The collective agreement for salaried employees in the ICT sector

7.6.2022 - 29.2.2024

# **CONTENTS**

REFORM O	F THE COLLECTIVE LABOUR AGREEMENT FOR SALARIED EMPLOYI	EES
IN THE ICT	SECTOR	1
GENERAL F	PROVISIONS	8
Section 1	Application of the Collective Labour Agreement	8
Section 2	Validity of agreement	8
Section 3	Beginning and Termination of Employment and Changes to Terms of Employment	8
Section 4	Salary	
Section 5	Regular working hours	
Section 6	Weekly days off	
Section 7	Working hours with midweek holidays	
Section 8	Rota	
Section 9	Daily breaks	19
Section 10	Daily rest periods	
Section 11	Weekly free time and free time compensation	
Section 12	Additional work	
Section 13	Overtime	20
Section 13a	Major holiday compensation	21
Section 14	Sunday work	21
Section 15	Shift work, evening work and night work	21
Section 16	Standby work, alarm-based work and telephone assistance	22
Section 17	Other provisions regarding working hours	22
Section 18	Travel	23
Section 19	Annual holidays and holiday bonuses	24
Section 20	Shortening of working hours	25
Section 21	Absence due to illness or accident	26
Section 22	Maternity, paternity and parental leave	27
Section 23	Medical examinations	27
Section 24	Short temporary leave of absence	28
Section 25	Local agreements	28
Section 26	Negotiation protocol for the resolution of disputes	29
Section 27	Duty to maintain industrial peace	29
Section 28	Group life insurance	30
Section 29	Membership fees	30
Section 30	Protective clothing	30
Section 31	Principle of continuous negotiations	30
	TEM FOR SALARIED EMPLOYEES	
	TEM FOR SALARIED EMPLOYEES IN THE INFORMATION SECTOR	
	AGREEMENT / ICT SECTOR	
DISMISSAL	PROTECTION AGREEMENT / ICT SECTOR	51

# SERVICE SECTOR EMPLOYERS PALTA TRADE UNION PRO

In the labour dispute between Service Sector Employers PALTA and Trade Union Pro, the following settlement proposal was approved by the parties on 7 June 2022:

# REFORM OF THE COLLECTIVE LABOUR AGREEMENT FOR SALARIED EMPLOYEES IN THE ICT SECTOR

Changes to the collective labour agreement for salaried employees in the ICT sector 7 June 2022–29 February 2024

# Agreement period

The new agreement period shall end on 29 February 2024. However, if the parties fail to come to an agreement on pay rises for 2023 by 30 November 2022, the collective agreement may be terminated with effect from 28 February 2023.

After 29 February 2024, this agreement will remain valid for one year at a time unless terminated in writing at the latest two months before its renewal. The provisions of the previous collective labour agreement will apply during negotiations for a new agreement, until the moment a new agreement is reached or when negotiations otherwise come to an end.

# Wage settlement for 2022

Wages will be increased on 1 June 2022, or from the beginning of the salary payment period commencing soonest thereafter, by 1.9%. Of this total, 1.6% will be paid as a general increase and 0.3% as a company-specific rise.

The amount of the company-specific increase is calculated on the basis of the monthly salaries, including fringe benefits, paid in February 2022 to the salaried employees who fall within the scope of this agreement. If the pay increase cannot be implemented on 1 June 2022 for reasons related to system technology, allocation of pay increases or payment schedules, the increase may be paid retrospectively without interest by 1 October 2022 at the latest or from the beginning of the salary payment period starting after that.

#### Company-specific amount

The company-specific increase is aimed at making pay determination more equal, fair and incentivising, improving productivity, promoting the realisation of the employer's pay policy and rectifying any biases. The expertise and work performance of salaried employees must be the guiding factor in the allocation of the pay increases. Of the company-specific amount, 0.15% will be used for increases for salaried employees whose pay is below the median pay of salaried employees covered by this collective agreement. The employer may decide how

it distributes the amount among the abovementioned group. The remaining 0.15% may be allocated by the employer as it sees best.

In the calculation of median pay, the personal pay paid to salaried employees in February 2022, taxed fringe benefits, commissions and performance bonuses are factored in.

Application instructions: In the calculation of median earnings, the pay of a salaried employee who works part-time or on hourly rates is determined in relation with the total pay of full-time salaried employees.

The distribution of the company-specific amount will be negotiated locally with the shop steward by 30 June 2022. If the negotiations do not produce a settlement on the distribution of the company-specific amount, the employer will decide on the allocation of the amount in line with the aforementioned purposes.

The employer will inform the shop steward by 31 August 2022 of how the purpose of the company-specific sum has been realised in the distribution of the amount. In addition, the employer must announce the total amount in euros, the number of employees who received a pay rise and the amount of average increase in euros. This information must be provided not only on the level of the company but also for each pay group separately and using the classification typically applied by the company. The information must also be provided for male and female employees separately on the level of the company. The information must be provided if the group includes at least five employees.

# Wage settlement via local agreement

In derogation of what is stated above, wage settlements may be negotiated and agreed on locally.

Wage settlements shall be negotiated locally with the shop steward on the basis of the company's situation and circumstances. The settlement shall be agreed on with the shop steward, or if no shop steward has been elected, using a process decided on by the salaried employees. The agreement shall be made in writing by 30 June 2022, unless an extension to the process is agreed.

In good time prior to the commencement of the local agreement process, the employer must provide the shop steward, or the employees if no shop steward has been elected, with all the necessary information on the company's financial situation and outlook. As background information for the negotiations, the employer should also provide information on the grounds for the wage settlement proposal.

The goal of the negotiations is to find a solution that is in line with the company's situation and needs. Other goals include the provision of support for the company's wage policy, creation of wage structure that offers incentives and the promotion of equal wages and productivity.

The information provided during the negotiations is confidential, and it may only be used for local agreement on a wage settlement.

Matters agreed on in the local wage settlement include the implementation method, schedule and amount for the pay increases and the information to be provided for the shop steward, or the employees if no shop steward has been elected. Locally, it can also be agreed that the wages will not be increased.

If no local agreement on the wage settlement is achieved, the pay increases will be implemented in the manner described in the section on wage settlement for 2022.

# Minimum salaries and euro-denominated bonuses as of 1 June 2022,

# Minimum salaries

Minimum salaries will be increased on 1 June 2022 or from the beginning of the salary payment period commencing soonest thereafter, by 1.7 per cent.

#### Euro-denominated bonuses

Euro-denominated bonuses will be increased on 1 June 2022 or from the beginning of the salary payment period commencing soonest thereafter, by 1.9 per cent.

#### Compensation for shop steward's and health and safety representative's duties

The compensation payable to a chief shop steward, shop steward and health and safety representative will be increased by 1.9% with effect from 1 June 2022.

## Pay rises in 2023

By 30 November 2022, the parties shall review the economic outlook in the business field that this agreement pertains to. On the basis of this assessment, the parties shall settle by 30 November 2023 the schedule, structure and level of pay rises to be implemented in 2024. In connection with this, the parties may assess the prerequisites for extending the agreement term beyond 29 February 2024.

If no agreement on the level of pay rises for 2023 is reached by 30 November 2022, either party may terminate this agreement, effective on 28 February 2023. A notice of termination must be delivered to the other party in writing by 31 December 2022.

# Notes to the signature protocol:

# Collective agreement applied to temporary agency work

The collective agreement for the ICT sector shall be applied to temporary agency work. A clause on the applicable collective agreement will be included in the agreements on the use of agency labour.

# Meal allowance for trade union training

The amount of the meal allowance referred to in Section 3 of the General Agreement III (trade union training) is 26.21 euros in 2022. The amount of the meal allowance for the following calendar year shall be confirmed by the end of September of the preceding year by revising the amount of the previous meal allowance on the basis of the cost-of-living index covering the period from the July of the previous year to the July of the current year.

# Reimbursement for travel expenses

In 2022, 2023 and 2024, the amount of travel expenses in euros shall be revised in line with the decisions of the Finnish Tax Authority valid at any time.

# Application of the Collective Labour Agreement

The parties state that during the agreement term they shall desist from taking any measures designed to intervene in the scope of the collective agreement.

# Company-specific cooperation in the application of the collective agreement

The parties emphasise the need to maintain and promote good application practices related to wage systems pursuant to the collective agreement.

Unless otherwise locally agreed or unless the company already has procedures in place, the following procedure shall be complied with:

- The company shall monitor the development of its staff structure in interaction referred to in the Act on Co-operation within Undertakings.
- If the tasks of a salaried employee change, affecting the employee's personnel group, and the employee requests that the shop steward discuss the matter with the employer's representative, the employer's representative must conduct such a discussion with the shop steward. In the discussion, special attention must be paid to whether the tasks are truly within the scope of another collective agreement.

# Inappropriate treatment and harassment

The parties shall arrange training on inappropriate treatment and harassment by the end of 2023. On the basis of the training, the parties shall prepare joint guidelines related to inappropriate treatment and harassment as support to work-places. The parties recommend that companies that do not have guidelines on the matter make use of the organisations' joint guidelines.

# Family leave working group

The family leave working group shall determine the impact on the collective agreement of the amended family leave regulations that will enter into force on 1 August 2022, taking into account the goals and new concepts of the reform. If the working group reaches agreement on any changes on the basis of the group's work, the parties shall agree on changes to Section 22. The working group must complete its work by 30 September 2022 and agree on the implementation date of the new provisions.

# Development of the prerequisites for local agreement

The parties shall continue collaboration to promote the functionality of local agreement and to develop the prerequisites for local agreement over the agreement term. The joint goal of the parties is to use local agreement to promote competitiveness, productivity, staff well-being and flexibility in operations in ICT sector companies at the time of rapid changes. The goal is to use local agreement to identify the best company-specific solutions.

The parties emphasise that the functioning of local agreement processes is supported by the following actions and conduct between the parties:

- open dialogue
- mutual trust
- good preparation and preparedness to provide grounds for proposals
- assessment of alternative ways forward
- a constructive approach to negotiations and good negotiation skills
- an understanding of the company's business operations.

Local agreement is a tool for developing a company's operations. Companies should determine the targets set for local agreement and monitor the impact of agreements.

The parties shall monitor the development/realisation of the local agreement practices. The parties shall arrange training on the matter, offer guidance and share good experiences gained in sectors covered by other collective agreements with the companies in their field.

During the agreement term, the parties shall assess the development needs brought about by the amendments to the Act on Co-operation within Undertakings. The parties shall monitor experiences gained from discussions during the agreement term and assess the development needs related to Chapter 2 of the Act on Co-operation within Undertakings.

# Working group on the future of ICT work

The parties shall establish a working group to continue the dialogue conducted over the previous agreement terms on the future prospects of work in the ICT sector. The parties shall also encourage companies to continue this dialogue on the level of workplaces with a view to improving productivity, competitivity and staff well-being and competences.

At least the following themes must be considered during the agreement term:

- the impact of digitalisation, robotics and AI on the work of salaried employees
- changes in the demand for expertise caused by changes to working life and the recognition of future needs for expertise
- maintenance of work ability, particularly in future circumstances and the central factors contributing to coping at work.

# Survival clause

If the company faces exceptional financial problems that could result in the loss of jobs, it may negotiate locally with the chief shop steward on exceptions to the terms and conditions of the collective agreement. Before the commencement of negotiations, the company must provide the chief shop steward with a report on the company's financial situations and measures it has taken to improve to the situation. The terms of this agreement may not result in a reduction in the pay component based on the competence level/base pay rate or the performance-based pay component/personal pay component. The agreement will be valid for a maximum of a year, and it may be extended if the circumstances that led to it are still in place.

# Replacing the longevity bonus with time off

During the agreement term, the parties shall investigate the possibility of piloting a scheme for replacing the longevity bonus with time off. The working group will discuss the following matters: practices for agreeing on time off, the exchange ratio (how the bonus or a part thereof is exchanged for time off), the timing and granting of time off, the impact of termination of and changes to the employment relationship.

#### Changes to the collective agreement

A new paragraph was added to Section 4, sub-section 12:

If an agency worker is hired by the company for similar tasks to those he or she carried out for the company before recruitment, the time the employee performed the tasks continuously for the company is included in the calculation of experience for the longevity bonus.

# Application instructions

This provision only applies to those salaried employees whose employment contract is signed after 1 June 2022.

The legal references in Section 15 of the dismissal protection agreement were updated as follows:

When the employer is considering temporarily laying off one or more salaried employees for no more than 90 days, the negotiation period pursuant to Section 23, sub-section 51 of the Act on Co-operation within Undertakings is deemed to start on the day when the written negotiation notice pursuant to Section 19, subsection 45-of the Act on Co-operation within Undertakings is delivered. The Act on Co-operation within Undertakings is not a part of the collective agreement.

# SERVICE SECTOR EMPLOYERS PALTA TRADE UNION PRO

# COLLECTIVE LABOUR AGREEMENT FOR SALARIED EMPLOYEES IN THE ICT SECTOR

#### **GENERAL PROVISIONS**

# Section 1 Application of the Collective Labour Agreement

The provisions of this collective labour agreement apply to all salaried employees employed by the member companies of Service Sector Employers PALTA in the ICT sector (i.e., in the information, telecommunication, and IT sectors, and at call and contact centres), as well as in the television and radio sector in telecommunications duties related to network operation and maintenance and broadcasting operations, with the exception of Yleisradio Oy, Digita Oy, and MTV Oy. The agreement also applies to the salaried employees of member companies which build or maintain services and infrastructure in these or other similar sectors, or which carry out other similar operations.

# Section 2 Validity of agreement

This agreement is valid between 7 June 2022 and 29 February 2024. However, if the parties fail to come to an agreement on pay rises for 2023 by 30 November 2022, the collective agreement may be terminated with effect from 28 February 2023. As of 29 February 2024, this agreement will remain valid for one year at a time unless terminated in writing at the latest two months before its renewal.

The provisions of this collective labour agreement will apply during negotiations for a new agreement, until the moment a new agreement is reached or when negotiations otherwise come to an end.

# Section 3 Beginning and Termination of Employment and Changes to Terms of Employment

- 1. Employers have the right to recruit employees and terminate their employment contracts in accordance with labour legislation, and to decide on the employees' management. Employment contracts must be made in writing before work begins.
- 2. The terms of employment can be changed by mutual agreement. The employer can implement changes without mutual agreement if there are grounds for dismissal. In that case, set notice periods apply.

Employees can be transferred to other jobs while maintaining their status as salaried employees. If the transfer would entail a lower salary or diminished benefits for the employee, the employer must have grounds for dismissal and follow the set notice periods.

- 3. The provisions of the Employment Contracts Act and of the Dismissal Protection Agreement appended to this agreement must be followed in all dismissal and lay-off measures.
- 4. In recruiting employees, the employer must inform new employees of the names and contact details of the shop steward and the health and safety representative, and of any other relevant matters related to the employment contract.
- 5. The employer must ensure, in accordance with the Employment Contracts Act, that employees are able to complete their duties even when the company's operations, work tasks or work processes are changed or developed. The employer must strive to promote the employees' opportunities for developing their abilities in order to progress in their careers.
- 6. An employment contract may be temporary only on justifiable grounds based on the Employment Contracts Act. The justifiable grounds for temporary employment must be stated either in the written employment contract or in a notice as specified in Section 2:4 of the Employment Contracts Act.

# Section 4 Salary

1. The applicable wage system is the ICT sector's wage system. Companies that were previously covered by the collective labour agreement for the information sector can still use the old wage system. If the company uses or has made local agreements regarding another wage system or a wage system based on a different competence classification, it must ensure that the wage system used is at least equivalent to the level of the above-mentioned wage system.

# Calculation of hourly rates

2. When calculating time-based pay and other compensation, the sum of the monthly salary (monetary remuneration plus any fringe benefits, commissions, production-related bonuses and substitution compensation) is divided by 158 if the regular working hours are 37.5 hours per week, and by 160 if they are 40 hours per week. If the regular working hours differ from these, the divisor should be the average number of hours spent on regular work per month.

# Part-time pay

3. Part-time pay for unpaid leave periods or incomplete months is calculated in proportion to the regular monthly working hours. In calculating part-time pay, the hourly or daily rate is determined by dividing the monthly salary by the number of regular working hours or workdays in the month in question. Absences may also be made up for with an equivalent number of working hours. The term "monthly salary" includes monetary remuneration as well as any fringe benefits (at their taxable value), commissions, production-related bonuses and substitution compensation.

# Monthly and weekly working hours in 2022, 2023 and 2024

Monthly working hours in 2022	workdays per month	working time 37.5 hours per week	40.0 hours per week
January	20	150.0	160
February	20	150.0	160
March	23	172.5	184
April	19	142.5	152
May	21	157.5	168
June	21	157.5	168
July	21	157.5	168
August	23	172.5	184
September	22	165.0	176
October	21	157.5	168
November	22	165.0	176
December	20	150	160

Monthly working hours in 2023	workdays per month	working time 37.5 hours per week	40.0 hours per week
January	21	157.5	168
February	20	150	160
March	23	172.5	184
April	18	135	144
Мау	21	157.5	168
June	21	157.5	168
July	21	157.5	168
August	23	172.5	184
September	21	157.5	168
October	22	165.0	176
November	22	165.0	176
December	18	135	144

Monthly working hours in 2024	workdays per month	working time 37.5 hours per week	40.0 hours per week
January	22	165.0	176
February	21	157.5	168
March	20	150	160
April	21	157.5	168
May	21	157.5	168
June	19	142.5	152
July	23	172.5	184
August	22	165.0	176
September	21	157.5	168
October	23	172.5	184
November	21	157.5	168
December	18	135	144

This table is only applicable to jobs that are not in uninterrupted three-shift work, intermittent or comparable operation, and where one of the days off is a Saturday.

# Young employees, trainees and apprentices

4. The salary provisions of this agreement do not apply to young employees (aged 15–17), to trainees or to those who have been taken on directly for an apprenticeship. Trainees are students who are studying at an institution and work at a company to acquire the practical work experience required for their degrees.

Agreements can be made with elementary and upper secondary school students according to the "Tutustu työelämään ja tienaa" model.

The presence of employees pursuant to the employer's obligation to re-employ, or the provisions of the collective labour agreement regarding the order of selection for workforce reduction, do not limit the company's right to recruit trainees or employees aged under 18.

## Merit pay and profit-sharing

5. The employer may supplement the compensation set in the collective labour agreement with merit pay, which is usually based on operational targets such as profitability or developmental objectives, and with profit-sharing schemes based mainly or wholly on financial results such as revenue, operating profit or operating income.

The adoption, modification and termination of merit pay and profit-sharing schemes must be discussed in employer-employee negotiations. The guidelines of the Finnish Centre for Pensions as applicable from time to time must be applied to monetary profit-sharing and profit distribution.

Merit pay and profit-sharing bonuses are not taken into account when calculating an employee's holiday pay, holiday compensation, overtime, time-based pay or any other wages, supplements or compensation determined in the collective labour agreement. The

pay rise provisions of the collective labour agreement do not apply to merit pay and profitsharing bonuses.

#### Commissions

6. If it is agreed in the employment contract of an employee that pay shall consist entirely or partly of commissions, the amount and calculation of the pay, as well as all the other terms of employment (e.g. related to sickness, annual holiday and working hours) must be determined in advance in as much detail as possible. Similarly, sales targets and expenses and compensation related to the work must be discussed and agreed in advance. Before the said method of remuneration is introduced, the principles to be applied must be discussed with the shop steward.

In calculating sick leave pay and overtime increases, the base rate should be the salary plus the average proportion of commission from the previous six months, unless otherwise agreed locally.

The competence classification of employees paid on commission should be determined according to the wage system. The length of the period for determining whether the minimum wage for the competence class in question has been reached is one month, unless otherwise agreed with the shop steward.

The pay rises referred to in this agreement are implemented according to the pay rise for the competence class above that of the employee's competence class determined on the basis of the base pay, unless the commission system is such that pay rises are implemented in another way, and unless the individual's pay is higher, in which case the pay rise should be according to the overall increase, calculated according to the individual's actual pay.

#### Part-time hourly paid employees

7. Hourly rates are appropriate for use in the case of part-time employees when the nature of their employment contract is such that the number of working hours varies unpredictably each month. In these cases, the pay should be based on the salary classification determined by the wage system. The hourly rate is achieved by dividing the monthly salary by 158.

Sick leave pay is paid according to the average earnings over the preceding six months.

Part-time hourly paid employees are paid midweek holiday pay in proportion to the hours actually worked. The calculation should be done on the basis of the average weekly working hours over e.g. the preceding six months.

If the company needs employees for work that part-time employees could do, their willingness to increase their working hours should be investigated in accordance with the Employment Contracts Act.

The shift of a part-time employee on hourly pay shall be at least four continuous hours in a day unless otherwise agreed with the employee. The associations also recommend that weekly hours of less than 18 hours not be used in workplaces unless the employee's needs or other justifiable grounds so require.

# Separate supplements

# **Tunnel supplements**

8. Employees working in underground rock shelters, bunkers or equipment shelters for at least six hours a day on 12 days of a calendar month, receive an additional EUR 113.50 per month from 1 June 2022 onwards, or, alternatively, one day of paid leave. The form of compensation must be chosen for one year at a time.

#### Mast work

9. For work done on masts, employees receive a separate supplement equivalent to the basic hourly rate if the height of the mast exceeds 35 m, or 1.5-times hourly pay if the height of the mast exceeds 90 m. The supplement is always paid for a minimum of one hour.

# **Exceptional difficulty and inconvenience**

10. For working conditions entailing exceptional difficulty or inconvenience, employees will receive a separate supplement based on the inconvenience, equivalent to 25% of their hourly pay.

Such work includes for example installation work carried out on roofs of buildings of at least two stories, on outer walls at similar heights, in rock shelter shafts at similar heights, or assisting below employees working on a mast.

# Language supplement

11. Unless otherwise agreed, employees working in customer services receive a language supplement if the employer requires that the employee regularly uses one or more foreign languages orally or in writing, or if the employees are otherwise required to do so in their work. Language supplements are not paid for use of Finnish or Swedish. The employer may require employees to prove their competence in the chosen languages as they deem appropriate. The supplement is EUR 18.99 per month from 1 June 2022 onwards.

# **Longevity bonus**

12. Salaried employees who have been in continuous service for 12 years will receive an additional bonus of EUR 106.69 per month from 1 June 2022.

If an agency worker is hired by the company for similar tasks to those he or she carried out for the company before recruitment, the time the employee performed the tasks continuously for the company is included in the calculation of experience for the longevity bonus.

Application instructions

This provision only applies to those salaried employees whose employment contract is signed after 1 June 2022.

## Section 5 Regular working hours

#### Day work and two-shift work

1. In day and two-shift work, regular working hours are a maximum of 8 hours per day and 40 hours per week in workplaces and jobs where such hours have always been the norm.

Otherwise, the working hours are a maximum of 7.5 hours per day and 37.5 hours per week.

#### Intermittent work

2. In intermittent work, regular working hours are a maximum of 120 hours for each three-week period in workplaces and jobs where such hours have always been the norm. Otherwise the working hours are a maximum of 112.5 hours per three weeks. In intermittent work, the working hours may be a maximum of 240 hours per six weeks or 225 hours per six weeks on the basis of a local agreement.

# **Local Agreements on working hours**

3. Local agreements on working hours can provide that the maximum for regular working hours per day is 12 hours. The working hours must then be balanced over a maximum balancing period of 52 weeks to ensure that an employee's working hours do not exceed this maximum.

If an employee's contract is terminated during the balancing period, the hours above or below regular working hours will be added to or deducted from the final salary in accordance with the base pay.

Balancing leave must be taken at times determined by the employer as one shift at a time, unless otherwise agreed locally regarding free time or monetary compensation. Balancing leave is considered as time at work when determining the length of annual holidays.

4. Agreements for transferring to 40-hour weeks can be cancelled on two months' notice.

Local agreements can be made to change 40-hour weeks into 37.5-hour weeks, or, in intermittent work, to change 120-hour three-week periods into 112.5-hour three-week periods, and vice versa or from 240-hour six-week periods into 225-hour six-week periods and vice versa.

#### Flexible hours / Flexitime

5. If the company applies flexible working hours (flexitime), the maximum flexitime added to or deducted from regular working hours is four hours, and the maximum accumulation can be +/- 40 hours. The length of the period for monitoring working hours is, at most, 12 months. Exceptions to the limits of flexible hours, the maximum accumulation of hours and the duration of the review period referred to in the Working Hours Act and the collective agreement may be agreed on by the members of the employer organisation.

Leave arising from flexitime arrangements, as well as working hour reduction leave as specified below in Section 20 and locally agreed leave periods can be granted in series of several shifts when the company's situation allows it and if the employee so desires.

#### Work weeks and workdays

Work weeks begin on Mondays and workdays end and begin at midnight, unless otherwise agreed locally.

# Uninterrupted three-shift work

7. For each period of one (calendar) year, the average regular working hours should be 34.8 hours per week. A working hour balancing system should be prepared in advance for a period over which weekly working hours can be balanced to that average.

In this work pattern, any work exceeding the working hours specified in the balancing system is compensated in the same way as overtime, as specified in this collective labour agreement. The rate for overtime is calculated by dividing the monthly salary by 148.

Leave received according to the working hour system is considered as time at work when determining the length of annual holidays, although reduced by the number of regular days off received by day workers in each month.

For employees in uninterrupted three-shift work, the compensation for loss of income is a separate 5.2% monthly supplement, unless the company has a different system that includes this compensation.

The provisions of the collective labour agreement regarding uninterrupted three-shift work are applied as they are to employees recruited for shift work, and to employees who have been in shift work continuously for at least one month. For employees doing shift work temporarily for less than one month, the provisions regarding working hours and other matters for day work will apply.

This agreement is not applicable if it worsens the terms of existing employment contracts or local agreements.

Exceptions to provisions regarding uninterrupted three-shift work can be made by local agreement with the shop steward.

8. In office work, working hours begin when the employee arrives at the beginning of the shift at the workstation, and end when the employee leaves at the end of the shift.

#### Flexible working hours

9. The employer shall discuss general principles applied to flexible working hours at the workplace with the shop steward if the company implements a flexible working time policy. With flexible working hours, the period for averaging working hours is 26 weeks. When requested to do so, the employer shall provide the shop steward with information on the number of flexible working hour contracts. The period for averaging working hours may be agreed upon otherwise locally.

#### The maximum working time

10. Pursuant to Section 18 of the Working Hours Act, the maximum length of the averaging period is 12 months, unless otherwise agreed on locally.

## **Exceptions to working hour provisions**

11. To improve productivity, efficiency or quality, or to develop professional competences, the employer may order each salaried employee to perform no more than 12 hours of activities required for the development of professional skills in a calendar year in addition to regular working hours either at the workplace or at another location specified by the employer.

In lieu of such activities designed to develop professional skills, the employer and the shop steward may agree locally that the regular working hours of salaried employees are increased by no more than 16 hours per calendar year. These working hours may be used for work, activities that improve productivity, efficiency, quality or professional expertise, staff events or activities that improve well-being at work or maintain work ability.

Time used for aforementioned purposes constitutes regular working hours that employees may be obliged to carry out in addition to the regular working hours set in the collective agreement and employment contracts without the collective agreement and employment contracts causing any obstacles to it. For these working hours, wages are paid in line with the base hourly rate, and these working hours may be performed either as full or partial working days.

A notice of the timing of the working hours used for the aforementioned purposes must be given in good time and no later than three days prior to the date, taking into account the employee's personal needs to the extent possible. Full working days may also be used for the development of expertise, excluding national holidays and Saturdays and Sundays in a week with a national holiday. These professional development activities may not take place in June or July. If such activities are scheduled for a Saturday, the duration of the working day must be at least six hours unless otherwise agreed on with the salaried employee. When the activities are scheduled for a Saturday, a notice of them must be given no less than two weeks in advance.

# Application instructions

When calculating the basic hourly rate, the sum of the monthly salary (monetary remuneration) is divided by 158 if the regular working hours are 37.5 hours per week, and by 160 if they are 40 hours per week.

The development of expertise is based on the company's personnel and training plan, if the company has prepared one. The development needs and their nature shall be discussed with the salaried employee. Such discussions may be conducted as a part of regular discussions carried out at the company.

Exceptions to these provisions can be made by local agreement.

12. The company may have implemented a working time account or it may implement a working time account referred to in the Working Time Act (872/2019).

On the grounds of business-related needs, the employer may, with a notice period of three days and within the scope of the employment contract and collective agreement, order a salaried employee to perform two hours of additional regular daily working time to be added to the working time account, with the maximum yearly amount of such work being eight hours. A salaried employee may decline the change to working time referred to in this provision on an individual basis for reasonable and important personal reasons. Hours recorded in the working time account shall be granted as time off at a time agreed on by the employer and the employee, and if no agreement is reached, the employer shall decide the time.

# Application instructions

The monthly pay of a monthly paid salaried employee remains the same whether hours are added to the account or taken as time off. An hourly paid salaried employee is not paid hourly wages for the working hours; instead the pay is paid when the hours are taken as time off.

# Section 6 Weekly days off

All employees are granted two days off per week, usually Saturday and Sunday. If the company's operations continue through the weekend, days off must be granted so that there are on average two days off per week.

# Section 7 Working hours with midweek holidays

National holidays that fall on workdays, as well as Midsummer's Eve and Christmas Eve, shorten regular work weeks in proportion to their duration.

If an employee must work on one of these holidays, the lost holiday must be compensated for with a holiday during regular working hours or by monetary compensation comparable to additional work or overtime. This does not apply to uninterrupted three-shift work.

# Workdays in weeks with midweek holidays in 2022, 2023 and 2024

In 2022		
Week 1	Epiphany	4 days
Week 15	Easter	4 days
Week 16	Week after Easter	4 days
Week 21	Ascension Day	4 days
Week 25	Midsummer's Eve	4 days
Week 49	Independence Day	4 days
Week 52	Week after Christmas	4 days

In 2023		
Week 1	Epiphany	4 days
Week 14	Week preceding Easter	4 days
Week 15	Week after Easter	4 days
Week 18	May Day	4 days
Week 20	Ascension Day	4 days
Week 25	Midsummer's Eve	4 days
Week 49	Independence Day	4 days
Week 52	Week after Christmas	3 days

In 2024		
Week 1	New Year's Day	4 days
Week 13	Week preceding Easter	4 days
Week 14	Week after Easter	4 days
Week 18	May Day	4 days
Week 19	Ascension Day	4 days
Week 25	Midsummer's Eve	4 days
Week 49	Independence Day	4 days
Week 52	Christmas	2 days

In intermittent work, the length of working hours is determined according to similar principles as those above.

# Section 8 Rota

1. Each workplace must have a rota indicating the start and end times of shifts, weekly days off and the duration and time of daily breaks (lunch break). The rota must be prepared in advance for as long a period as possible.

Any employees affected as well as the shop steward must be notified of any permanent changes to the rota at the latest two weeks before the change comes into effect. If the change applies to more than one employee, it must be negotiated with the shop steward in advance.

Any employees affected must be notified of temporary changes to the rota at the latest three days before the change comes into effect. If the change applies to a whole department or similar operational entity, the shop steward must also be notified.

Local agreements can be made regarding the notification periods given above. Exceptions to the section can be made by local agreement with the shop steward.

# Section 9 Daily breaks

If the regular workday is longer than six hours, the daily lunch break must be at least thirty minutes, or the employee must be allowed a chance to have a meal during working hours. If the regular workday exceeds ten hours, the employee has the right to have a break of a maximum of thirty minutes after eight hours of work, if desired. Refreshment breaks are included in the working hours.

# Section 10 Daily rest periods

Daily rest periods are set out in the Working Hours Act. Local exceptions to these rest periods can be made by local agreement in the signatory employers' association's member companies.

#### Section 11 Weekly free time and free time compensation

- 1. Weekly free time is granted according to the provisions of the Working Hours Act.
- 2. If employees are temporarily required to work during their weekly free time, the time spent working during free time will be compensated for by reducing the regular working hours by an equivalent amount within the next three calendar months, unless otherwise agreed. By mutual agreement with the employee, weekly free time compensation can also be provided in the form of a supplement equivalent to the basic hourly rate for the time spent working during free time, in addition to any additional work, overtime or Sunday work compensation that may apply.
- If the employee has not received the statutory continuous weekly free time, the weekly
  day off will be considered to be Sunday for day work and discontinuous shift work, or the
  last free day of the week in accordance with the rota for other kinds of work, unless otherwise agreed.
- 4. The weekly free time is deemed to have been realised when the time off is divided over two seven-day periods as long as the majority of the weekly free time occurs during the seven-day period it pertains to.

5. Local exceptions to these provisions can be made by local agreement only in the signatory employers' association's member companies.

#### Section 12 Additional work

Additional work refers to work which the employee agrees to do outside of regular working hours, but which does not count as overtime.

Additional work is paid at the base pay rate. However, employee whose regular working hours are 7.5 hours per day and 37.5 hours per week will receive compensation for any work exceeding the daily and weekly regular working hours, in the same way as for daily or weekly overtime. By mutual agreement, the compensation can also be given as leave.

# Section 13 Overtime

- 1. The supplement for daily overtime is the base pay increased by 50% for the first two hours and by 100% for the hours after that. The supplement for weekly overtime is the base pay increased by 50% for the first eight hours and by 100% for the hours after that.
- 2. The supplement for daily overtime undertaken on Saturdays and the eves of holidays and public holidays is the base pay increased by 100%.
- 3. The supplement for work done in excess of regular working hours on Easter Saturday, Christmas Eve and Midsummer's Eve is the base pay increased by 100%.
  - In addition to any applicable additional work and overtime compensation, there is a supplement of the base pay increased by 100% for work done on Christmas Eve and Midsummer's Eve.
- 4. If an employee's work continues after the change in workday (midnight), the previous workday's work is considered to have continued until the beginning of the employee's next regular shift when calculating additional work and overtime compensation. Those hours are then not considered as a part of the second day's working hours.
- 5. If an employee has been unable to complete regular weekly working hours for a reason for which the employer is still by law or by this collective labour agreement liable to pay the employee's salary, and the employee is required to come in to work on a day which according to the rota should be a day off, the time for which the employer had to pay the employee's salary is considered as time at work.
- 6. In intermittent work, any work exceeding the working hours in the balancing system is compensated as additional work or overtime, in accordance with the Working Hours Act. The calculation period can be a calendar week, unless otherwise decided by the company.
- 7. If daily overtime is caused by starting or finishing work tasks, it must be compensated monetarily or through additional leave when examining the other aspects of the work.
- 8. The time spent by employees travelling to and from daily overtime work is included in the overtime calculation.

9. The calendar year may be used as the review period for the maximum amount of overtime until 31 December 2020.

# Section 13a Major holiday compensation

Employees receive major holiday compensation for work done on Easter Sunday, Easter Monday, Christmas Day, Boxing Day and Midsummer's Day, consisting of a supplement of 200% of the base pay rate, which shall be added to the employees' monthly pay. This already contains any applicable overtime and Sunday work compensation and percentage supplements given for alarm-based work.

# Section 14 Sunday work

Work done on Sundays or other religious holidays or on Independence Day or May Day is compensated as Sunday work, consisting of a supplement equivalent to the basic hourly rate added to any applicable additional work or overtime compensation. Sundays and the abovementioned holidays are considered to begin at 6 pm on the preceding day and end at midnight on the actual holiday.

# Section 15 Shift work, evening work and night work

#### Shift work

- 1. In shift work, employees receive a shift work supplement for each hour spent on an evening or night shift. The supplement is equivalent to 15% of the employee's basic hourly pay for evening shifts and 30% of the employee's basic hourly pay for night shifts.
- 2. Employees in shift work are paid for overtime in the form of the shift work supplement for the time of day at which the overtime is done. If employees in two-shift work stay for overtime after an evening shift, their overtime compensation is the shift work supplement for night shifts.

Any shift work, evening work and night work supplements paid for overtime and Sunday work must benefit from the same increases as ordinary pay for that period.

#### **Evening and night work**

- 3. Any work that is not shift work, overtime or emergency work which is conducted between 6 pm and 10 pm is considered to be evening work and entitles the employee to a supplement equivalent to the evening shift supplement. Similarly, work done between 10 pm and 6 am is considered to be night work and entitles the employee to a supplement equivalent to the night shift supplement.
- 4. For employees who stay for overtime after evening or night work, the regular working hour supplement continues to apply during the overtime but only until 6 am.
- 5. In shift work, shifts must rotate within periods of a maximum of four weeks, unless otherwise agreed locally. Shifts are considered to change regularly when shifts overlap by a maximum of one hour with the next shift worker, or when there is a maximum of one hour between shifts.

# Local agreement

6. Exceptions to the section can be made by local agreement with the shop steward.

# Section 16 Standby work, alarm-based work and telephone assistance

# Standby work

- 1. Compensation equivalent to 50% is paid for confined stand-by time. Confined stand-by implies that the employee must be ready for work at home or in its immediate vicinity. Stand-by time compensation is paid for a minimum of four hours.
- 2. Compensation equivalent to 30% of the employee's hourly rate is paid for unconfined stand-by time. Unconfined stand-by implies that the employee can choose the location to be in within a locally agreed area, must be reachable within a reasonable time, and must arrive at a specified or previously agreed location, with any necessary tools, within 40 minutes of receiving notification.

Exceptions can be made to these provisions by local agreement.

# Alarm-based work, telephone assistance and fault correction work from home

#### Alarm-based work

3. If an employee is called in to alarm-based work by an alarm outside of the regular working hours, when the employee is no longer at the workplace, the alarm compensation paid is equivalent to two hours' pay. Alarm work compensation for alarms raised between the hours of 9 pm and 6 am is equivalent to three hours' pay.

For the actual time spent doing the work, the compensation is regular pay + 100% until the beginning of the next shift.

# Telephone assistance and fault correction work performed from home

- 4. For any appropriate fault correction assistance, other instructions or actual fault correction work provided by telephone from home, employees will be paid at least one hour's pay in compensation. If remote fault correction is unsuccessful and the employee is required to go to work, compensation will be paid as for alarm-based work. Time spent in assistance and fault correction work is not counted as working hours. Additional compensation is not paid on top of stand-by time compensation.
- Local agreements can be made regarding stand-by time, alarm-based work and telephone assistance, or the related compensation and procedures can be compiled into a local package solution.
- 6. Unless otherwise agreed locally, travel time is included as work time for stand-by and alarm-based work.

# Section 17 Other provisions regarding working hours

The member companies of the signatory employers' association may make local agreements with employees regarding compensation for additional work, overtime, emergency work and

Sunday work, other time-related compensation specified in this agreement, and the supplements for shift, evening and night work being replaced by equivalent leave or fixed monthly payments.

In addition, the member companies of the signatory employers' association may make local agreements with the shop steward regarding compensation for additional work, overtime, emergency work and Sunday work, other time-related compensation specified in this agreement, and the supplements for shift, evening and night work being replaced by equivalent leave or fixed monthly payments.

#### Section 18 Travel

# General provisions

- 1. Employees must undertake the business travel required for their work. The start and end point of travel journeys is either the employee's actual workplace or the employee's home, depending on where the journey starts.
- 2. The legal provisions set out by the tax authorities regarding tax-free monetary or hourly travel expense compensation for daily allowances nationally and abroad, meal allowances, overnight travel allowances and mileage allowances as applicable from time to time will apply to all business travel. The maximum amounts stated in the State Travel Regulations will apply to hotel compensation.

# Daily allowance in Finland

Туре	Basis	2022/€
Full daily allowance	Travel lasting more than 10 hours	45
Full daily allowance	Last full day of travel exceeded by more than 6 hours	45
Partial daily allowance	Travel lasting more than 6 hours	20
Partial daily allowance	Last full day of travel exceeded by more than 2 hours	20
Meal allowance		11.25
Half full daily allowance	Two free meals	22.5
Half partial daily allowance	One free meal	10

# Mileage allowance (cents/km)

· ,	2022/cents
Mileage allowance for use of own car	46
Increase for additional passenger or equivalent amount of goods/baggage	3
Increase for trailer	8

If the employee has to find accommodation during the trip, accommodation expenses will be compensated in accordance with the maximum amounts for hotel compensation stated in the State Travel Regulations. The maximum amounts do not apply in cases where the employer requires that the employee stay at a more expensive hotel.

## Daily allowance

3. To be eligible for daily allowances, the workplace must be more than 40 kilometres away from the employee's regular workplace or home (depending on where the journey starts), as measured along a commonly used route. The workplace must also be located at least 5 kilometres away from both the employee's regular workplace and the employee's home. The employee should be informed of the start and end place of the journey before the journey begins.

#### Meal allowance

4. Meal allowances are paid according to guidelines issued by the tax authorities. Meal allowances are not paid if the employee is offered a meal benefit in accordance with the employer's taxable values.

# Travel during free time

- 5. If the employer requires the employee to travel during the employee's free time, the employee will receive pay at the base pay rate for a maximum of 8 hours on workdays and 16 hours on days off/weekends. Travel times are calculated as complete periods of thirty minutes. If the employer covers the cost of a berth or sleeper seat, no travel allowance is paid for the time between 9 pm and 7 am.
- 6. Travel allowances can also be paid as a fixed monthly payment by local agreement.
- 7. If travel forms an essential part of the employee's work, or if the nature of the work is such that the employee decides when to travel and how to spend working hours, no travel allowance is paid.
- 8. Instead of the abovementioned daily and meal allowances, the employer and employee may agree on a separate fixed compensation paid with the monthly salary.
- Daily allowances for seminars held on boats and meeting or training cruises should be agreed locally. If this is not done, allowances are paid for them according to this collective labour agreement.
- 10. Local agreements can be made on daily allowances for secondments, taking into account local conditions and other arrangements made by the employer.
- 11. Local travel regulations can be drawn up to replace the provisions in this section.

# Section 19 Annual holidays and holiday bonuses

#### Annual holiday

1. Annual holidays must be granted according to law.

In determining the length of the annual holiday, the continuous duration of service is considered to be the duration of service before any interruption due to studies that are intended to increase the employee's job-related competence, plus the duration of work done

during studies if the employment contract continues immediately after the end of the studies.

2. Annual holiday pay is paid on the company's regulatory paydays, unless otherwise agreed locally.

# Holiday bonuses and accumulated holiday

3. The sum of the holiday bonus is 50% of the sum reached by dividing the monthly salary (monetary remuneration) by 25 and multiplying it by the number of holiday days. For hourly-paid employees, the holiday bonus is 50% of the annual holiday pay. Holiday bonuses are paid on the company's next regulatory payday after the holiday, unless the company has other practices.

By mutual agreement, holiday bonuses can be replaced wholly or partly with paid leave so that the number of holiday days received is half of the annual holiday days equivalent to the holiday bonus. I.e. a holiday bonus equivalent to 24 days of holiday results in 12 days of paid leave.

Holiday bonuses are also paid if the employment contract expires or is terminated for reasons beyond the employee's control, and similarly they are also paid to retiring employees. Holiday bonuses are paid for holiday pay at the end of temporary employment contracts.

- 4. Exceptions to accumulated holiday provisions can be made by local agreement.
- 5. Due holiday bonuses or pay for agreed untaken holiday shall be paid in connection with payoff.
- 6. For monthly paid employees, holiday pay is calculated at the end of the employment contract by dividing daily salaries by 25.
- 7. If either the employer or employee so wishes, unused agreed holiday time from the previous holiday accumulation year may be included in notice periods that fall at least partially within the holiday season (2 May 30 September).

# Section 20 Shortening of working hours

- 1. Employees' working hours can be reduced in work patterns with regular working hours of exactly or on average 8 hours per day and 40 hours per week. The extent of working hour reduction leave is 100 hours per calendar year. Holidays taken in excess of that stipulated by law or in the collective labour agreement are deducted from this leave total.
- 2. Working hour reductions are accumulated in calendar months in which the employee has been present at work for at least 17 days. Days of absence for which the employer pays remuneration or compensation for loss of earnings are counted as days at work. Also counted as days at work are midweek national holidays and days on which the employee participates in collective labour agreement negotiations or meetings of task forces agreed in the collective labour agreement. Months such as those specified above accumulate a proportionate amount of working hour reductions.

- 3. Unless otherwise agreed, the leave will be granted on two weeks' notice at a time set by the employer, as whole shifts (1–12.5), at the latest by the end of April of the following calendar year. If any leave remains to be granted at that time, it must be compensated in the same way as weekly overtime.
  - By local agreement, the leave can also be granted at other times or replaced by monetary compensation.
- 4. If after agreeing a holiday the employee is prevented from taking the holiday on the grounds of a disability for which the employer is liable to pay compensation for loss of earnings, the holiday will be moved to a later date.
- 5. At the termination of an employee's contract, any untaken leave to which the employee is entitled will be compensated in accordance with the part-time pay for the month during which the contract terminates. Compensation will only be paid for full workdays.

#### Section 21 Absence due to illness or accident

1. For each continuous period of incapacity to work due to illness or accident, employees will receive pay as follows:

# duration of continuous service at the time of illness

# duration of paid absence

-	less than one month	one week
-	more than 1 month, less than 1 year	4 weeks
-	more than 1 year, less than 5 years	5 weeks
-	5 years or more	3 months

- 2. In order to receive pay, the employee must authorise the employer to claim the daily sickness allowance to which the employee would be entitled during the period of disability in accordance with the Health Insurance Act. The receipt of pay is also conditional on the disability not having been caused by the employee's own negligence and on the employee not having known about and wilfully concealed the illness at the time of entering into the employment contract.
- 3. Employees must inform the employer of their incapacity or disability immediately, giving an estimate of its duration. If the employer so requires, the incapacity must be proved by a certificate from an occupational health doctor or other doctor appointed by the employer, or by another reliable means approved by the employer.
  - If the employer refuses to approve a medical certificate provided by the employee and asks the employee to visit another doctor, the employer must cover the cost of this visit.
  - Sick leave pay is paid according to the average earnings for regular working hours over the preceding six months.
- 4. If the employee's incapacity to work begins again due to the same illness within thirty days of the day for which the employee last received sickness pay, the employee is not entitled to a new period of sick leave pay. However, if the employer's payment obligation has been fulfilled for the previous period of incapacity, the employer must pay the employee

compensation for one day's waiting time, in accordance with paragraph 2 of Section 19 of the Health Insurance Act.

# Section 22 Maternity, paternity and parental leave

Employees are entitled to take leave from work during maternity, special maternity, paternity and parental benefit periods as referred to in the Health Insurance Act.

For maternity leave, employees receive three months' pay. In order to receive pay during the leave, the employee must have been employed by the company for at least six months prior to giving birth, and the employee must authorise the employer to claim the daily maternity allowance to which she would be entitled during maternity leave in accordance with the Health Insurance Act. If an employee adopts an under-school-age child, the adoptive mother will, on the same conditions as above, receive immediate paid leave for three months, which is comparable to maternity leave. Parental leave is unpaid.

Employees taking paternity leave receive one week's pay. The same conditions apply as to the payment of maternity leave pay.

Employees returning from maternity, special maternity or parental leave, child-care leave or temporary or partial child-care leave have the right to return to their previous job or a comparable position. The employees described in this section take priority over temporary employees in filling these positions.

#### Section 23 Medical examinations

## Statutory medical examinations

1. The employees' pay is not reduced for the time lost in attending and travelling to and from work-related statutory or employer-required health examinations.

The employer will cover the cost of essential expenses related to travel to and from such examinations and any re-examinations which may be required, and will grant the employee daily allowance in accordance with Section 19 if the examinations are conducted in a distant location.

## Other medical examinations

2. Employees' pay is not reduced for the time lost in attending medical examinations that are essential for diagnosing an illness, if the need for medical attention is acute and an appointment cannot be made within a reasonable time outside working hours.

Nor is pay reduced if the abovementioned condition is met and the matter relates to:

- an examination by a specialist for obtaining an auxiliary device;
- an examination by an occupational health doctor, a specialist or a specialist clinic to determine the treatment needed for a chronic illness:
- a laboratory or X-ray examination related to a refundable medical examination;
- an essential examination to obtain a health certificate needed for the receipt of maternity pay according to the Health Insurance Act, or any other prenatal medical examination:

 a visit to the dentist, if a sudden dental problem results in an inability to work and requires attention during the same shift. The dentist must provide a certificate to prove the urgency of care.

Procedures related to medical examinations can also be agreed locally according to company-specific needs.

# Section 24 Short temporary leave of absence

1. Brief, temporary leave of absence granted to employees due to the sudden illness or death of a near relative is not deducted from the employees' pay.

Near relative refers to a spouse, the employee's or the employee's spouse's parents, or the employee's grandparents, children and siblings. The duration of the temporary leave must be determined in relation to the abovementioned situations and the travel time needed

Application instructions:

A typical case is a sudden illness of a child under the age of 10, in which short temporary leave is deemed to last no more than four days.

- 2. The monthly salary of employees employed in municipal positions of trust is reduced so that the reduced salary plus the compensation for loss of earnings received from the public body add up to the regular monthly salary.
- 3. Employees' pay is not reduced for time lost due to a conscription call-up event or to a separate medical examination related to such a call-up.
- 4. Employees participating in military refresher courses for reservists receive a reduced amount of pay, such that the reduced salary plus the reservist pay received from the state add up to the regular monthly salary.
- 5. Employees who are members of the decision-making bodies of the signatory associations or their central organisations must be allowed the opportunity to participate during working hours in meetings of the decision-making bodies of the association or organisation where collective labour agreement negotiations are conducted.
- 6. Employees will also be granted fully paid leave for their fiftieth and sixtieth birthdays, if they fall on a workday.

## Section 25 Local agreements

1. The parties consider it important to promote the opportunities for local agreement. Local agreement requires open communications based on trust between the employer and the shop steward and other employees. The parties emphasise the importance of identifying local agreement models that promote the interests of both the employer and staff in a balanced manner. These operating models may be related to communications on the goals of local agreements, provision of information on local agreements and monitoring of the achievement of their goals. Cooperation processes and local agreements are used to

create conditions that secure productivity, competitiveness and jobs in the sector and enhance opportunities for creating new job.

- 2. The local agreements indicated in the collective labour agreement can be made between the employer and an employee, or between the employer and the shop steward. An agreement made by the shop steward is binding on all the employees whom the shop steward can be considered to represent. Such agreements can be made for a fixed term or until further notice. Agreements that are valid until further notice can be terminated on three months' notice, unless otherwise agreed. The employee has the right to ask a person who is employed at the same company for assistance during negotiations.
- 3. Agreements must be made in writing if either party requires it. Any agreements with a validity of more than two weeks must be made in writing.
- 4. A local agreement is considered to be part of the collective labour agreement. They are applicable even after the collective labour agreement terminates, if they are still valid at that time. During that time and within one month of a new collective labour agreement coming into force, even fixed-term agreements can be terminated.

# Section 26 Negotiation protocol for the resolution of disputes

Any matters related to employment contracts should primarily be discussed between the employee and his/her manager. If the parties cannot agree on the matter, it can be passed on to be handled by the shop steward and a representative of the employer. If the matter cannot be resolved within the company or if there are any disputes regarding the application, interpretation or violation of this agreement, the matter can be passed on to the signatory associations. All discussions must be documented as minutes signed by the parties, which explain the matter in dispute and each party's views, with reasons. If the associations' negotiations do not produce a result, matters related to the interpretation of the collective labour agreement can be put forward to an industrial tribunal, or the parties can agree to have the matter resolved by a court of arbitration.

Negotiations on disputes must be initiated within two weeks of this being demanded by one of the parties. Unless otherwise agreed, local negotiations must be completed within one month.

## Section 27 Duty to maintain industrial peace

This collective labour agreement is binding for the signatory associations and their affiliated associations, as well as the employers and salaried employees who are members of these associations or have been members during the validity of the agreement.

The signatory associations and their affiliated associations must ensure that their members, whether they be associations, employers or employees, do not initiate industrial action or otherwise violate the collective labour agreement.

Before any political or sympathetic industrial action is taken, the state conciliator, the Employers' Association and the Union of Salaried Employees must be informed by at least four days'

notice. The reasons for the action, its start time, and the scope of the intended industrial action are to be stated in the communication.

# Section 28 Group life insurance

The employer will acquire and cover the cost of a group life insurance policy for the employees to whom this collective labour agreement applies, in the manner agreed between the central organisations.

## Section 29 Membership fees

With the employee's permission, the employer will deduct from the employee's salary in each salary payment period the membership fees for unions belonging to the signatory associations, and transfer them to the bank account of the association in question.

# Section 30 Protective clothing

Employees must be provided with protective clothing that will protect their ordinary work clothes from getting dirty or wet. Special gear will be provided for mast work, including a thermal suit when necessary for winter conditions.

# Section 31 Principle of continuous negotiations

During the agreement term, the parties may review the functionality of the agreement, including the working hours provisions, in line with the principle of continuous negotiations, and make jointly agreed changes to it to ensure its functionality.

## SERVICE SECTOR EMPLOYERS PALTA

Tuomas Aarto Minna Ääri

TRADE UNION PRO

Jorma Malinen Antti Hakala

# ICT SECTOR WAGE SYSTEM FOR SALARIED EMPLOYEES 2022-2024

# SERVICE SECTOR EMPLOYERS PALTA TRADE UNION PRO

#### WAGE SYSTEM FOR SALARIED EMPLOYEES

The wage system forms the basis of the company's remuneration policy. It must be designed so as to ensure fair and equal treatment for all employees. It must motivate and guide employees' behaviour at work in a correct and purposeful direction. The wage system is one of the instruments of sensible, flexible management and leadership. Its success depends on how it is used, maintained and developed.

The starting point for a wage system for salaried employees is to measure the demands of jobs fairly and objectively. Job demand evaluations form a part of the wage system and help to ensure fair remuneration. The evaluation system must take into account how work should develop to allow the organisation to progress.

The classification is done using the competence classification system created for salaried employees in the ICT sector. The system has two elements: a salary element determined according to the demands and competence level of the tasks; and an individual element based on individual employees' competence and performance.

Local agreements can also be made for different wage systems with similar levels.

This wage system does not apply to senior salaried employees.

# Demand-based salary element

Competence classification is conducted by a specially appointed task force, consisting of representatives of the employer and the employees (e.g. 1+1 or 2+2). The classification will be reviewed by the task force or, if agreed locally, by the shop steward and the employer's representative.

The evaluation of a set of tasks is based on the job description. In order for the demands (competence level) of tasks to be measured as reliably as possible, job descriptions must be closely linked to the content of the job and indicate the content, responsibilities and relationships of the job as clearly as possible. It is important that the managers and employees agree on the tasks included in the job. At the end of the wage system description there is an example of a job description form.

The demands of a job are evaluated using a four-part indicator, resulting in a competence grading and subsequent wage group. Competence classifications must be made as soon as possible, and at the latest by four months after the beginning of the employment contract.

The competence classification system is determined for salaried employees in a whole sector, so the classification must be drawn up so that the wage grouping is broad enough to accommodate the differences between different posts within the company.

The task force shall make decisions upon assessment. If the task force is unable to reach unanimous decision with respect to a salaried employee's post, the dispute shall be resolved in line with the collective labour agreement's dispute resolution guidelines.

# 1.1 Competence grades for wage groups

Wage groups' competence grade limits	Wage group	Competence grade
	1	-295
	2	300-320
	3	325-345
	4	350-370
	5	375–395
	6	400–420
	7	425-445
	8	450-470
	9	475–495
	10	500-

A minimum salary is set for each wage group in the collective labour agreement.

# 1.2 Maintaining competence classifications

Whenever an employee's tasks change, the wage group should be revised immediately (at the latest within three months). The wage grouping can change in either direction. Individual wages can only be reduced if there are grounds for dismissal.

# 2 Experience

The effect of experience on the minimum salary depends on how long the employee has been in the current employer's service as a salaried employee:

- after three years of experience, the wage group's minimum salary is raised by 3%
- after five years of experience, the wage group's minimum salary is raised by 5%

If an agency worker is hired by the company for similar tasks to those he or she carried out for the company before recruitment, the time the employee performed the tasks continuously for the company is included in the calculation of experience in the determination of the base pay rate.

#### Application instructions

This provision only applies to those salaried employees whose employment contract is signed after 31 December 2020.

Minimum salary revisions arising from the attainment of a certain number of years of experience, and any subsequent pay rises, must be carried out within one month of the attainment of the relevant years.

#### 3

# Individual salary element

In addition to the job's competence classification, an employee's salary is related to his or her personal competence. The amount and development of the sum added to the minimum salary depends on the employee's personal competence.

Competence here signifies all the characteristics of the employee that have a direct or indirect effect on the fulfilment of the duties included in the job. Competence evaluations are carried out by the employer on the basis of competence criteria chosen by the company. Personal competence is always evaluated in relation to the employee's job at the time.

# 4

#### Performance reviews

The parties consider it important for employees and their managers to conduct a performance review at least once a year. It is an opportunity for the employee and manager to meet and discuss in private any matters such as work, the future and training. Performance reviews are helpful in keeping shared objectives clear. Optimally, they increase job satisfaction and allow both parties to the review to receive feedback on their work.

The aims of performance review include:

- evaluating results achieved
- reviewing the main aspects of the job description and key duties
- agreeing on objectives for the following review period
- discussing work conditions
- determining personal development needs and creating a personal development plan
- improving cooperation between the employee and manager
- improving the general work environment and atmosphere.

#### 5

# Competence and performance levels as wage development leaders

Everyone in an organisation is expected to work effectively. Result-oriented organisations aim to have a competent, permanent workforce, encouraging and motivating it to develop and tackle new challenges. The creation of a consistent company-specific remuneration policy is a long-term process, which forms part of the framework created by the organisation's mission, objectives and control systems. When it works well, it supports the fulfilment of the organisation's objectives.

Performance reviews can be used to provide various kinds of feedback and as a remuneration policy tool. In performance reviews, managers evaluate factors related to their employees' competence using an objective indicator. The indicator can be e.g. a competence evaluation form such as that appended to this agreement, or an equivalent company-specific version. The associations would like to point out the key importance of taking into account the outcomes of performance reviews in implementing the remuneration policy. In determining salary levels, the importance of building on previous experience as well as maintaining existing competences should be recognised.

A representative of the employer should discuss the effectiveness of the wage system in the company with the shop steward annually.

## 6 Substitution compensation

Employees who, in addition to their own work, carry out another person's duties or act as another person's substitute in more demanding tasks continuously for two weeks or more are entitled to receive substitution compensation equivalent to 14–35% of salary in proportion to the increased workload or demand level of the tasks, unless a different compensation method is agreed locally. This compensation and any other matters related to the terms and conditions of employment should be clarified before the substitution begins.

#### 7 Margin rule

The associations would like to emphasise the responsibility attaching to managerial positions, and to point out that the leadership and monitoring involved in these positions increase the demands of the job in ways which should be taken into account in remuneration. Therefore, unless there is a well-founded reason to do otherwise, the wage level of employees holding managerial positions should generally exceed that of subordinates when using equivalent or comparable wage calculation principles, and taking into account the individual competence factors of the managers and the subordinates.

#### 8 Minimum salaries

Salary refers here to both monetary remuneration and fringe benefits. The Metropolitan Area refers to Helsinki, Espoo, Vantaa and Kauniainen. The minimum salaries are as follows:

#### **Collective Labour Agreement: 291**

#### ICT sector wage system:

Minimum salary as of 1 June 2022, €						
	COST OF LIVING I-II			Metropolitan area		
SG	_	€ With experie		€	With experience	
	ē	3%	5%	E	3%	5%
1	1,497	1,542	1,572	1,600	1,648	1,680
2	1,802	1,856	1,892	1,927	1,985	2,023
3	1,953	2,012	2,051	2,088	2,151	2,192
4	2,117	2,181	2,223	2,264	2,332	2,377
5	2,364	2,435	2,482	2,526	2,602	2,652
6	2,689	2,770	2,823	2,874	2,960	3,018
7	2,935	3,023	3,082	3,135	3,229	3,292
8	3,276	3,374	3,440	3,497	3,602	3,672
9	3,686	3,797	3,870	3,936	4,054	4,133
10	4,163	4,288	4,371	4,445	4,578	4,667

### 7 Competence classification

1. NAT	TURE OF JOB	Grade
1.1	CHOOSING FROM OPTIONS ON THE BASIS OF CLEAR INSTRUCTIONS	145
1.2	MAKING DECISIONS IN SIMILAR SITUATIONS	160
	- Field of operation limited with instructions or familiar processes	
	- Requires use of instructions.	
1.3	DECISIONS AND DELIBERATION IN NEW SITUATIONS	180
	Based on own familiar sources of knowledge     Requires developmental and creative use of instructions	
1.4	PLANNING, DELIBERATION AND DECISIONS	200
1.4	- Based on expertise in and experience of several functions	200
	- Independent decisions	
1.5	PLANNING, ANALYSIS AND DEMANDING DECISIONS	225
	- Independent analysis and evaluation done on the basis of feedback from several sources	
	- Application based on broad knowledge and precedents	
	- Professional or financial responsibility for decisions	
1.6	DEMANDING DEVELOPMENT OBJECTIVES, USE OF EXTENSIVE INFORMATION SOURCES	240
	- Directed broadly by the operating principles of the field of work, together with feedback from sev-	
2 555	eral experts ECTS OF DECISIONS AND RESOLUTIONS	
2. EFF	ECTS OF DECISIONS AND RESOLUTIONS	
2.1	MAINLY ON OWN WORK OR THAT OF A SMALL TEAM	20
2.2	MAINLY ON THE RESULTS OF A PART OF A FUNCTION	35
2.3	CLEARLY ON THE RESULTS OF THE WHOLE FUNCTION	50
2.4	ON THE RESULTS OF SEVERAL FUNCTIONS IN THE BUSINESS AREA	70
٥.	LARGE-SCALE SIGNIFICANCE FOR THE FULFILMENT OF THE BUSINESS AREA'S OBJEC-	0.5
2.5	TIVES	95
3. STA	TUS	
3.1	OWN TASKS	20
3.2	POST PROVIDING GUIDANCE OR ASSISTANCE, OR INDEPENDENT SET OF TASKS THAT AFFECTS THE REST OF THE ORGANISATION	30
3.3	MANAGERIAL POST OR RESPONSIBILITY FOR ORGANISATION AND RESOURCES, E.G. PROJECTS, OR OTHER INDEPENDENT POST COMPARABLE TO MANAGERIAL	40
3.4	MANAGERIAL POST WITH LARGE NUMBERS OF REPORTS AT SEVERAL ORGANISATIONAL	50
	LEVELS, OR COMPARABLE POST WITH RESPONSIBILITY FOR ORGANISATION AND RE-	
	SOURCES	
1. INTI	ERACTION	
4.1	ORDINARY WORK CONTACTS	80
7.1	- Communication with immediate work team	
	- Contacts related to receiving and passing on information	
4.2	PROFESSIONAL CONTACTS RELATED TO OWN WORK	100
	- Within own function	
	- Internal and external contacts covering more than just immediate surroundings	
4.3	OBJECT-ORIENTED CONTACTS AT PROFESSIONAL LEVEL	115
	- Influencing or negotiation skills or specific interpersonal skills	
	- Mainly within own function	
4.4	- Providing advice and guidance and influencing people's learning  MAINLY UNPROMPTED CONTACTS	135
4.4	- Specialist professional skills	133
	- Contacts with experts or similar stakeholders	
	- Potential international contacts	
	ACTIVE UNPROMPTED CONTACTS, INFLUENCING COMPANY-LEVEL DECISION-MAKERS	160
4.5		
4.5	- Good overall knowledge of company	
4.5	- Good overall knowledge of company - Processing of information for shared use  Total grade	

#### **NATURE OF JOB**

### The nature of the job measures the complexity of independent thought and deliberation

The demand level is higher:

- the more often there are situations requiring deliberation
- the more varied they are
- the shorter the response time
- the broader and deeper the knowledge that is needed for making decisions
- the more generalised the instructions
- the more generalised and slower the feedback
- the more specialist the competence needed
- the broader the information that must be managed for the task

The depth and breadth of information/knowledge needed for decision-making is affected by the training and experience required for the position.

#### EFFECTS OF DECISIONS/RESOLU-TIONS

The effects of decision-making measures the importance and scope of decisions

The demand level is higher:

- the greater the financial effects
- the greater their impact on production and quality
- the greater their impact on the environment, health and safety and general safety
- the more the job involves making time-limited, risky decisions in unpredictable situations

Influencing based on advice, recommendations or expertise is comparable to decision-making. Actively influencing others' decisions is comparable to decision-making.

Effects are considered as a whole, with the total impact evaluated from the point of view of the company's operations.

#### 8 Influence

#### INTERACTION/LEADERSHIP AND STATUS

Influence measures the complexity of the person's influence on the company's staff and on external persons.

The demand level is higher:

- the greater the advisory, guidance or training demands
- the deeper and broader the motivational demands
- the more complex and wider the communication and contact network (clients, other organisations, authorities, subcontractors, media, related stakeholders)
- the greater the competence required for communications
- the greater the independent influence on customer service, sales, HR management or similar functions.

Influencing is a typical form of communication in management, planning, marketing, HR management and sales, and in other contacts related to the corporate image.

The elements of influencing are more significant in managerial posts and their complexity depends on the nature of the post.

The management of various projects in which the person uses his or her authority as an expert to lead diverse teams is comparable to managerial posts.

Independent responsibility for a business area can increase the demands of interaction in ways that are comparable to managerial posts.

#### **EXAMPLE**

### DRAFT VERSION OF COMPETENCE CLASSIFICATION IN CALL CENTRES' CUSTOMER SERVICE POSITIONS

#### 1

#### **Competence classification**

Employees can be placed directly into wage groups without grading on the basis of an approximate division into competence classifications. Any disputes should be settled by using the competence classification in the wage system.

#### Wage group 1

#### First wage level

Tasks during education/training, or

Work done according to detailed instructions which are easy to learn.

Low demands on interaction skills.

#### Wage group 2

#### Less demanding customer service tasks

Clear instructions.

Brief orientation.

Job requires interaction skills.

#### Wage group 3

#### Ordinary customer service tasks

Requires use of instructions.

Requires longer orientation.

Job centres around interaction and requires good interaction skills.

#### Wage group 4

#### **Demanding customer service tasks**

Instructions are generic.

The knowledge required for the tasks is acquired during a lengthy orientation period.

The job centres around interaction and requires good interaction skills.

#### Wage group 5

#### **Expert customer service tasks**

The job requires expert knowledge and experience of several functions, and the ability to make independent decisions.

Job requires good interaction skills.

Example of form used in competence evaluations and performance reviews:

#### **DETERMINING PERFORMANCE AND COMPETENCE**

Name		Position			
Manager	<del> </del>	Depai	rtment		
Date					
Competence must be evaluate performance can be found at all levels.	ed in relation	n to the demar	nds of the task	. High levels o	of competence
		tick			
PROFESSIONAL SKILLS	low	average	normal	good	excellent
Work outcomes					
Diversity of skills					
Overall knowledge of field					
Ability to develop					
Specialist competence					
RESPONSIBILITY	low	average	normal	good	excellent
Cost-efficiency of work					
Communication and interaction					
COOPERATION SKILLS	low	average	normal	good	excellent
Interpersonal skills					
Flexibility					
Initiative					
INDEPENDENCE OF ACTION	low	average	normal	good	excellent
Independence					
Initiative					
COMMENTS					
-					
-					<del> </del>

and

## PALKKAVAAKA WAGE SYSTEM 2022-2024

(Companies previously subject to the Collective Labour Agreement for the Information Sector)

# SERVICE SECTOR EMPLOYERS PALTA TRADE UNION PRO

#### WAGE SYSTEM FOR SALARIED EMPLOYEES IN THE INFORMATION SECTOR

### Collective Labour Agreement 50 PL 01

#### Section 1 Scope

This employee wage system and its salary regulations are applied in those ICT-sector member companies of Service Sector Employers PALTA that have decided to continue applying the wage system for employees in the information sector, as specified in Subsection 2.6 of the Protocol of Signature to the Collective Labour Agreement.

#### Section 2 Remuneration principles

#### Salary structure

1. An employee's salary consists of a task-related element, i.e. the base pay, a possible individual element and various supplements.

#### Task-related element, i.e. base pay

2. The base pay arises from a grouping of jobs based on their demand levels. The demand level of jobs is evaluated in the companies according to a uniform competence classification system (Palkkavaaka), using the three Palkkavaaka tables and figure conversion tables given below.

The criteria for job competence classification are the skill and interaction environment needed for the job (Table 1), the management and decision-making required by the job (Table 2) and the job's responsibilities and roles (Table 3). The Palkkavaaka tables and conversion table can also be found on PALTA's website.

On the basis of their competence grades, jobs are grouped into competence classes, where each competence class has its own wage group.

**3.** Competence classification is conducted by a specially appointed task force, consisting of representatives of the employer and the employees (e.g. 1 + 1 or 2 + 2).

The demand levels of jobs are determined using written job descriptions or other appropriate records. Job descriptions must convey the actual content of the jobs so that the matters used as competence classification criteria are defined in as much detail as possible.

Competence classifications must be made as soon as possible, and at the latest by four months after the beginning of the employment contract. The competence classification result should be explained to the employee.

- **4.** An employee's base pay is determined in relation to the competence class to which his or her job belongs.
- **5.** Whenever an employee's tasks change, the wage group should be revised immediately (within three months, at the latest). The wage grouping can change in either direction. Individual wages can only be reduced if there are grounds for dismissal.
- **6.** The task force shall make decisions via its expert assessment. If the task force is unable to reach a unanimous decision with respect to a salaried employee's post, the dispute shall be resolved in line with the collective labour agreement's dispute resolution guidelines.

Competence grade	Competence class/wage group
100–121	B00
122–148	C00
149–181	D00
182–221	E00
222–269	F00
270–329	G00
330–401	H00
402–490	100
491–598	K00
599–730	L00

#### Individual element

**7.** In addition to the base pay, employees may receive an individual element based on their competence and work performance. The evaluation is carried out by the employer according to evaluation criteria considered relevant to the company's operations and the job, in conjunction with regular performance reviews conducted at the company. Evaluation criteria may include the effectiveness and quality of operations, professional competence, ability to develop and take initiatives, and (for managerial posts) leadership skills.

#### **New employees**

**8.** New employees who join the company can be paid a minimum salary equivalent to 9/10 of the base pay for the competence class in question, but for no longer than their trial periods.

#### Section 3 Wage group and base pay

Wage system in the ICT sector

Base pay rate as of 1 June 2022

Dase pay rate as of 1 surie 202				
SG	euros/month			
B00	1,776			
C00	1,968			
D00	2,179			
E00	2,433			
F00	2,749			
G00	3,117			
H00	3,533			
100	4,009			
K00	4,546			
L00	5,155			

#### **Section 4 Separate Supplements**

#### **Substitution and OTO supplements**

- **1.** If an employee is required temporarily to carry out the duties of a higher-paid manager or similar person in a leadership position, the employee will receive a salary increase up to a maximum of 20%, for the duration of the additional duties (**substitution supplement**).
- **2.** If an employee is required to carry out the duties of another employee in addition to his or her own duties, and this causes a significant increase in workload and responsibility, the employee will receive a salary increase of 15–20% (**OTO supplement**). The supplement may be shared between two employees.
- **3.** In both of the above cases, to receive the increase the employee must carry out the additional duties for at least five workdays. Substitution and OTO supplements are not paid for temporary annual holiday cover.

### SERVICE SECTOR EMPLOYERS PALTA TRADE UNION PRO

#### **GENERAL AGREEMENT / ICT SECTOR**

#### I. GENERAL PROVISIONS

#### 1. Organisational and other changes

If the company's operations are significantly reduced or expanded, or if there is a handover, merger, incorporation or other major organisational change, the cooperation organisation must be adjusted to correspond to the new size and structure according to the principles of this agreement.

The dismissal protection of the chief shop steward and shop steward continues until the end of their terms or a minimum of 6 months, if their terms come to an end due to reorganisation measures.

#### 2. Notifications

The employer must be notified in writing of the elected chief shop stewards, shop stewards and health and safety representative, and in cases where any deputies step in as substitutes. The employer must in turn provide written notification of who is to negotiate with these representatives.

#### 3. Deputies

The provisions of this agreement will apply to the deputies of the chief shop steward, shop steward and health and safety representative for so long as the deputies act as substitutes (the employer having been notified in writing).

### II. PROVISIONS FOR SHOP STEWARDS AND HEALTH AND SAFETY REPRESENTATIVES

#### 1. Shop steward

By "shop steward" this agreement means the chief shop steward, shop steward and deputy shop steward elected by the associated salaried employees.

#### 2. Election of shop stewards

The salaried employees have the right to appoint from among themselves a chief shop steward and a deputy. The appointment of other shop stewards is agreed locally.

Unless otherwise agreed locally, a shop steward can be appointed for a workplace in another geographical area, if it has at least 30 employees.

Different staff groups may agree to have a shared chief shop steward or shop steward for the whole company.

The scope of authority of elected shop stewards must be appropriate and sufficiently broad to allow for the handling of matters according to the negotiation protocol.

Only employees with employment contracts that are valid until further notice are eligible.

Elections should be arranged so that the arrangement does not disrupt work at the company and so that all salaried employees have the opportunity to participate. Practical arrangements will be agreed on locally.

#### 3. Election of health and safety representatives

The election of health and safety representatives and their deputies is stipulated by law. The scope of authority of the health and safety representative can be agreed locally.

#### 4. Release from work obligations

If necessary, the chief shop steward, shop steward and health and safety representative must be allowed temporary, regular or complete release from their work obligations in order to carry out their duties.

The salaries of the chief shop steward, other shop stewards and the health and safety representative are not reduced on account of participation in shop stewards' seminars organised by Trade Union Pro. The health and safety representative may participate in the seminar when the matters discussed at the seminar pertain to his/her role and tasks. The paid leave is two workdays per year.

#### 5. Premises

The employer must organise appropriate premises for the chief shop steward, shop steward and health and safety representative to store the materials and equipment needed for their duties, as well as premises where they can carry out the essential negotiations related to their duties.

The chief shop steward, shop steward and health and safety representative receive the generally applicable fringe benefit of a mobile telephone, and have the right to use the company's general communication and office equipment in order to carry out their duties. In addition the chief shop steward and shop steward will receive the generally applicable fringe benefits of an internet connection and email. Practical arrangements will be agreed on locally.

#### 6. Compensation for shop steward's and health and safety representative's duties

The compensation paid to chief shop stewards, shop stewards and health and safety representatives is determined on the basis of the number of salaried employees they represent, as follows.

No. of salaried employees	1 June 2022
at end of previous year:	€/month
5–9	82
10–24	126
25–50	163
51–100	235
101–200	278
201–400	327
401–600	370
601–	430

The chief shop steward, shop steward and health and safety representative must inform the employer of any periods for which compensation should be paid to their deputies.

If the shop steward represents fewer than five salaried employees and conducts duties agreed with the employer outside his or her regular working hours, overtime compensation will be paid for this time, unless otherwise agreed.

#### 7. Salary and transfer protection

Opportunities for chief shop stewards, shop stewards and health and safety representatives to develop and progress professionally must not be adversely affected due to their positions. They may not be transferred to jobs with lower salaries than those they held on election while carrying out their representation duties or because of them. Nor may they be transferred to lower-grade positions if the employer is able to offer them work that corresponds to their competence.

The wage development of the chief shop steward and the shop steward must correspond to the wage development that takes place at their level within the company. The employer and the shop steward in question must discuss the matter at least once during each term.

#### 8. Maintenance of professional competence

When a chief shop steward's, shop steward's or health and safety representative's representational term ends, the employer must discuss with them whether their return to their original positions or to a similar position requires professional training. The employer will organise the training that is deemed necessary.

#### 9. Transfer of business

Chief shop stewards, shop stewards and health and safety representatives will keep their posts in the case of business transfers or handovers if the transferred business or part of business retains its independence. If the transferred business or part of business loses its independence, the chief shop steward, shop steward and health and safety representative have the right to the post-term protection described in this agreement until the end of their terms, and in any event for at least 6 months.

The chief shop steward and shop steward only transfer with a business if all the staff they represent are transferred or by separate agreement, or if the transferring company cannot offer them work to suit their competence.

#### 10. Financial and production-related grounds for dismissal

If the company is laying off or dismissing personnel due to financial or production-related reasons, the chief shop steward and the health and safety representative cannot be dismissed or laid off unless the company's operations are discontinued completely with regard to the employees they represent. The company can be exempted from this rule if the representative and the employer mutually agree that the representative cannot be offered work that corresponds to his/her competence or is otherwise suitable.

According to paragraph 2 of Chapter 7, Section 10 of the Employment Contracts Act, a shop steward's employment contract may only be terminated when his or her work ends completely and no other work that corresponds to his or her competence is available.

#### 11. Individual protection

Chief shop stewards, other shop stewards and health and safety representatives may not be dismissed for reasons contingent on their actions except with the approval of most of the employees they represent, as stipulated in paragraph 1 of Chapter 7, Section 10 of the Employment Contracts Act.

The contracts of chief shop stewards, shop stewards and health and safety representatives may not be cancelled in violation of Sections 1–3 of Chapter 8 of the Employment Contracts Act. Their contracts cannot be terminated on the grounds that they have violated the administrative regulations, unless they have simultaneously, significantly and repeatedly, despite warnings, failed to carry out their work duties.

If a chief shop steward's, shop steward's or health and safety representative's employment contract is terminated and they make a complaint regarding the termination, and proceedings begin within four weeks of the termination of the contract, the employer must pay them a sum equivalent to one month's pay, in addition to any other applicable compensation.

#### 12. Candidate protection

The above employment contract protection regulations also apply to candidates for chief shop steward, other shop steward, or health and safety representative's position put forward by the association or by the salaried employees when the employer has been informed of the candidacy in writing. Similarly, they apply to candidates for health and safety representative of whose candidacy the health and safety committee has been informed in writing. This candidate protection begins at the earliest three months before the beginning of the term of the chief shop steward, shop steward or health and safety representative who is to be elected, and ceases when the results of the election are announced.

#### 13. Post-term protection

The above employment contract protection regulations also apply to former chief shop stewards, shop stewards and health and safety representatives for six months after the end of their term.

#### 14. Compensation

If the employment contract of a chief shop steward, shop steward or health and safety representative is terminated in violation of this agreement, the employer must pay them compensation equivalent to between 10 and 30 months' pay.

#### 15. Information provided to the chief shop steward

In disputes concerning the duties of the chief shop steward or shop steward in accordance with this agreement, the chief shop steward or shop steward must be provided with all the necessary information for processing the matter in dispute.

The chief shop steward and shop steward have the right to receive a list of the surnames and first names, employment contract start dates and departments or other units of the employees within the scope of their authority. The chief shop steward and shop steward will also be provided with information on new employees, on request. At his or her request, the chief shop steward will be provided with a report three times a year at most on the number of employees in a fixed-term employment relationship.

The chief shop steward is provided with the average monthly salary data of the employees in the scope of his/her authority, collated by salary group and sex. The information will be provided based on September's salaries. The chief shop steward may not receive average monthly salary data on groups of fewer than five people.

The chief shop steward and shop steward must maintain all the information received within the scope of their duties as confidential.

At his or her request, the shop steward will be given information once a year on the number of salaried employees whose overtime hours exceed 200 over a one-year period.

#### Use of external workforce:

External workforce refers to subcontractors and temporary employees.

Member companies may use external workforce to cope with workload peaks, or for tasks that are limited in their duration or quality and that cannot be performed by the company's salaried employees because of a tight schedule, limited duration, requirements related to special professional skills or equipment, or similar reasons. In addition, member companies may use external workforce if they have no financial or operational justification for using their own staff to complete certain tasks.

If the employer is considering a contract on temporary employees, the employer must inform the shop steward in advance. The notification must indicate the number of temporary employees, their tasks and work sites, the duration of the contract, and the period or periods during which the temporary employees are used. In addition, the notification must indicate the grounds for using external labour.

Application instructions: If the company changes the use of agency work in a way that deviates from the standard practices or if the agency is changed, such changes must be discussed with the shop steward.

After receiving the aforementioned notice, the shop steward has the right to request on the second work day subsequent to the employer's notice that the agreement be processed via cooperation negotiations. The process must be conducted within a week (7 days) of the request. During the process, the employer may not conclude the agreement on the use of agency workers that the negotiations pertain to.

The shop steward for salaried employees may not, however, request the cooperation negotiation process if the work in question is short-term, urgent work, or installation, repair or maintenance work that cannot be performed by the company's personnel.

The employer must inform the shop steward in advance of any subcontractors being used to supplement the work of the company's salaried employees. Short-term use of external workforce may be exempted from this and can be reported afterwards.

Companies using external workforce must provide the shop steward with answers to relevant questions (such as the reason for the use and the applicable collective labour agreement) on request.

The use of external workforce should be arranged so that the company's regular workforce does not need to be reduced or laid off.

On request by a temporary employee, the shop steward has the right to represent the temporary employee in relations with the employer.

The parties undertake to handle labour disputes pertaining to the company's agency workers jointly with various parties with a view to reaching a resolution.

#### 16. Arrangement of meetings

The employee group covered by this agreement has the right to arrange meetings on employment contract matters, outside working hours, to be held in the workplace or on other premises designated by the employer, taking into account locally agreed conditions and requirements.

#### 17. Staff internal notifications

The employee group has the right to post notifications of labour market matters and general issues on the workplace's notice board. The notifiers are responsible for the content and maintenance of the board.

#### III. TRAINING

#### 1. Vocational training

Unless otherwise agreed, the following provisions will apply:

When the employer provides professional training to employees or sends employees on training related to their professions, the employer will cover the direct costs of the training without reducing the employees' pay.

If the training takes place outside of regular working hours, the employer will cover the direct costs. No compensation will be provided for time spent in training or related travel outside of regular working hours. Travel expenses are compensated according to the collective labour agreement.

#### Application instructions:

The inclusion of vocational training in working hours will be assessed on the basis of the Working Hours Act. Pursuant to the Working Hours Act, participation in training is deemed to constitute fulfilment of work obligations if participation is made obligatory by the employer or if participation is required for the employee to perform his or her work tasks. Such training includes device-specific training provided for salaried employees performing expert tasks (e.g. training on radio network base stations, radio network centre maintenance and updates, or broadband and transfer networks) or training on systems provided for employees in customer service or similar tasks.

#### 2. Shared training

Participation is agreed locally and costs are covered in the same way as for professional training.

#### 3. Trade union training

The chief shop steward, the deputy chief shop steward, the shop stewards, the deputy shop stewards and the representatives of salaried employees in occupational health and safety, including the members of the health and safety committee or other health and safety bodies, have the right to take part in trade union training events approved annually by the unions, unless this significantly hinders the company's operations. The employer must be notified of participation in such training at the earliest possible time. The employer must make any objections known at the latest 10 days before the training, after which a more suitable course date should be identified by mutual agreement.

Other training needed by shop stewards should be agreed locally.

During training, the employer will pay the salaries of the chief shop steward, deputy chief shop steward, shop steward and deputy shop steward for a maximum of one month, and the salaries of the employee representatives involved in health and safety bodies for a maximum of two weeks. In addition, the meal allowances agreed by the unions must be paid for each paid course day.

If the training takes place on the chief shop steward's or shop steward's day off, they will be compensated with a holiday at another time.

The chairmen of the signatory associations' member associations will be paid salaries in accordance with the above stipulations on the condition that the company has at least 100 employees covered by this agreement, and the member association has at least 50 members. In addition, meal allowances must be paid for each paid course day.

The employer will only pay such compensation once to each person for training events with similar content.

#### IV. VALIDITY

This agreement is valid as a part of the collective labour agreement.

# SERVICE SECTOR EMPLOYERS PALTA TRADE UNION PRO

#### **DISMISSAL PROTECTION AGREEMENT / ICT SECTOR**

#### I GENERAL PROVISIONS

#### **Section 1 General Application**

This agreement applies to terminations of employment contracts made until further notice for reasons related to the employee's actions or person, and to notice of termination given by the employee.

This agreement also applies to the procedures to be followed in dismissing or laying off employees for financial or production-related reasons.

This agreement does not apply to the employment contracts defined in the Seamen's Act (423/78) and the Vocational Education Act (630/98), or to the cases listed in Sections 7:5 and 7:7–8 of the Employment Contracts Act (assignment of the enterprise, reorganization procedure, employer's bankruptcy and death).

#### Section 2 Notice Periods

If a longer notice period has not been agreed on and the employee has been in continuous service, the employer must observe the following notice periods when terminating contracts:

- 1. 14 days' notice, if the employment has lasted for a year or less,
- 2. one month's notice, if the employment has lasted over a year but no more than four years,
- 3. two months' notice, if the employment has lasted more than four years but no more than eight,
- 4. four months' notice, if the employment has lasted more than eight years but no more than 12, and
- 5. six months' notice, if the employment has lasted more than 12 years.

If a longer notice period has not been agreed on, in giving notice of termination, employees must observe a 14-day notice period, unless they have been in continuous employment with the employer for more than five years, in which case the notice period is one month.

#### Section 3 Failure to observe notice periods

An employer who has terminated an employment contract without observing the proper notice period must pay the employee compensation equivalent to the employee's full salary for the notice period.

An employee who has failed to observe the proper notice period must pay the employer a non-recurrent compensation sum equivalent to the employee's salary for the notice period. The employer is entitled to deduct this sum from the employee's final pay in accordance with the limitations on the employer's offsetting rights in Section 2:17 of the Employment Contracts Act.

If only a part of the notice period has not been observed, the compensation liability is limited to the salary of that part of the notice period which has not been observed.

#### II TERMINATION FOR CAUSES DEPENDENT ON THE EMPLOYEE

#### Section 4 Grounds for termination

The employer is not entitled to terminate an employment except on the grounds listed in Sections 7:1–2 of the Employment Contracts Act.

Entry in the records:

This agreement can be used to examine whether a termination made on the basis of Sections 7:3–4 of the Employment Contracts Act was indeed dependent on the employee's actions or person, and whether the employer would have had sufficient grounds to dismiss the employee on the grounds listed in this section in cases where the termination was made based on Section 8:1.1 of the Employment Contracts Act.

#### Section 5 Employee's dismissal protection during pregnancy and family leave

Employers may not terminate employment contracts due to the employee's pregnancy or due to the employee exercising his or her right to family leave as stipulated in Chapter 4 of the Employment Contracts Act. If an employer terminates the contract of an employee who is pregnant or away on family leave, the dismissal is considered to be due to the pregnancy or exercise of family leave, unless the employer can show it had other grounds. Employees must provide a report on their pregnancy on the employer's request.

#### Section 6 Notification of termination and consulting the employee

Terminations of employees' employment contracts must follow the stipulations of Section 9:1, paragraph 1 of Section 9:2 and Sections 9:4–5 of the Employment Contracts Act.

#### Section 7 Compensation for unfair dismissal

Employers who dismiss employees in violation of the grounds for dismissal listed in Sections 4 and 5 of this agreement must pay the employee compensation for unfair dismissal ("groundless termination") in accordance with Sections 12:2–3 of the Employment Contracts Act.

The employer cannot be sentenced to pay the compensation referred to in this Section in addition to or instead of the compensation defined in Section 12:2 of the Employment Contracts Act.

#### **III MISCELLANEOUS PROVISIONS**

#### Section 8 Order of selection for workforce reduction

In the case of dismissals or layoffs for financial or production-related reasons, employers must, where possible, follow the rule by which employees who are most important to the company's operations, who are needed for special duties, or who have become partly disabled for work while employed there are dismissed or laid off last. In addition to this, attention should be paid where possible to the duration of the employment contract and to the employee's maintenance liability.

#### Section 9 Procedures related to dismissal on financial or production-related grounds

The stipulations of Sections 9:3–5 of the Employment Contracts Act must be observed in dismissals on financial or production-related grounds.

#### Section 10 Re-employment of dismissed employees

The employer may be exempted from the obligation referred to in Chapter 6, Section 6 of the Employment Contracts Act by means of an agreement between the employer and the employee. Such an agreement can be made at the time of the dismissal or termination of the employment contract and will take into account any measures taken by the employer to enhance the employee's employability elsewhere. The introduction of agreements regarding reemployment must be agreed on locally between the employer and the chief shop steward.

#### Section 11 Exceptional layoffs

#### 1. Cancellation of layoff

If the employer finds that there is new work available during a layoff notice period, the layoff can be cancelled before it becomes effective. This cancels all aspects of the layoff notice and any future layoffs must be based on new layoff notices.

#### 2. Postponement of layoff

Any work that becomes available during the layoff notice period may be temporary. That means that the layoff cannot be cancelled completely but may be postponed. Layoffs may only be postponed once on these grounds without giving a new layoff notice, and they can only be postponed by the duration of the work that becomes available.

#### 3. Interruption of layoff period

Employers may find that temporary work becomes available during a layoff period. If the layoff is expected to continue immediately without a renewed layoff notice after the work is complete, the interruption must be based on a separate agreement between the employer and employee. Such an agreement should be made before the work begins. At the same time the duration of the temporary work should be estimated.

The above only applies to the agreement between the employer and employee, and does not affect the stipulations of unemployment benefit legislation.

#### Entry in the records:

If an employee has found other employment for the layoff period after the layoff notice was given but before being informed of the cancellation or transfer of the layoff, the employee is not liable to compensate the employer for any damages caused by this. In these cases, the employee is obliged to return to work as soon as possible.

#### **Section 12 Negotiation protocol**

Any disputes related to this agreement should be resolved by following the negotiation protocol of the collective labour agreement.

#### Section 13 Ruling by a court of justice

If a dispute related to a dismissal or layoff case cannot be settled, the signatory association may refer the case to an industrial tribunal for a ruling. An application of summons in accordance with Section 15 of the Act on the Labour Court (646/74) must be sent to the industrial tribunal within two years of the termination of the employment contract.

#### Section 14 Sanction system

In addition to the stipulations of paragraph 2 of Section 7 of this agreement, the employer may not be sentenced to pay compensatory fines in accordance with Section 7 of the Collective Agreements Act when the case is related to violation of duties listed in the collective labour agreement but in essence identical to those used as the grounds for compensation according to the agreement.

No compensatory fine in accordance with the Collective Agreements Act is payable for failure to observe procedures. The failure to observe proper procedures is instead taken into account in determining the sum of the compensation for unfair dismissal.

## Section 15 Determination of the negotiation period pursuant to the Act on Co-operation within Undertakings

When the employer is considering temporarily laying off one or more salaried employees for no more than 90 days, the negotiation period pursuant to Section 23 of the Act on Co-operation within Undertakings is deemed to start on the day when the written negotiation notice pursuant to Section 19 of the Act on Co-operation within Undertakings is delivered. The Act on Co-operation within Undertakings is not a part of the collective agreement.

#### **IV VALIDITY**

This agreement is valid as a part of the collective labour agreement.



### Palvelualojen työnantajat PALTA ry

Eteläranta 10 6. krs PL 62, 00131 Helsinki Vaihde 020 595 5000 www.palta.fi



#### Ammattiliitto Pro

Työpajankatu 13 A, 00580 Helsinki PL 183, 00581 Helsinki Puh. 09 172 731 www.proliitto.fi