cases of standby duty or overtime work. The employee shall be compensated in accordance with Appendix 4 to the agreement on general conditions of employment.

## Item 7 Overtime

### Item 7:1

‘Overtime work’ in this agreement means work carried out by an employee, over and above his or her regular, daily, working hours if:

- the overtime work has been requested in advance or
- where the work could not be requested in advance if the employer has consented to it later.

Time spent on carrying out any necessary preparation and rounding-off work for the employee’s job, is not deemed to be overtime in accordance with Item 2 below.

Overtime is credited by the full half-hour.

If overtime work has been carried out both before and after regular working hours on any one day, the two periods shall be added together.

#### *Comment:*

*For part-time employees, work that is compensated for in accordance with Item 5.4.1 of the agreement on general conditions of employment is deducted from the overtime allowed according to Item 7:2 below.*

### Item 7:2

In special circumstances, up to 150 hours of general overtime may be worked during a 12-month period.

### Item 7:3

General overtime may be worked for a maximum of 150 hours during three consecutive calendar months. Nevertheless, the amount of overtime during any one calendar month may not exceed 100 hours. These 100 hours may only be exceeded in the event of extraordinary circumstances, for example when it is necessary to finish a job that cannot be interrupted without considerable inconvenience for the business.

Local parties may also agree that overtime can be worked up to a maximum of 144 hours during 12 consecutive weeks, with a maximum of 96 hours in any four weeks.

## Item 7:4

Regardless of the form of compensation, overtime shall be deducted from the overtime allowed according to Item 7:2 above.

If overtime is compensated for by time off (leave in lieu) in accordance with the agreement on general conditions of employment, the 'overtime hours' that have been compensated for by leave in lieu are added back to the overtime allowed according to Item 7:2 above.

Example: An employee works four hours of overtime one weekday evening. These overtime hours are deducted from the overtime allowed according to Item 7:2. An agreement is reached that the employee be compensated by six hours leave in lieu (four overtime hours  $\times$  1.5 = six hours leave in lieu). When the employee has taken leave in lieu, the four overtime hours that have been compensated for in this way are added back to the overtime allowed according to Item 7:2.

During a 12-month period, no more than 75 hours may be added back to the overtime allowed in this manner, unless the employer and the local branch of the salaried employees' union have agreed otherwise.

### *Comment:*

*The employer and the local branch of the salaried employees' union can reach an agreement that overtime compensated for by leave in lieu to be added back to the overtime allowed in the manner described above, shall be scheduled within a certain, fixed, period, e.g. calculated from the time the overtime was worked or before a certain, fixed date.*

For the term of this provision, see Section 7 Item 2.

## Item 7:5

The employer and the local branch of the salaried employees' union may reach a written agreement on a different method of calculating, or on a different volume of general overtime for a particular employee or group of employees. Agreements on a different volume of general overtime shall be submitted to the relevant unions and employer associations for approval.

For the term of such an agreement, see Section 7 Item 2.

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## Item 7:6

In addition to what has been stated above, when there are extraordinary circumstances, an agreement may be reached between the employer and the local branch of the salaried employees' union that up to 150 hours of extra overtime may be worked per 12-month period.

## Item 7:7

If a natural disaster or accident, or other comparable circumstance that could not have been foreseen, has caused a disruption to the business or an imminent risk of such a disruption or of a threat to life, health or property, overtime that is worked on this account shall not be included in the calculation of overtime in accordance with Item 7:2 above.

## Section 3 On-call duty

### Item 1

If, owing to the nature of the business, it is necessary for the employee to be at the disposal of the employer at the workplace to work when the need arises, the maximum number of on-call hours during a four-week period may be 48, or 50 hours per calendar month. The hours during which the employee works on behalf of the employer are not deemed to be on-call hours.

### Item 2

The employer and the local branch of the salaried employees' union may reach a written agreement on a different method of calculating, or the volume of, on-call hours for a particular employee or group of employees.

For the term of such an agreement, see Section 7 Item 2.

### Item 3

The parties agree that on-call duty that is more frequent than every fourth week shall occur only in cases where this is justified for production technical or human resources reasons.

## Section 3a Standby duty

Standby duty shall be assigned so that it does not unreasonably burden an individual employee. The parties agree that standby duty that is more frequent than every fourth week shall occur only if it is justified for production technical or temporary human resources reasons.

*Comment:*

*Standby duty is not deemed to be workingtime.*

## Section 4 Overtime and on-call log

The employer shall keep the necessary log for the calculation of overtime as in Section 2 Item 7 and of on-call hours as in Section 3. Employees, the local branch of the salaried employees' union and the central representative of the salaried employees' union are entitled to see these notes.

## Section 5 Negotiation procedure

Disputes concerning the interpretation and application of this agreement shall initially be referred to negotiations between the local parties (local negotiations). If the local parties cannot reach agreement, the dispute shall be referred at the request of either party to central negotiations.

A dispute can be referred by a central party to the Working Hours Board according to Section 6. This shall be done within one month of the conclusion of the negotiations. The decision of the Board is binding on the parties except if the dispute is referred to the Labour Court no later than two months from the date of the Board's decision.

Questions concerning deviations from the prohibition on nighttime working and extra overtime work can, after central negotiations only be decided by the Working Hours Board.

Otherwise, the negotiation procedures in the main agreement apply.

## Section 6 Working Hours Board

The Working Hours Board considers disputes concerning the interpretation and application of this agreement and agreements reached on the basis of this agreement.

The Board has four members. The Swedish Industrial and Chemical Employers Association appoints two members and the salaried employees' party appoints two. One of the members shall serve as chair. The chair is appointed by the parties alternately for one calendar year at a time.

Each member has one vote. In the event of a tied vote, the Board may, at the request of a member, co-opt a further member. Such members are appointed jointly by the parties in advance for a period of three years.

## Section 7 Term of agreement

### Item 1

The provisions of this agreement come into effect on 1 April 2007 and apply for the same term as the agreement on general conditions of employment.

If this working hours agreement is terminated, agreements entered into on the basis of this agreement shall also cease to apply on the expiry of this agreement.

### Item 2

Local agreements entered into on the basis of Section 1 Item 4, Section 2 Items 7:4-7:6, Section 3 Item 2, and the right of the employer and the local branch of the salaried employees' union to reach agreement on the working of extra overtime according to Section 2, Item 7:6 shall apply until further notice, with three months notice of cancellation.

Notice of cancellation may be given by the employer, the local branch of the salaried employees' union, or a union affiliated to PTK.

Should either party wish the local agreement and the above-mentioned right to enter into local agreements to continue, negotiations shall be requested promptly during the period of notice. The union/employer association party may lengthen the period of notice of cancellation of the local agreement in order to provide time for the negotiations to be completed in accordance with the negotiating procedure before the agreement expires. In the last resort, the question of whether the agreement shall remain in effect may be referred for discussions within the Salaried Employees' Labour Market Board SAF/PTK.



### Agreement concerning staggered working hours, standby hours, etc, and nighttime rest in connection with overtime

between the ALMEGA Industrial and Chemical Association (now The Swedish Industrial and Chemical Employers Association) and the Association for Managerial and Professional Staff (Ledarna)

#### Item 1 Staggered working hours

If the local parties do not agree otherwise, the following applies.

'Staggered working hours' mean that part of a supervisor's regular volume of work that is scheduled outside the regular schedule of daytime working hours at the supervisor's work place.

Compensation for staggered working hours is paid as follows:

Evening and nighttime	Compensation/hour
From 6.00 p.m. to 6.00 a.m.	$\frac{\text{Monthly salary}}{480}$
Sundays and public holidays	Compensation/hour
From 6.00 a.m. on Saturday and 6.00 p.m. on the eve of a public holiday to 6.00 a.m. the day after a Sunday or a public holiday	$\frac{\text{Monthly salary}}{300}$
Major public holidays	Compensation/hour
From 6.00 a.m. New Year's Eve to 6.00 a.m. 2 January	$\frac{\text{Monthly salary}}{150}$
From 6.00 p.m. Maundy Thursday to 6.00 a.m. Easter Tuesday	
From 6.00 a.m. Whitsun Eve to 6.00 a.m. Whit Monday	
From 6.00 a.m. National Day to 6.00 a.m. the day after National Day.	
From 6.00 a.m. Midsummer Eve to 6.00 a.m. the day after Midsummer Day	
From 6.00 a.m. Christmas Eve to 6.00 a.m. the day after Boxing Day	

*Comment:*

*Supplement for Sunday and public holiday from 6.00 p.m. on the day before a public holiday does not apply the day before National Day.*

At each company, it should be possible to adapt the actual time to the locally agreed time for regular shift hours and the break for Sundays and public holidays, keeping in mind that the total compensation should be the same.

Agreements to depart from the above compensation rules may be reached with the supervisor to whom reasonable compensation is paid in accordance with some other arrangement.

Compensation for staggered working hours and overtime pay cannot be paid concurrently.

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## Item 2 Standby hours

If the local parties do not agree otherwise, the following applies.

1. 'Standby hours' means the time when an employee is not obliged to work but is required to be standing by so that he/she may be at the workplace within a certain period of time after notification.
2. Compensation per hour

<b>Standby duty compensation.</b>	<u>Monthly salary</u> 1400
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The following applies, however:

<b>Saturday-Monday</b>	<b>Compensation/hour</b>
From 6.00 a.m. Saturday to 6.00 a.m. Monday	<u>Monthly salary</u> 700
<b>Public holidays</b>	<b>Compensation/hour</b>
From 6.00 p.m. on the day before until 6.00 a.m. on 6 January, 1 May, Ascension Day and the Saturday between 31 October and 6 November	<u>Monthly salary</u> 1000
From 6.00 a.m. 6 January, 1 May, Ascension Day and the Saturday between 31 October and 6 November until 6.00 a.m. the first weekday after the respective public holiday	<u>Monthly salary</u> 700
From 6.00 p.m. Maundy Thursday and New Year's Eve and from 6.00 a.m. Whitsun Eve, Midsummer's Eve and Christmas Eve until 6.00 a.m. the first weekday after the respective holidays From 6.00 a.m. on National Day to 6.00 a.m. on the day after National Day.	<u>Monthly salary</u> 350

*Comment:*

*Any special compensation from 6.00 p.m. the day before National Day is not paid.*

Standby compensation is paid per minimum session of 8 hours.

3. Agreements to depart from the above compensation rules may be reached with supervisors in more senior positions to whom reasonable compensation is paid in accordance with some other arrangement.
4. Standby hours shall be allotted so that no particular supervisor is unreasonably overloaded.

5. A schedule for standby hours should be drawn up well in advance.
6. The parties agree that a weekly rest of 36 hours shall be aimed for. When arranging appropriate shift schedules for continuous shift work or schedules for on-call duty and standby duty, as well as for overtime work, deviations from the provisions regarding weekly rest may be made to the extent necessary. However, when arranging a schedule, it should be observed that the weekly rest must amount to a minimum of 30 hours per 7-day period.

Similarly, there is no impediment to, by local agreement, apply a shift schedule in which the weekly rest is limited to 24 hours in certain cases.

*Comment:*

*If the weekly rest cannot be attained, the manager shall be compensated according to Appendix 4, based on the number of hours according to the above.*

### **Item 3 Attendance compensation**

Local agreement may be reached on the following rules:

A supervisor who is instructed to come to work more often per 24-hour period than is required, when considering the regular working hours that apply at the start of his/her day, receives for each such extra attendance, over and above his/her regular salary and any overtime supplement for the hours worked, attendance compensation (the amount is specified in the next paragraph). In this context, the start of a new 24-hour period is 6.00 a.m.

Attendance compensation amounts to monthly salary / 240 per attendance.

For attendance on Sundays or public holidays, non-working days established in the agreement, or Saturdays after 6.00 a.m., the compensation amounts to monthly salary / 205 per attendance.

If local agreement has not been reached, the rules in the agreement on general conditions of employment, Section 5 Overtime, shall apply.

## **Item 4 Nighttime rest in connection with overtime work**

Supervisors working daytime hours who work overtime between 10.00 p.m. and 6.00 a.m., and who must start work the following morning, are entitled to paid leave of absence the following morning for the same number of hours as those worked between the stated times, except where otherwise agreed.

Appendix 3

## **Agreement on compensation for staggered working hours, standby hours and on-call hours**

between the Swedish Industrial and Chemical Employers Association), SIF (Now Unionen the Swedish Union of Clerical and Technical Employees in Industry), Sveriges Ingenjörer (the Swedish Association of Engineers) and Naturvetarna (The Swedish Association of Scientists).

### **Item 1 Staggered working hours**

1. The following guidelines apply to compensation for work during staggered working hours. If there are special reasons, the local parties may reach an agreement providing for a different solution.
2. 'Staggered working hours' means that part of the employee's regular volume of work that is scheduled outside the regular schedule for daytime working hours at the employee's workplace.

Compensation is paid for staggered working hours in accordance with point 4 below.

*Notes in the minutes:*

- a. *The parties are agreed that reasonable grounds should exist for the introduction of work at staggered working hours. If, in a particular case, the salaried employees' side claims that no reasonable grounds exist for staggering working hours, the employer may nevertheless stagger the working hours pending the outcome of any negotiations that may be demanded.*

- b. *If a system for flexible working hours is applied, compensation is not paid for working hours between the starting and ending times of the regular schedule of daytime working hours, i.e., within the so-called bandwidth.*
- As far as possible, the employer should notify the employee concerned, at least 14 days in advance, that working hours are to be staggered. Such notification should also contain information concerning the expected duration of the staggering of working hours.
  - Compensation for staggered working hours is as follows:

<b>Monday-Friday</b>	<b>Compensation/hour</b>
From 6.00 p.m. to midnight	<u>Monthly salary</u> 600
From midnight to 7.00 a.m.	<u>Monthly salary</u> 400
<b>Saturday-Sunday</b>	<b>Compensation/hour</b>
Between 7.00 a.m. Saturday and midnight Sunday	<u>Monthly salary</u> 300
<b>Public holidays</b>	<b>Compensation/hour</b>
Between 7.00 a.m. 6 January, 1 May, Ascension Day and the Saturday between 31 October and 6 November and midnight the first weekday after the respective public holidays	<u>Monthly salary</u> 300
Between 6.00 p.m. Maundy Thursday and New Year's Eve, and 7.00 a.m. Whitsun Eve, Midsummer's Eve and Christmas Eve and midnight the first weekday after the respective public holiday	<u>Monthly salary</u> 300
Between 0.00 a.m. National Day (start 6 June) and 0.00 a.m. the day after National Day (start 7 June)	<u>Monthly salary</u> 300

- Agreements on exceptions to the above compensation rules may be reached with employees holding more senior positions and to whom reasonable compensation is paid in accordance with other arrangements.
- Compensation for staggered working hours and overtime pay cannot be paid concurrently.
- The employee is not entitled to compensation for staggered working hours if the staggered working hours are a result of to the employee's own wishes.

# Appendices

## Item 2 standby hours

1. The following guidelines apply to compensation for standby hours. If particular reasons exist, the local parties may reach an agreement on a different solution.
2. 'Standby hours' means the time when the employee is not under an obligation to work but is required to be available in order to attend at the workplace within a certain period of time after being notified.
3. Compensation per hour

Compensation for standby hours	$\frac{\text{Monthly salary}}{1400}$
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However, the following shall apply:

Friday – Sunday	Compensation/hour
Between 6.00 p.m. Friday and 7.00 a.m. Saturday	$\frac{\text{Monthly salary}}{900}$
From 7.00 a.m. Saturday to midnight Sunday	$\frac{\text{Monthly salary}}{900}$

Public holidays	Compensation/hour
Between 6.00 p.m. the day before 6 January, 1 May, Ascension Day, and the Saturday between 31 October and 6 November and 7.00 a.m. on the aforesaid days	$\frac{\text{Monthly salary}}{900}$
Between 7.00 a.m. 6 January, 1 May, Ascension Day and the Saturday between 31 October and 6 November and midnight the first weekday after the respective public holiday	$\frac{\text{Monthly salary}}{600}$
From 6.00 p.m. Maundy Thursday and New Year's Eve and from 7.00 a.m. Midsummer's Eve and Christmas Eve until midnight before the first weekday after the respective public holiday Between 7.00 a.m. Whitsun Eve and 0.00 a.m. on the day after Whitsun Between 0.00 a.m. National Day (start 6 June) and 0.00 a.m. the day after the National Day (start 7 June)	$\frac{\text{Monthly salary}}{350}$

Compensation for standby hours is paid per session for a minimum of 8 hours.

4. In the event of working during standby duty, the compensation rules in Section 5 Item 3.3. of the agreement on general conditions of employment apply.
5. An agreement to make exceptions to the above compensation rules may be reached with employees holding senior positions and to whom reasonable compensation is paid in accordance with some other arrangement.
6. Schedules for standby hours shall be prepared well in advance.

### Item 3 On-call hours

1. The following guidelines apply to compensation for on-call hours. If there are special reasons, the local parties may agree to a different solution.
2. 'On-call hours' means the time when the employee is not under an obligation to work but is required to be at the disposal of the employer at the workplace in order to perform work when the need arises.
3. Compensation per hour

Compensation for standby hours

$\frac{\text{Monthly salary}}{600}$



# Appendices

However, the following applies:

Friday – Sunday	Compensation/hour
Between 6.00 p.m. Friday and 7.00 a.m. Saturday	$\frac{\text{Monthly salary}}{400}$
Between 7.00 a.m. Saturday and midnight. Sunday	$\frac{\text{Monthly salary}}{300}$
Public holidays	Compensation/hour
Between 6.00 p.m. the day before 6 January, 1 May, Ascension Day and the Saturday between Monthly salary 31 October and 6 November, and 7.00 a.m. on the aforesaid days	$\frac{\text{Monthly salary}}{400}$
Between 7.00 a.m. Twelfth Day, 1 May, Ascension Day and the Saturday between 31 October and 6 November, and midnight the first weekday after the respective public holidays	$\frac{\text{Monthly salary}}{300}$
From 6.00 p.m. Maundy Thursday and New Year's Eve and from 7.00 a.m. Whitsun Eve, Midsummer's Eve and Christmas Eve until midnight before the first weekday after the respective public holiday Between 7.00 a.m. Whitsun Eve and 0.00 a.m. on the day after Whitsun Between 0.00 a.m. National Day (start 6 June) and 0.0. a.m. the day after National Day (start 7 June)	$\frac{\text{Monthly salary}}{150}$

On-call compensation is paid per session for a minimum of 8 hours.

4. Agreements to make exceptions to the above compensation rules may be reached with employees holding senior positions and to whom reasonable compensation is paid in accordance with other arrangements.
5. On-call hours shall be allotted so that no particular supervisor is unreasonably overloaded.

Schedules for on-call hours should be drawn up well in advance.

### **Agreement on compensation for weekly rest**

Between the Swedish Industrial and Chemical Employers Association (Industri- och KemiGruppen), and the Swedish Union of Clerical and Technical Employees in Industry (SIF, , now Unionen), the Swedish Association of Engineers (Sveriges Ingenjörer) and Managerial and Professional Staff (Ledarna).

#### **Section 1**

The parties agree to aim for 36 hours of weekly rest. In those cases where 36\* hours of weekly rest cannot be provided, the employee shall receive compensation in accordance with the following:

- 1 A supplement of 1.0 per cent of the employee's fixed cash monthly salary is paid per interruption.
- 2 In addition the employee is granted leave in accordance with one of the following two alternatives.

#### **Alternative 1**

In cases of interruptions to the weekly rest, the employee is compensated by one half-day of paid leave per interruption.

Each interruption to the weekly rest after the first ten is compensated for by one day of paid leave per interruption.

\*As for the Managerial and Professional Staff, the number of hours stated in Appendix 2, Item 2, Point 6 regarding staggered working hours, standby hours etc, and nighttime rest in connection with overtime shall apply. (Agreement between ALMEGA Industrial and Chemical Association, now The Swedish Industrial and Chemical Employers Association, and the Association for Managerial and Professional Staff, Ledarna).

## Alternative 2

Instead of taking paid leave as in Alternative 1, the employee is entitled to receive one whole day of leave for each interruption provided that the leave is unpaid.

Each interruption to the weekly rest after the first ten is compensated for by one day of paid leave per interruption.

### Common to both alternatives:

Interruptions to weekly rest and days of paid leave are calculated per calendar year.

For each calendar year, an agreement is to be reached, either between the employee and the employer or collectively for the workplace between the local parties, as to which alternative shall be applied.

Unpaid leave is taken in accordance with the employee's wishes.

An agreement is to be reached between the employer and the individual employee as to when all leave shall be taken. Normally, the leave should be taken within five days of the prior interruption to the weekly rest and, as far as possible, immediately before or after a weekend.

## Section 2

For overtime work (apart from on-call and standby duty) compensation in accordance with Section 1, the work must be expressly ordered in advance.

### Reduction in working hours

#### Lifetime working hours – working hours account according to the 2013-2016 agreement

The following rules apply unless the local parties agree otherwise:

1. Individual working hours accounts shall be introduced for all employees.
2. An amount based on salary and compensation for regular working hours during the previous year of the agreement is, on 31 March, each year during the period of the agreement, allocated to each working hour account.

The allocated amount is calculated as follows:

Per cent	Date	Corresponding to leave
2.0	31 March each year respectively	4 days *

\* See also point 2a and 2b respectively below.

3. The allocation to the working hours account may be taken as paid leave, pension premium or cash payment.
4. The employee shall decide how the withdrawal shall be made in accordance with item 3. If the employee chooses to make the withdrawal in the form of paid leave, the leave shall be scheduled following an agreement with the employer.
5. An employee who chooses paid leave is not entitled to carry days over from one year of the agreement to another. Leave that is not taken during the year of the agreement is compensated for in cash. This also applies to employees who, for some reason, do not choose any of the three options.

## **2a Working hours according to the 1998 agreement (SIF The Swedish Union of Clerical and Technical Employees in Industry/CF The Swedish Association of Graduate Engineers)**

Discussions on working hours are to take place between the local parties, who can in this connection agree to a one-day reduction in working hours for full-time employees with effect from 1 May 1999, one additional day with effect from 1 May 2000, and a further day with effect from 31 March 2001, with pro rata reductions for part-time employees. Any reduction shall be scheduled in full days or part days. The subject of these discussions can include flexible scheduling of working hours on the basis of the needs of the business and the wishes of the individual.

If no agreement on a reduction in working hours is reached, the monthly salaries of the employees concerned will be raised by 0.5 per cent as of the date of the salary review each year.

## **2b Working hours – according to the 1998 agreement (Ledarna The Association for Managerial and Professional Staff.)**

Discussions on working hours are to take place between the local parties, who can in this connection agree to a one-day reduction in working hours for full-time employees with effect from 1 May, 1999, one additional day with effect from 1 May, 2000, and a further day with effect from 31 March 2001, with pro rata reductions for part-time employees. Any reduction shall be scheduled in full days or part days. The subject of these discussions can include flexible scheduling of working hours on the basis of the needs of the business and the wishes of the individual.

If no agreement on a reduction in working hours is reached, the monthly salaries of the employees concerned will be raised by 0.5 per cent as of the date of the salary review each year.

At companies covered by an agreement on ‘lifetime working hours’ for other groups of employees, a corresponding agreement can be reached for members of Ledarna1.

### Agreement regarding National Day

In December 2004, the Swedish parliament (Riksdagen) decided to make National Day, 6 June, a public holiday as from the year 2005. At the same time, the parliament decided to abolish Whit Monday as a public holiday. Since National Day, unlike Whit Monday, will at regular intervals, within some patterns of working-hours, fall on a work-free day, the Swedish Industrial and Chemical Employers Association, SIF, the Swedish Association of Engineers and Ledarna have reached the following agreement.

1. At companies, where working time is calculated as hours per week with no public holiday, full-time working during daytime, intermittent two-shift working and intermittent three-shift working entitles the employees to two hours of compensation per year. Compensation is given pro rata for part-time employees and employees who work for only part of the year.
2. At companies that have continuous three-shift working with stops during major public holidays, work may be performed on National Day provided that the employees with this pattern of working hours are compensated according to point 1 above.
3. The local parties agree on how the compensation according to point 1 shall be handled.

If the local parties do not agree otherwise, the compensation shall be added to the individual lifetime working hours account according to the parties' agreement on reduction in working hours.

At companies where the pension premium alternative is the general rule, this shall be applied and the value of the above hours shall be calculated at 0.125 per cent.

# Wage formation at companies

## Wage formation at companies

Wage agreement - salaried employees

### Industrial companies

The Swedish Industrial and Chemical Employers Association

The Swedish Association for Managerial and Professional Staff (Ledarna)

Unionen

The Swedish Association of Graduate Engineers

In the event of disputes arising regarding the content and implications of this agreement, the Swedish-language version shall apply.

**Valid until further notice**

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## **Main agreement on wage formation at companies** **The Association for Managerial and Professional Staff**

IKEM – Innovation and Chemical Industries in Sweden and Ledarna (the Swedish Association for Managerial and Professional Staff) hereby agree on the following main agreement.

### **Common points of reference**

IKEM and Ledarna hereby agree that wage formation shall take place locally at companies. This creates a more favourable environment for improving productivity, which is a key factor affecting the competitiveness and profitability of the company.

It is important that both the content and the intentions of the agreement, as well as the company's principles of wage formation are made known throughout the company.

Representatives of the company have a particular responsibility to ensure that agreed goals are achieved and that results are followed up. This requires them to play an active part in, and to be capable of, communicating the company's business ideas, goals and strengths.

Competence development is of importance for the company's productivity improvements. It is also one aspect of the development of operational processes, co-workers and management practices. It is therefore essential that individuals who represent the company receive support, training and development in their managerial role.

## **Section 1 Wage formation: fundamental principles**

The wage formation process in respect of members of Ledarna is determined at company level. In order for the process to work properly, a description of the process shall be made. The description shall preferably be made in writing.

Wage formation shall be a part of a productivity and income-generating process and stimulate increased input. Wage formation and wage increments are determined on the basis of the conditions that decide the company's financial circumstances: mainly productivity developments and the contribution of individuals towards them.

Wage formation shall be individual. The most important aspect of this process is that a dialogue/performance review regarding work targets and results takes place between the manager with responsibility for wages and the employee. Agreed targets, achieved results and the performance of the individual shall serve as a basis for the individual assessment. Both the company and the individual concerned have a responsibility to ensure that both the wage formation process and the performance review function effectively.

## **Section 2 Negotiating procedure**

### **Item 1 Local and central negotiations and the Wages and Salaries Committee**

#### **Item 1.1**

Salaries are determined at least once a year in a salary discussion with the manager responsible for determining the salary. The date of this meeting is established in a local agreement. If no local agreement has been made, an individual review date established according to a predetermined order, such as according to the month of employment, is applied. In companies where Ledarna has no representatives, the date for the salary review is established directly between the employer and the member in question.

# Main agreement on wage

If a member of Ledarna is unable to reach agreement with the relevant manager on his/her new wage, the member is entitled to request the support of his/her local representative. If agreement is still not reached in the wage dialogue, local negotiations can be requested immediately.

If the local parties are unable to reach an agreement, central negotiations may be requested. This shall be done no later than three weeks from the date when the local negotiations are declared to be concluded.

In the case of individuals not offered a wage increment, special discussions shall be held concerning the individual's capacity to carry out his/her duties, the prevailing working conditions, training requirements or other appropriate action.

## **Item 1.2**

It lies within the spirit of the agreement that wages should in the first instance be determined in the wage dialogue with the relevant manager. In the event of a failure to agree in the local negotiations, the organisations should be consulted regarding the application of the agreement before the local negotiations are concluded. The aim shall be that there should be no need to have recourse to central negotiations.

## **Item 1.3**

If the parties are unable to reach an agreement in central negotiations, the issue may be referred to the Wages and Salaries Committee for an opinion. This shall be done no later than three weeks from the date when the central negotiations are declared to be concluded. The Committee then has two months to express an opinion on the subject of dispute that has arisen within the framework of this agreement.

## **Item 1.4**

Any party that does not adhere to the time periods specified in Section 2 Item 1.1 –Item 1.3 forfeits its right to take the matter further, in which case the employer is entitled to decide on the wage.

## **Item 1.5**

The Wages and Salaries Committee consists of four members, of whom

IKEM and Ledarna shall each appoint two, along with a secretary from each side. If the Committee is in agreement, it can function as an arbitration board, with an impartial chair appointed by the Committee. The same applies if the mediator appointed by the parties recommends that a particular issue in the negotiations be settled by arbitration.

## Item 2 Mediation

The parties agree that, when necessary, a mediator shall be appointed to support the parties in negotiations pursuant to this agreement.

If, after central negotiation and after the Wages and Salaries Committee has expressed its opinion, the parties fail to agree on the disputed issue, either party can request mediation in accordance with the following rules.

Mediation shall, where necessary, be requested within two weeks from the date when the parties receive the opinion issued by the Wages and Salaries Committee.

The role of the mediator is to form an opinion on the subject at issue and to convene a meeting of the parties for discussions as soon as possible. In this connection, the mediator may

- instruct the parties to investigate or clarify individual negotiation issues
- recommend, with the consent of the central parties, that particular negotiating issues be settled by the Wages and Salaries Committee in its capacity as an arbitration board
- submit his/her own proposals for a solution to the issue, and
- postpone any industrial action announced by either party until all conceivable solutions are finally rejected, subject to a maximum period of 14 calendar days.

# Main agreement on wage

## **Item 3 No-strike rule**

Pursuant to this agreement on wage formation, a no-strike rule applies to the local and central parties with regard to the matters regulated herein.

If it has not been possible to reach an agreement on individual salaries after central negotiations in accordance with Section 2 Item 1.3, Ledarna is entitled to decide to cancel the no-strike rule at the company or company unit in question. Notice to this effect shall immediately be sent to IKEM. No party may give notice of, or take, industrial action at the workplace in question before the dispute has been referred to the Wages and Salaries Committee and its opinion has been conveyed to the parties involved in accordance with Section 2 Item 2. To be valid, notice of industrial action must have been issued by Ledarna's central board or by the board of the relevant employers association.

Otherwise, the rules regarding industrial action as laid down in the relevant laws and agreements shall apply.

## **Item 4 General conditions of employment**

If agreement has not been reached in union level negotiations on general conditions of employment, the provisions concerning mediation in Section 2 Item 2 shall apply.

## **Section 3 Resolution of disputes**

### **Item 1 Negotiation obligation**

If a legal dispute or any other conflict of interest arises other than those referred to in Sections 1 and 2 above regarding conditions of employment and other relations between the parties, negotiations shall be carried out in accordance with the procedures described in Section 3 Item 2 – 9 below.

### **Item 2 Negotiations at local and central level**

Negotiations shall be held in the first instance between local parties (local negotiations) and then, if agreement is not reached, between the parties at union level (central negotiations).

### **Item 3 Request for local negotiations**

Local negotiations shall be requested as soon as this can be done. Such a request shall reach the other party no later than four months from the date when the party requesting negotiations can be deemed to have become aware of the grounds upon which the dispute is based, except where other statutory or contractual provisions apply.

Any party that does not request negotiations in accordance with the first paragraph, forfeits its right to negotiate on the issue. This applies in all circumstances if negotiations are requested more than two years after the events providing grounds for the dispute occurred.

### **Item 4 Request for central negotiations**

If the parties fail to reach an agreement in local negotiations on how a dispute shall be resolved, the party wishing to pursue the dispute further shall request that the other party enter into central negotiations.

Central negotiations shall be called for promptly. The request shall reach the other party no later than two months from the date when the local negotiations are concluded, except where other statutory or contractual provisions apply. In disputes relating to Sections 11 and 12 of the Employment (Co-determination in the Workplace) Act (MBL), the request shall reach the other party no later than one week from the date when local negotiations were concluded

A party that does not call for negotiations in accordance with the second paragraph forfeits its right to negotiate on the issue.

### **Item 5 Period within which local or central negotiations shall commence**

If the request for negotiations is presented within the prescribed time, negotiations shall start as soon as possible and in any case no later than two weeks from the date when the request was presented. The parties can, in individual cases, agree on a longer period.

# Main agreement on wage

## **Item 6 Negotiation minutes**

Should Ledarna so request, the employers' side shall keep minutes of negotiations and these minutes shall be sent to the other party once the negotiations have been concluded.

## **Item 7 Concluding negotiations**

Except where the parties have agreed otherwise, local and central negotiations are concluded when the parties agree that the respective side has made it clear that it considers the negotiations to be concluded.

If minutes are being kept, a note shall be made in the minutes of when the negotiations were concluded.

## **Item 8 Demand for negotiations and loss of negotiating rights**

The parties may not take legal or other action as the result of a dispute before the negotiations between the parties specified in the procedures herein have been concluded. This does not, however, apply to the taking of legal action on the grounds of a breach of the no-strike rule.

Any party that, in accordance with the provisions stated herein, forfeits its right to negotiate, may not take any action regarding the dispute.

## **Item 9 Legal action**

A party that, after the conclusion of negotiations, wishes to pursue a legal dispute further, must take legal action. The parties can reach agreement that a dispute shall be resolved by an arbitration board instead of the Labour Court.

Legal action shall be taken within four months of the date when central negotiations were concluded, except where other statutory or contractual provisions apply.

If legal action is not taken within the time periods specified in the second paragraph, the party loses its case.

*Comment:*

*Disputes concerning the interpretation and application of working hours regulations shall be referred to the Committee for Working Hours.*

## **Section 4 Term of agreement**

This agreement replaces the main agreement on wage formation at companies between The Swedish Industrial and Chemical Employers Association and Ledarna and the negotiation procedures specified in the main agreement between SAF and SALE. It shall remain in effect until further notice, with a mutual period of notice of termination of three months.



## April 1 2013 – March 31 2016

### Agreements on local salary structures in the company

#### Unionen

IKEM and Unionen have reached the following agreement for companies affiliated to IKEM and Unionen's members employed by these companies.

### Section 1 Importance of wage formation

Wage formation is a positive force in a company's activities that creates conditions in which individuals can develop and be encouraged to work effectively. This in turn helps to increase productivity, efficiency and profitability. All employees participate in a continuous process of improvement, contributing their input, which results in wage formation that helps to generate income. This makes favourable wage increments possible and creates security of employment.

Cooperation based on trust between company management, union representatives and salaried employees is a key factor influencing wage formation. In this regard, keeping union representatives informed about the company's progress is of importance.

Wage formation is based on the company's business and operations concept, financial position, productivity and developmental potential, with overall goals agreed and broken down into sub-goals and individual goals.

### Section 2 Wage formation at companies: fundamental principles

Salaries should be determined individually and they should be differentiated according to business requirements, the nature and contents of the

work and individual efforts, skills and results. The factors determining salary are made clear in each company. Personal skills and qualities such as personnel management skills, technology, finance, information and material assets, skills, managerial skills and the ability to work as part of a team, problem solving, judgment, initiative and the ability to come up with ideas are also important.

In connection with individual wage formation, particular attention shall be paid to goal fulfilment and the results achieved by the employee concerned.

Technical developments and changed conditions at the company demand improved competence. By developing his/her competence to handle current and future duties, the employee becomes better equipped to contribute to the business goals. Development of the company's work organisation requires flexibility, decentralisation, delegation of responsibility, and increased competence. Such developments enable all employees to develop in their work in response to the needs of the business. A dialogue between the employee and his/her superior provides scope for the development of the employee's job content, working practices and competence. In the event of technical change the aim shall be satisfactory job content and opportunities for employees to develop their competence and to take responsibility for their work.

Skills enhancement thus enables the employees to help increase productivity at the company and prepares them for future duties. In discussions between managers and employees it is important for the manager to outline the future need for skills identified by the company. Those discussions result in annual individual development plans. These provides opportunities for personal development with associated salary increases.

All employees' salaries will be evaluated and applied according to the principles set out above, which means that no non-objective or discriminatory salary differences should occur. Prior to salary negotiations as described below, the local parties analyse whether any non-objective or

discriminatory salary differences exist. If it is clear from this analysis that non-objective or discriminatory differences exist in the company, these should be adjusted.

## **Section 3 Wage formation process and local negotiations**

### **Item 1**

Knowledge of the conditions for the salary structure exists within the individual company and is possessed by the company management, the trade-union representatives and the employees. The agreement is intended to ensure that the salary process will be implemented through cooperation between company management and trade-union representatives.

The parties should endeavour to find ways to cooperate and negotiate that support active local salary work which allows the parties to contribute their knowledge of the business. The parties should also endeavour to find ways to cooperate and negotiate that suit the company's other business activities.

This includes every salaried employee being informed of the grounds on which salaries are determined and how salaried employees can achieve salary increases. The managers responsible for determining salaries should have the necessary knowledge of the local salary process and local salary levels. This enables them to determine salaries that are acceptable to both the employer and the individual salaried employee.

### **Item 2**

It is essential for wage formation and development at work that there is a dialogue between the Unionen member concerned and his/her manager. This includes considering the conditions for the local salary structure by discussing the economic conditions, the overall salary structure and the future need for skills identified by the company.

**Item 3**

Discussions between managers and employees are of crucial importance for determining salaries and for progress in the work. Discussions should centre on current duties, working conditions, opportunities for development, skills requirements and results achieved in relation to set targets that are linked to individual salary increases.

**Item 4**

The employer submits a proposal for individual salaries to the local party acting for salaried employees after salary discussions have taken place between managers and employees. Negotiations are based on the proposals put forward and the local parties establish salaries and the scope for salaries.

**Item 5**

It lies within the spirit of the agreement that the local parties should do their utmost to reach agreement in the local negotiations. Should there be difficulties in reaching agreement, the local parties can contact their organisations with the object of clarifying the intentions of the agreement and the principles for wage formation. If a Unionen member would still not receive any salary increase or a minimum salary increase equal to that stated in Item 7, the reason for this should be reported and there should be a review of the individual's opportunities for future salary increases. A joint action plan should be drawn up including measures to enhance skills or other appropriate measures. The action plan should be documented and monitored before the next salary review. If the same individual receives no salary increase for two consecutive years or only receives a minimum salary increase equal to that stated in Item 7, an agreement is assumed.

**Item 6**

According to the spirit of the agreement, the local parties endeavour to reach agreement in local negotiations. If there are difficulties involved in reaching agreement, the local parties can contact their respective organisations in order to clarify the intentions of the agreement and the principles for the salary structure. There should be an evaluation of the process after the negotiations have been concluded.

## **Item 7**

If the local parties, despite the intentions of this agreement, are unable to agree on salaries for the term of the agreement, the total salary amount for Unionen members at the company who are covered by the salary review will be increased, after the annual salary review, by 1.9 % in 2013; by 2.1 % in 2014 and by 2.3 % in 2015. Each fulltime salaried employee covered by the salary review shall receive an increment of at least SEK 138/month in 2013; SEK 152/month in 2014 and SEK 167/month in 2015. If no agreement on the date for the salary review in accordance with paragraph 3 of Item 2 can be reached, 1 April 2013, 1 April 2014 and 1 April 2015 will apply as the salary review date.

## **Item 8**

After the salary review, the monthly salary for full-time salaried employees aged 18 or over will amount to a minimum of SEK 16,291 on 1 April 2013; SEK 16,633 on 1 April 2014 and SEK 17,016 on 1 April 2015. For salaried employees with one year's uninterrupted employment at the company, the monthly shall amounts to SEK 17,325 on 1 April 2013; SEK 17,689 on 1 April 2014 and SEK 18,096 on 1 April 2015. For salaried employees with no experience of working, a lower salary may apply for twelve months. A local agreement is required if reasons other than lack of experience of working exist.

## **Section 4 Negotiating procedures and no-strike rule**

### **Item 1**

If agreement cannot be reached on the application of this agreement after local negotiations (see Section 3 Item 3), either party can request that central negotiations be held.

### **Item 2**

If the parties are unable to reach agreement on the application of the wage agreement during central negotiations, either party is entitled to refer the dispute to the Wages and Salaries Committee within three months from the date when the central negotiations are declared closed.

The Wages and Salaries Committee consists of four members, of whom IKEM and Unionen shall each appoint two.

## **Section 5 Term of agreement**

This agreement shall remain in effect until 31 March 2016 inclusive. IKEM and Unionen shall enter into negotiations concerning the agreement in accordance with the terms of the Agreement on Negotiating Procedures.

The Parties have until 30 September 2014 to give notice for this agreement to terminate on 31 March 2015.

**April 1 2013 – March 31 2016**

## **Agreement on wage formation in companies**

### **The Swedish Association of Graduate Engineers**

IKEM and The Swedish Association of Graduate Engineers et al (SI) have reached the following agreement for companies affiliated to IKEM and members of SI at these companies.

## **Section 1 Common points of reference**

The salary structure is an important part of the company's remuneration system to encourage employees to perform effectively and bring about individual development and good results. The salary structure thereby contributes to greater competitiveness, productivity, efficiency and profitability, which brings about the appropriate conditions for university graduates to receive salary increases at the company.

The salary structure is based on the company's business and operating philosophy, economics, the progress of productivity, the achievement of established individual and overall targets and relevant circumstances in the surrounding environment. The company's managers have particular responsibility for setting targets and monitoring results in discussions with the employees. A trusting relationship between the company management, the employees and their trade-union representatives is essential for an effective salary structure.

The agreement aims to create a process in which efforts, skills and results are linked to individual salary increases. This gives the employee the opportunity to bring about increases in his or her own salary. The aim is to achieve a procedure for determining salaries that both the employer and the individual salaried employee are able to understand and accept.

## Section 2 Wage formation at companies: basic principles

Salaries should be determined individually and they should be differentiated according to the company's economic circumstances, business requirements, the nature and contents of the employee's duties and his or her individual efforts, skills and results. In each company the aspects affecting salaries are clearly stated, e.g. personal skills and qualities, education, personnel management skills, technology, finance, information and material assets, individual skills, managerial skills and ability to work as part of a team, problem solving, judgment, ability to take the initiative, ability to come up with ideas, etc. The individual salary should also be determined taking the salaried employee's results and achievement of targets into consideration.

Salaries are determined on the basis of discussion between managers and employees concerning the development of the contents of the salaried employee's duties, skills and performance. Technical development and changes in conditions require continuous enhancement of skills. Through enhancement of skills for current and future work tasks, salaried employees become better able to contribute to business targets. The development of the company's work organisation leads to a requirement for flexibility, delegation of responsibility and authorisation as well as enhanced skills. This provides opportunities for personal development with associated salary increases.

## Section 3 Wage formation process and local negotiations

### Item 1

Knowledge of the conditions for the salary structure exists within the individual company and is possessed by the company management, the trade-union representatives and the employees. The aim of this agreement is to achieve a completely local salary structure and for that reason local



parties should reach agreement on the salary process based on the agreement for the entire term of the agreement. This means that the local parties plan how the salary process is to be implemented with regard to such aspects as the timetable for target discussions, salary discussions and the date of the salary review. This involves carrying out an annual analysis of the overall salary structure at the company. Local parties also need to agree on how the application of the salary process is to be evaluated, what criteria are to apply to determining salaries and how salary increases are to be determined.

Salary increases as a result of promotions or increases carried out in order to replace another benefit, for example remuneration of overtime, are handled outside the salary review.

## **Item 2**

### **Conditions for the salary review**

The local parties should begin by discussing the conditions for the year's salary review on the basis of the company's economic situation, progress, opportunities for growth, relevant circumstances in the surrounding environment and other factors affecting salaries at the company. A joint view of the conditions makes it easier for the parties to subsequently reach agreement in salary review negotiations.

### **Analysis of the salary structure**

At the same time as the annual salary review, the local parties carry out an analysis of the salary structure in order to achieve the desired salary structure. The analysis of the existing salary structure should lead to a discussion of desirable changes and it may prove that there is reason to carry out individual adjustments in addition to the salary review, for example as a consequence of new employment or in order to remedy any non-objective salary differences on the basis of anti-discrimination legislation.

The analysis of the salary structure should be carried out taking into consideration the fundamental principles for the company's salary structure. It is also important for the local parties to base their approach on how the salary structure is to support the business goals.

## Item 3

### Performance management and target discussions

Individual targets for the employees are set at annual performance management and target discussions. The manager and the employee discuss individual skills development on the basis of the company's need for skills. That discussion should also centre around the employee's duties in terms of requirements, difficulty and responsibility. The results of performance management and target discussions are documented in writing.

### The individual salary discussion

The individual salary discussion forms an important part of the company's process of determining salaries. The salary discussion should take place each year on the employer's initiative and should take the form of a direct discussion between the manager responsible for determining the salary and the employee. The salary discussion is presumed to include:

- a description of the company's principles when determining salaries and salary criteria and important factors for determining the individual salary.
- monitoring of the targets set for the employee and a general assessment of the results by the manager responsible for determining the salary.
- individual salary and salary increases

The salary discussion is a dialogue in which both the manager and the employee are expected to put forward their viewpoints on salary levels. The results of the salary discussion are documented in writing.

## Item 4

The employer issues a proposal to Akademikerföreningen [the Association of Swedish Graduates] containing new individual salaries for the members of the association. At the same time, a report is issued on how the proposal affects the salary structure at the company and, as necessary, how the managers responsible for determining salaries have taken into account factors affecting salaries such as:

# The Swedish Association of Graduate Engineers

- greater demands in the employee's work
- skills development
- more experience
- fulfilment of personal goals
- individual performance
- commitment.

The Association of Swedish Graduates and the employer discuss the proposal. If no request for negotiations has been issued within two weeks from when all members of Swedish Association of Graduate Engineers have received information of their new salary, the employer will establish the salaries.

The starting point is that all employees, through their work and results, contribute to the company's progress in terms of productivity, profitability and growth. Therefore all employees should, in principle, receive an increase in salary. If a member of the Swedish Association of Graduate Engineers, etc. receives no salary increase or only receives a slight salary increase, the individual's aptitude for the work will be subject to review.

If there is a need for action to enhance skills or other suitable measures, a decision should be made to draw up a plan aiming to bring about a change. The measures should be documented and monitored at an agreed moment.

If the Association of Swedish Graduates is not represented at the company, a further salary proposal will be issued and discussed with the individual university graduate.

## Item 5

According to the spirit of the agreement, the local parties endeavour to reach agreement in local negotiations. If there are difficulties involved in reaching agreement, the local parties can contact their respective organisations in order to clarify the intentions of the agreement and the principles governing the salary structure. If local parties so wish, central parties can provide advisory salary consultations around the salary process in order to provide advice and experience.

*Comment:*

*Unless otherwise agreed by the local parties, the central parties have agreed on a standard for salary level increases of 6,3 % for the full term of the agreement.*

*Comment:*

*If the local parties, despite the intentions behind this agreement, fail to agree on the salaries for the members in question, the Association of Swedish Graduates may call for confirmation to ensure that salary increases during the term of the agreement have raised the employees' salary amount by at least 6,3%.*

*If such is not the case, the difference between 6,3% and the total salary increases paid out in salary reviews during the term of the agreement will be added to the last salary review and will be distributed in a salary review according to the principles of this agreement on 1 April 2015.*

*The annual salary review will take place on 1 April 2013; 1 April 2014 and 1 April 2015.*

## Section 4 Negotiating procedures

### Item 1

If no agreement can be reached after local negotiations on the application of this agreement, either party is entitled to request that central negotiations be held.

### Item 2

If no agreement on the application of the wage agreement can be reached during central negotiations, either central party can refer the dispute to the Wages and Salaries Committee no later than three months from the date when the central negotiations are declared closed.

The Wages and Salaries Committee consists of three representatives of The Swedish Industrial and Chemical Employers Association and three of SI. One of The Swedish Industrial and Chemical Employers Association representatives shall be chair, with one of the SI representatives acting as deputy chair.

## Section 5 Term of agreement

This agreement shall remain In effect until 31 March 2016 inclusive.

The Parties have until 30 September 2014 to give notice for this agreement to terminate on 31 March 2015.

IKEM and SI shall enter into negotiations on the agreement in accordance with the Negotiation Agreement between the parties reached on 18 March 1997.

## Competence Development in the Companies

**Ledarna (the Association for Managerial and Professional Staff), Unionen and Sveriges Ingenjörer (the Swedish Association of Engineers)**

### Prerequisites

The increasingly tough international competition requires a target oriented effort on developing the competence of the employees. Rapid product development implies that the affected employees acquire new competences. Increased focus on customers and the market furthermore imply demands on increased flexibility. A transition from rule-based governance to target-based governance and quality assurance imply demands on a changed working organization.

A continuous work towards change in these aspects requires that the needs for development for both the company and the employees are identified. The managers have an important task in translating the needs of the company to his/her own group and its members.

### Needs

All employees should be given an opportunity, through different efforts, to develop the competence needed in new or changed working tasks. It should also be taken into account that some employees have ideas on the basis of his/her perspectives on his/her own and the company's need for development. This can be about developing knowledge and skills which, in a longer perspective, may benefit both the employee and the company.

Development in work comes about through combinations of efforts relating to the contents of the work, work methods, work organization, technology support and competence.

### Responsibility

It is the responsibility of the company to carry out development efforts relating to the employees, the organization and technology and that the necessary resources are assigned. At the same time, it rests upon the employee to take initiatives and to feel engagement and responsibility for his/her own competence development.

# Competence Development in the Companies

## Dialogue

An important basis for the development of the combined competence of the employees and the company is a dialogue between manager and employee. It is in the dialogue that the development program of the company and its implementation can be made known. The dialogue can also be an indicator of the employees engagement, reflections and plans. The dialogue can be created through i.a. reoccurring planning and development discussions.

Experience shows that well-functioning dialogues require efforts in the companies in training for both managers and employees in communication, target identification and following up on results etc. The dialogue shall be held in a positive spirit and aim at a positive development for the employees and the company.

In order to achieve desired results, it is important that efforts that the parties have agreed upon, e.g. training activities are documented and followed-up upon. This can, for example, be achieved through writing personal development plans.

## Co-operation

It is the opinion of the parties that the implementation of dialogues and competence development as well as support to initiatives from individual employees for his/her own development should adapted to the situation of the specific company and based upon the company's business ideas and long-term visions.

The forms for the dialogue with the employees as well as planning, implementation and follow up on different development efforts should be discussed and agreements be entered into between the local parties.

## Wage Formation

The competence development of individual employees should be an important component in the wage formation in the companies. The parties refer to the agreement on wage formation in this respect.



Producerad av IKEM – Innovations- och kemiindustrierna i Sverige AB.