### THE COLLECTIVE AGREEMENT

2023-2025

# between FINNMEDIA and INDUSTRIAL UNION as well as VIESTINTÄALAN TOIMIHENKILÖT GRAFINET

**CONCERNING** 

# **SALARIED EMPLOYEES**

### AND INCLUDING INSTRUCTIONS FOR ITS APPLICATION

The agreement is valid until 28 February 2025

This is an unofficial translation from Finnish to English.

Only the original text of the Collective Agreement in Finnish is authoritative.

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Abbreviations used in the original Finnish version:

Working Hours Act (Työaikalaki)

Annual Holidays Act (Vuosilomalaki) Co-operation (Yhteistoiminta)

Employment Contracts Act (Työsopimuslaki)

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### PURPOSE OF THE COLLECTIVE AGREEMENT

#### The associations have agreed that the purpose of the collective agreement is as follows:

According to the Finnish Collective Agreements Act (työehtosopimuslaki), a collective agreement is any agreement concluded between associations concerning the terms and conditions which a company must comply with in contracts of employment or in employment generally.

The basic objective of collective agreement activities is to promote the company's success, the personnel's terms of employment and industrial peace.

Through collective agreement activities, the associations aim to promote objectives that are essential and important for both employers and employees. According to these objectives, companies can:

- engage in profitable business by providing services for customers, which is required in order to ensure competitive terms of employment and job security,
- provide their personnel with the opportunity to improve their skills and knowledge and, consequently, to promote their responsibility and motivation for securing the continuity of the company's business operations and work,
- utilise the expertise and resources across the organisation through co-operation and participation systems,
- promote productivity and profitability through co-operation and create a pay and remuneration system that is motivating and increases productivity.

### **GOOD NEGOTIATING PRACTICE**

#### The elements of a trust-promoting negotiation culture include the following:

- The negotiating parties are equal. The objective is to reach a consensus.
- The different interests of the negotiating parties are acknowledged, and co-operation is based on mutual respect.
- Matters to be negotiated are communicated accurately and in a timely manner. The
  importance and effects of and alternatives to the solution being pursued are investigated
  in co-operation.
- The negotiating practices are based on transparency, integrity and on studying the facts.
- Negotiations on questions of interpretation of the collective agreement are conducted in accordance with the negotiating procedure specified in the collective agreement. In any other matters, the negotiating procedure is determined first, after which the negotiating parties and the authorisations of the negotiators are established.
- Negotiations are conducted promptly, avoiding any undue hurrying or delay.
- To avoid subsequent disagreements, the result of the negotiations is recorded as accurately and clearly as possible.
- If no agreement is reached in a negotiation concerning the interpretation of the collective agreement, the opinions of the parties, including the reasons presented, are recorded in a common memorandum.

# In addition, the following principles shall apply to the negotiation co-operation between the associations:

- In ambiguous cases, no advance stand is taken in favour of the opinion of either party.
- When interpreting agreements, the associations aim for an objective resolution through negotiations, including a clear statement of reasons.

### **COLLECTIVE AGREEMENT PROTOCOL**

#### FINNMEDIA (MEDIALIITTO) INDUSTRIAL UNION (TEOLLISUUSLIITTO) / VIESTINTÄALAN TOIMIHENKILÖT GRAFINET

#### COLLECTIVE AGREEMENT PROTOCOL

Date 27 February 2023

Venue Finnmedia's conference facilities, Eteläranta 10, Helsinki, Finland

#### **Attendees**

Riitta Koskinen Industrial Union Elina Nissi Finnmedia
Tuija Pircklén Grafinet Maria Krans-Bredenberg Finnmedia
Sari Ojala Grafinet Minna Elo Finnmedia, secretary

It was agreed that the collective agreement concerning salaried employees, in force between the associations until 28 February 2023, be renewed with the following additions:

#### 1. Agreement period

The agreement period begins on 1 March 2023 and lasts until 28 February 2025.

#### 2. Pay increases

#### One-off payment in 2023

The amount of the one-off payment is EUR 400 and it will be paid in connection with the payment of wages in April 2023.

The one-off payment will only be made to those employees whose uninterrupted employment has commenced no later than on 1 March 2023 and is still valid on the one-off payment's date of payment. The one-off payment will also be made if the salaried employee is temporarily laid off, on sick leave or on family leave.

The one-off payment will not be made if the salaried employee has voluntarily resigned before the one-off payment's date of payment.

For part-time salaried employees, the amount of the one-off payment is calculated pro rata to the agreed working time and full working time.

The pay of salaried employees paid by the hour is first converted into a monthly salary using the number 158.

If the salaried employee has resigned due to retirement before 1 April 2023, the one-off payment is paid if the employment relationship is valid at the one-off payment's date of payment.

The one-off payment is not taken into account in the payment of other wage items, such as in the calculation of annual holiday pay, Christmas bonus, premium pay or overtime compensation.

#### Across-the-board increase on 1 June 2023

#### Across-the-board increase

Personal wages are raised by a 3.5% across-the-board increase as of 1 June 2023.

For commission wage earners, the pay increases are implemented in such a way that the commission wage as a whole increases on average, for the same amount of work, by the amount of the across-the-board increase.

#### Minimum wages

Minimum wages are raised by 3.5%.

#### Allowances and compensations

Evening pay and night pay is raised by 3.5%.

## Across-the-board increase and company-specific item on 1 June 2024

#### Across-the-board increase

Personal wages are raised by a 1.8% across-the-board increase as of 1 June 2024.

For commission wage earners, the pay increases are implemented in such a way that the commission wage as a whole increases on average, for the same amount

of work, by the amount of the across-the-board increase.

#### Company-specific item

The amount of the item is 0.7% and it is calculated from the sum of the salaried employees' personal wages not increased by the across-the-board increase that are paid in March 2024.

The personal wages do not include allowances due to circumstances or working hours.

The item's basis of determination and amount are explained to the shop steward or, in the absence of a shop steward, the staff.

The use of the item and the allocation criteria are negotiated and agreed locally.

If the use of the item is not agreed on by 15 May 2024, 0.5% of the company-specific item will be distributed in a manner decided by the employer and 0.2% will be distributed as an across-the-board increase. The employer must explain to the shop steward or staff how the proportion of the item decided on by the employer has been used.

#### Minimum wages

Minimum wages are raised by 2%.

#### Allowances and compensations

Evening pay and night pay is raised by 2% and the compensation of the industrial safety delegate by 5.5%.

#### 3. Working hours provisions

#### 3.1 Working hours allowances

A new subsection 3 is added to section 3.3 of the collective agreement:

"Local bargaining

The allowances referred to in this section (evening, night and Saturday evening and night pay) may be agreed on differently through local bargaining with the shop steward or salaried employee. However, the employer and a salaried employee cannot agree on working hours allowances differently by employment contract or during a trial period".

#### 3.2 Overtime and additional work

The clause in section 3.6.2 of the collective agreement which states that a copy of the local agreement con-

cerning one of the overtime concepts must be submitted to the unions for information is deleted.

#### 4. Wages and payment of wages - TOVA

The second paragraph of section 9 of Chapter 4 is amended as follows:

"The payment of the substitution compensation requires the substitution to last without interruption for at least five working days. If the condition for the payment of the substitution compensation is met, the compensation is paid from the beginning of the substitution."

#### 5. Holiday

#### 5.1 Holiday bonus

New paragraphs are added to section 5.1.5 of the collective agreement:

"5. The holiday bonus is 50% of the holiday pay. It is paid at the beginning of the holiday. The holiday bonus is also paid at the end of an employment relationship.

Local agreement is possible in the following matters concerning holiday bonuses:

- changing the dates of payment,
- staggering the payment over a longer period of time.
- exchanging the holiday bonus for time off.

Also subject to local agreement is whether a holiday bonus is paid at all or whether only part of it is paid. This applies to situations where the employer has financial or production-related grounds for reducing the workforce in accordance with the Dismissal Protection Agreement.

The holiday bonus can be paid in one or more instalments, depending on local agreement. The payment dates must be agreed on precisely so that the due date or dates are uncontested. A transfer and any other related measures must be agreed on before the start of an annual holiday or part of it.

If an employee's employment relationship ends before the holiday bonus' locally agreed date of payment, the bonus is paid at the end of the employment relationship.

When agreeing on the exchange of the holiday bonus or part thereof for corresponding time off, the length of the time off is determined according to the holiday bonus to be exchanged, so that the maximum amount of time off to be exchanged is, depending on the calculation method, for a 30-day (5-week) annual holiday:

- 0.50 x 30 days of annual holiday = 15 days of annual holiday
- 0.50 x 25 working days = 12.50 working days
- $0.50 \times 200 \text{ hours} = 100 \text{ hours} (8h/day)$
- 0.50 x 187.5 hours = 93.75 hours (7.5 t/ day) Upon the exchange, proportionate time off is determined from a partial holiday bonus.

The time off is subject to a pay for regular working hours on normal paydays.

The parties must acknowledge that the compensation paid for the time off must be at least equal to the monetary amount of the holiday bonus.

The time off cannot be scheduled to coincide with a time for which the employer otherwise pays wages (annual or winter holidays, sickness, etc.) on the basis of the collective agreement or the law.

The method and time of granting the time off must be agreed on. If only part of the holiday pay is exchanged for time off, the remaining part is paid in cash either in connection with the annual holiday pay in accordance with the collective agreement or at other agreed times.

If an employee's employment relationship ends before an exchanged time off is taken, a portion of the holiday bonus corresponding to the time off not taken is paid at the end of the employment relationship."

#### 5.2 Holiday period

A third paragraph is added to section 5.1.6 of the collective agreement:

"If the employer terminates an employee's employment contract on grounds other than those laid down in Chapter 7, sections 3–4 of the Employment Contracts Act, the employer may order the employee to take their earned holidays during the period of notice, regardless of holiday periods."

#### 6. Sick leave and family leave

A new section, 6.4, on alternative work is added to Chapter 6 of the collective agreement:

#### "Alternative work

Alternative work refers to work that a salaried employee performs when, due to an accident or illness, they are incapacitated for work in accordance with their employment contract or established duties. The alternative work must be appropriate and, insofar as possible, sim-

ilar to the employee's normal duties. Alternative work in other tasks or training may be agreed on separately.

The salaried employee's wages may not decrease during the period of alternative work, unless otherwise expressly agreed. Alternative work or training does not constitute a period of incapacity for work. At the end of the alternative work, the salaried employee has the right to return to their previous duties.

Alternative work is voluntary. It is based on the occupational health physician's assessment of the employee's capacity for work and the agreement on alternative work made between the employee and the employer. The alternative work may not jeopardize the salaried employee's recovery. The alternative work's implementation methods and related principles are discussed together, between the employer and the shop steward or the staff."

#### 7. Negotiation provisions and industrial peace

# 7.1 Negotiation provisions for grouping the difficulty of jobs

A new, second paragraph is added to section 8.5.3.1 of the collective agreement:

"The assessment of job difficulty is carried out in cooperation. The associations recommend the establishment of a rating committee. If there is no rating committee, the collective agreement's negotiating procedure and the provision concerning the handling of disputes are followed. If the parties fail to reach an agreement on the rating, the employer rates the jobs and is responsible for the rating's accuracy.

The associations recommend that the job of a new salaried employee be rated no later than four months after the salaried employee has begun working in the job, and if the their duties change substantially, the rating is reviewed between the salaried employee and their supervisor. A shop steward may request a joint review of the ratings on an annual basis.

..."

### 7.2 Survival actions if the company finds itself in financial difficulties

The following clause is added to section 8.8.2 of the collective agreement:

"the postponement of the pay increases agreed on in the collective agreement." A new paragraph is added to section 8.8.2 of the collective agreement:

Furthermore, when it is jointly established that the company is heading towards exceptional financial difficulties which would result in a reduction of the workforce or threaten the existence of the company, the employer may decide to adopt an extended holiday period lasting from 1 April to 31 October. Even in such a case, at least 12 holiday days must be scheduled to take place during a holiday period pursuant to the Annual Holidays Act.

In addition, the clause "A lay-off notice period shorter than the 14 days specified in Chapter 5, section 4 of the Employment Contracts Act" is deleted from the list in the first paragraph of section 8.8.2 of the collective agreement.

#### 7.3 Local bargaining

Local bargaining on working hours allowances is added to list b) in section 8.2.4 of the collective agreement.

The insertion in brackets "(copy of the agreement to the unions)" at the end of list a) in section 8.2.4 of the collective agreement is deleted.

## 8. Co-operation in the communications industry

The second paragraph of section 3 in Chapter 9 is amended as follows:

"Discussions can take place at the meetings of an advisory committee, for example."

#### 9. Training Agreement

Paragraphs 1 and 2 in section 5 of the Training Agreement are amended to read as follows:

"1. The elected officials specified below in this section are given the opportunity to participate in courses arranged by central organisations and trade unions with a duration of up to three months without this causing an interruption in their employment, if this is possible without causing considerable inconvenience for production or the company's operations.

The chief shop steward, deputy chief shop steward, shop steward, deputy shop steward and the chairperson of the local union branch or association may participate in trade union courses approved by the training workgroup without pay reductions for up to one month.

The industrial safety delegate, deputy delegate, occupational safety ombudsman and member of the industrial safety commission may participate in courses related to their co-operation duties that last for up to two weeks without pay reductions.

However, the deputy chief shop steward and the deputy shop steward may not attend the courses at the same time as the chief shop steward and the shop steward, if these persons work in the same duties as they do. The same applies to the industrial safety delegate and deputy delegate.

2. A notification of the intention to participate in a course must be given at least three weeks before the start of the course for courses lasting for a week or less, and at least six weeks in advance for courses lasting over a week.

In the event that participation during the intended period would cause considerable inconvenience for production or the company's operations, the employer must notify the shop steward at least two weeks in advance of the reason why granting leave would cause considerable inconvenience. In such a situation, the course is rescheduled together.

When assessing considerable inconvenience, attention should be paid to the size of the company. Particularly when the number of employees represented by the shop steward is less than 10 employees, this should be taken into account. The same applies to the industrial safety delegate."

#### 10. Earn as You Learn

The "Earn as You Learn" (Tutustu työelämään ja tienaa) agreement will be renewed for 2024–2025. The compensation in 2024 and 2025 is EUR 375.

#### 11. Remote working

The following recommendation is added to the signature protocol:

The associations have drawn up joint guidelines for remote working practices which can be utilised by companies if they so wish.

Remote working is carried out within the framework of applicable legislation, the collective agreement and the ground rules followed in the respective company.

The employer decides, within the framework of its right of supervision, when remote working is possible and how remote working practices may need to be changed. In the tasks for which the employer considers remote working possible, the salaried employee may work remotely in accordance with the company's valid practice. The associations agree that the local parties should engage in dialogue on remote working practices and their development, taking into account the structure and organisation of the respective workplace. Discussions can be held on matters related to remote working, including:

- · Work equipment and its use
- Working hours and working hours monitoring
- Information security
- Communication/flow of information
- Remote working locations
- Occupational health and safety aspects
- The extent of insurance coverage
- Rules related to absences and absence notifications
- · Addressing problems

The guidelines concerning remote working do not constitute part of the collective agreement.

#### 12. Well-being at work

The following text is added to the signature protocol:

The personnel's well-being promotes successful business and the extension of careers. Well-being at work is a result of management that recognises the different needs, resources and strengths of the workplace and its individuals. The associations encourage companies to promote well-being at work, and they recommend that companies

- exploit training provided by the Centre for Occupational Safety and the expertise of the communications branch committee.
- the parties to the collective agreement recommend that an age plan be drawn up for each workplace. Young people at the start of their career, those in a busy phase of their lives, and those who have already had a long career have different needs and strengths that should be taken into account in the workplace. The preparation of an age plan would bring about new ground rules that could include different methods and flexibilities. The point would be for these ground rules to be transparent, which would help in avoiding situations where employees wonder why their colleagues are being offered different opportunities. The Centre for Occupational Safety has developed a useful Job Life Cycle Model with free-ofcharge tools.

- discuss working hours practices as well as the special needs and coping of night workers at the industrial safety commission's meetings. The working hours bank system may provide new solutions for working hoursrelated issues.
- familiarise themselves with the Well-being at Work Card training.

#### 13. Joint training

The associations organise joint training on a subject to be agreed on separately.

#### 14. The "More Together" guide

The "More Together" guide (Yhdessä enemmän -opas) will be updated.

#### 15. Other revisions

Section 7.1.2 of the collective agreement:

2. The deducted membership fees are normally paid to the trade union on the payment day of wages, but no later than by the 15th day of the month following the payment of wages. The membership fee is deductable from any wages subject to withholding tax, including holiday pay, sick leave pay and *maternity* pregnancy and parental leave pay.

Section 3.12.2 of the collective agreement:

• for which the employer pays the salaried employee a sick leave or *maternity* pregnancy and parental leave pay, ...

Section 7.3.2 of the collective agreement:

The reference to the years-of-service bonus in section 7.3.2 is deleted

Confirmed by

Minna Elo secretary

FINNMEDIA (MEDIALIITTO)

TEOLLISUUSLIITTO (INDUSTRIAL UNION) VIESTINTÄALAN TOIMIHENKILÖT GRAFINET

# SCOPE OF APPLICATION AND VALIDITY

- 1.1 The agreement's scope of application
- 1.2 The agreement's validity and compliance with the agreement
- 1.3 Continuous negotiation procedure
- 1.4 Duty to supervise

### SCOPE OF APPLICATION AND VALIDITY

### 1.1 THE AGREEMENT'S SCOPE OF APPLICATION

- 1. This collective agreement applies to salaried employees working in commercial, administrative and office positions for the graphic arts business members of Finnmedia, excluding technical, production or editorial positions.
- 2. The scope of application of this collective agreement includes such salaried employee duties in newspaper companies where the receipt of notices involves online input.
- 3. However, the agreement does not apply to persons who belong to a company's management or who represent the employer in determining the salaried personnel's salary and terms of employment, nor to persons who have an independent position and administrative, financial or operational responsibility in the company or a substantial part of it, or persons in comparable positions.

When defining the upper limits and scope of application, different business organisations and activities in the communications sector are taken into account.

- 4. The provisions of this agreement shall apply mutatis mutandis to part-time employees and persons who primarily carry out their work on the basis of commission wages.
- 5. A salaried employee on trial period becomes subject to the collective agreement at the beginning of the employment relationship, nevertheless in such a way that they are not subject to the provisions on the period of notice for the duration of the trial period.

6. The use of temporary workforce is subject to the provisions of the Employment Contracts Act (Chapter 2, section 9).

### 1.2 THE AGREEMENT'S VALIDITY AND COMPLIANCE WITH THE AGREEMENT

- 1. This agreement is valid from 1 March 2023 to 28 February 2025 and following this period, the agreement shall remain in force for one year at a time, unless either one of the parties terminates it. The period of notice is two (2) months.
- 2. The organisations undertake to comply with the provisions of this agreement.

## 1.3 CONTINUOUS NEGOTIATION PROCEDURE

During the agreement period, the parties may propose negotiations on questions that, considering the development of the industry and the needs of the parties, should be resolved regardless of the timetable of the actual collective agreement negotiations.

#### 1.4 DUTY TO SUPERVISE

The contracting parties are responsible for ensuring that their member associations, member companies and members comply with the provisions of this agreement and all decisions based on them.

### **EMPLOYMENT RELATIONSHIP**

- 2.1 Concluding an employment contract
- 2.2 Changing the terms of employment

### **EMPLOYMENT RELATIONSHIP**

## 2.1 CONCLUDING AN EMPLOYMENT CONTRACT

- 1. An employment contract shall be made in writing (cf. Chapter 1, section 4 of the Employment Contracts Act).
- 2. An employment remains in force indefinitely, unless it has been made for a specific fixed term for a justified reason. Contracts made for a fixed term on the employer's initiative without a justified reason shall be considered to be in force indefinitely. (Employment Contracts Act, chapter 1, section 3, subsection 2)

It is prohibited to use consecutive fixed-term contracts when the number or total duration of fixed-term contracts or the entirety formed by such contracts indicates the employer's permanent need for labour. (Employment Contracts Act, chapter 1, section 3, subsection 3)

If a fixed-term contract is renewed, a report of the grounds for the renewal must be provided to the shop steward.

3. The employer and the employee may agree on a trial period of a maximum of six months which starts when the employee begins to work. If an employee has been absent during the trial period because of incapacity for work or on family leave, the employer is entitled to extend the trial period by one month for every 30 calendar days of incapacity for work or family leave. The employer must notify the employee of the trial period extension before the end of the trial period (see Chapter 1, section 4, subsection 1 of the Employment Contracts Act).

In fixed-term employment, the trial period including any extension may cover no more than half of the duration of the contract, and in any event no more than six months.

If a person is hired by the user enterprise referred to in Chapter 1, section 7, subsection 3 [of the Employment Contracts Act] after temporary work ends to perform the same or similar duties, the time, which the employee was assigned for use by the user enterprise, will be deducted from the maximum trial period, in accordance with subsection 1 of the section in question (see Chapter 1, section 4, subsection 2 of the Employment Contracts Act).

4. At the beginning of employment, the employer informs the employee of the applicable collective agreement and the shop steward and negotiating system.

#### N.B.

If an employee not included in the company's personnel is allowed to work on the company's premises and/or work using equipment owned by the company, the matter must be discussed with the shop steward to establish the principles of and need for such work.

### 2.2 CHANGING THE TERMS OF EMPLOYMENT

- 1. The employer and the employer's representative have the right to supervise the work, and salaried employees must perform the tasks assigned to them as required by the collective agreement.
- 2. When a salaried employee temporarily carries out work other than that required by their employment contract, this does not change their salary.
- 3. A salaried employee's terms of employment may be changed, provided that this is agreed by both parties. If the matter cannot be agreed on, the change can be implemented if there is a relevant and weighty reason for it in accordance with the Dismissal Protection Agreement and if the period of notice is complied with.
- 4. A salaried employee may be transferred to another position so that they retain their status as a salaried employee. If this results in a deterioration of their benefits, the period of notice and the requirement of appropriate grounds still apply.
- 5. When changing the terms and conditions of employment, the effects of the change on the benefits of the employment relationship must be clarified.

#### **APPLICATION INSTRUCTION:**

#### **CHANGING THE TERMS OF EMPLOYMENT**

Some collective agreements in the industry include provisions on changing the terms and conditions of employment, such as changing employees' duties or working hours. The co-operation agreement determines the negotiation obligations in situations involving changes.

The terms of employment may be changed by agreement. One-sided changing of the terms of employment is possible in matters included within the scope of the employer's right of supervision. A reason for termination of the employment contract is required for the changing of an essential term of employment specified in the contract, unless it is not possible to reach an agreement on the change.

It is not possible to agree on terms that fail to satisfy the minimum terms specified in the collective agreement or labour legislation.

### **WORKING HOURS PROVISIONS**

- 3.1 Regular working hours
- 3.2 Average regular weekly working hours
- 3.3 Evening and night pay
- 3.4 Days off
- 3.5 Midweek holidays
- 3.6 Overtime and additional work
- 3.7 Sunday work
- 3.8 Standby duty
- 3.9 Emergency out-of-hours work
- 3.10 Rest periods
- 3.11 Banking of hours
- 3.12 Reduction of working time for salaried employees working a 40-hour week
- 3.13 Special provision concerning newspaper work

### WORKING HOURS PROVISIONS

#### 3.1 REGULAR WORKING HOURS

1. A salaried employee's regular working hours may not exceed 7.5 hours per day and 37.5 hours per week, excluding those tasks or jobs where 8-hour daily and 40-hour weekly working hours have been observed continuously or where it has been locally agreed that the maximum working time per week is 40 hours.

#### N.B.

The associations acknowledge that there is agreement between them, in accordance with the stance of the central organisations, that inappropriate shifts should be avoided and that shifts of less than four hours should not be used at the workplace, unless this is required by a salaried employee's needs or other justified grounds.

- 2. The working week starts on Monday, unless otherwise locally agreed. A working day is deemed to commence at a time generally applicable in the undertaking concerned.
- 3. The employer and the employee may agree on flexible working hours so that the employee can, within the agreed limits, determine the placement of their daily working hours. When agreeing on flexible working hours, the agreement must cover at least the following:
- 1) continuous fixed working hours;
- 2) the daily limit for and the placement of the flexitime;
- 3) the placement of rest periods;
- 4) the maximum accumulation of hours in excess or in deficit of the regular working hours.

(Section 12, subsection 1 of the Working Hours Act: This provision does not constitute part of the collective agreement)

The maximum length of the daily flexitime and the maximum accumulation of hours in excess or in deficit of working time, as well as the reference period, may be locally agreed on in deviation from section 12, subsection 2 of the Working Hours Act.

4. The average working time for uninterrupted 3-shift work is 36 hours per week.

### 3.2 AVERAGE REGULAR WEEKLY WORKING HOURS

- 1. If required by the activities of the company, the employer may organise working hours on the basis of an average. Its implementation requires the preparation of a working time adjustment scheme at least for the period during which the weekly regular working time is adjusted to the said average. When drawing up an adjustment scheme, the employer must negotiate and pursue an agreement on it with the shop steward.
- 2. The placement of regular working hours may be agreed on locally so that regular working hours do not exceed 12 hours a day and 60 hours a week. The regular working time should adjust, depending on the weekly working hours, to a maximum of 37.5 hours (a 40-hour working week adjusts to 40 hours) during the adjustment period.

#### 3.3 EVENING AND NIGHT PAY

1. A salaried employee is paid evening pay for any regular shift hours between 6 p.m. and 9 p.m. and night pay for any hours between 9 p.m. and 6 a.m.

|             | 1 June<br>2022 | 1 June<br>2023 | 1 June<br>2024 |
|-------------|----------------|----------------|----------------|
| Evening pay | 1.73           | 1.79           | 1.83           |
| Night pay   | 3.25           | 3.36           | 3.43           |

2. A salaried employee is paid Saturday evening pay for any regular Saturday shift hours between 6 p.m. and 9 p.m. and Saturday night pay for any hours between 9 p.m. and 6 a.m.

|                         | 1 June<br>2022 | 1 June<br>2023 | 1 June<br>2024 |
|-------------------------|----------------|----------------|----------------|
| Saturday<br>evening pay | 8.43           | 8.73           | 8.90           |
| Saturday<br>night pay   | 15.88          | 16.44          | 16.76          |

#### N.B.

Given that the above-mentioned pay applies to regular shift hours, they are not paid for any period of overtime and are not included in the overtime increment. 3. The allowances referred to in this section (evening, night and Saturday evening and night pay) may be agreed on differently through local bargaining with the shop steward or salaried employee. However, the employer and a salaried employee cannot agree on working hours allowances differently by employment contract or during a trial period.

#### 3.4 DAYS OFF

- 1. Unless otherwise provided in this agreement, a salaried employee's second day off per week may be determined:
  - to be a fixed day of the week, which must be a Saturday or, if that is not possible, a Monday; or
  - to be a variable day of the week, if the work is carried out at least six days a week.

#### **Protocol entry:**

In the case of part-time employees, working hours may also be organised so that they are spread over six working days.

2. If the average weekly working hours apply, the days off are determined so that the period includes enough days off for the working time during the period to adjust to the regular weekly working hours.

#### 3.5 MIDWEEK HOLIDAYS

- 1. Unless otherwise required by production technology-related reasons, the following days are days off that reduce weekly working hours, provided that the salaried employee has a working day according to the shift schedule on the day in question:
  - New Year's Day
  - Epiphany
  - Good Friday
  - Easter Monday
  - May Day
  - Ascension Day
  - Midsummer's Eve
  - Independence Day
  - Christmas Eve
  - Christmas Day
  - Boxing Day and
  - · New Year's Eve.
- 2. If production-related reasons require working on the said days, the loss of such a day off must be compensated for at another time by days off given within the framework of the shift schedule or by remunerating the work performed on those days off in the same way as has been agreed with regard to weekly overtime.

#### 3.6 OVERTIME AND ADDITIONAL WORK

- 1. Work that is carried out in addition to the regular maximum working hours specified in the collective agreement is compensated for as overtime. Overtime compensation is paid in accordance with the Working Hours Act.
- 2. it is possible to agree locally on a single concept of overtime. In such a case, overtime compensation is not paid separately for daily and weekly overtime; instead, for a certain longer period of time, all overtime hours are compensated for on the basis of one and the same overtime compensation rule. The local agreement is made with a shop steward.

In companies where a shop steward representing members of both the Industrial Union/Grafinet and Trade Union Pro has been elected, questions related to the single overtime concept are dealt with on a tripartite basis.

- 3. According to the Working Hours Act, a salaried employee's working time, including overtime, may not exceed 48 hours per week on average. The calendar year is used as the review period for the maximum amount of working time. A period of one year can be agreed locally to serve as the review period instead of a calendar year. The review period begins from the pay period for which the salary is paid immediately following the change of the calendar year.
- 4. The employer may have additional work carried out by agreement with a salaried employee in addition to daily regular working time, provided that the salaried employee's weekly working time is less than 37.5 or 40 hours.

A salary with no increment is paid for the additional work according to the number of hours worked, unless otherwise agreed in terms of the compensation. The same hourly wage as is used for calculating the salary increment for overtime work is used as basis when calculating the wages for additional work.

5. A salaried employee whose regular weekly working time is 37.5 or 40 hours is paid weekly overtime compensation for working on a day which is a day off in accordance with the shift schedule. If the regular weekly working hours have not been worked due to an absence resulting from an annual holiday, illness, lay-off, or participation in a vocational training event in accordance with the training agreement or similar, a weekly overtime compensation is also paid for any work done on a day off.

- 6. When calculating the overtime increment, the basic salary must be calculated in such a way that the monthly salary is divided by
  - 158 when the regular working time is 37.5 hours per week,
  - 162 when the regular working time in daytime work is 40 hours per week,
  - 164 when the regular working time in shift work is 40 hours per week.

When the regular working time is something else, the divisor used is the number of working hours actually used on regular work on average per month, calculated correspondingly.

Compensation for overtime may be exchanged for correspondingly calculated days off to be taken during regular working hours, if the employer and the salaried employee so agree.

- 7. If the work carried out by the salaried employee continues beyond the turn of a day, the work is considered to be the work of the previous day for the purpose of calculating the additional and overtime compensation until the regular working hours according to the salaried employee's shift schedule begin.
- 8. When a salaried employee, after the end of their regular working hours, stays for overtime estimated to last at least two hours, an opportunity to take a break or an opportunity to eat during their work is reserved for them.

#### 3.7 SUNDAY WORK

1. The pay for Sunday work – which means work done on a Sunday, another religious holiday, May Day or Independence Day – includes, on the basis of the law, in addition to any other salary received during that period, a simple basic salary paid as an increment for Sunday work (cf. section 20 of the Working Hours Act).

The Sunday work increment may be exchanged for correspondingly calculated days off to be taken during regular working hours, if the employer and the salaried employee so agree section 21 of the Working Hours Act).

2. A shift work bonus with a 100 per cent increment is paid on the basis of the Working Hours Act for shift work carried out on a Sunday.

#### 3.8 STANDBY DUTY

Standby of an optional form in accordance with the Working Hours Act The employer and a salaried employee may agree on standby and the compensation to be paid for it. During standby, the salaried employee must be available to the employer so that they can be called to work. Standby time is not counted as working time, unless the salaried employee has to stay at the workplace or in its immediate vicinity. Standby may not unreasonably interfere with the use of the salaried employee's free time.

The salaried employee must be aware of the amount of the standby pay or its basis of determination, as well as the terms and conditions of the standby, when the relevant agreement is made. The amount of the compensation must take into account the restrictions imposed on the use of the salaried employee's free time due to the standby.

(Section 4 of the Working Hours Act: This provision does not constitute part of the collective agreement)

#### Standby in one's residence

Unless otherwise locally agreed, the following rules apply:

- 1. If a salaried employee is contractually obligated to stay on standby duty in their residence or elsewhere, from which they may, if necessary, be called to work in an agreed manner, they shall be paid for the period of time during which they are obligated to remain tied up without performing work, half the salary calculated from the regular basic salary.
- 2. The standby compensation is nevertheless paid for at least four hours of standby.
- 3. Periods that are harmful to the salaried employee or short in such a way that the standby period is not consecutive should not be agreed as standby times.
- 4. Standby time is not counted as working time.
- 5. Work performed on the basis of a standby agreement must be remunerated in accordance with Chapter 3, section 6.
- 6. Any extra costs incurred by the salaried employee in connection with commuting related to standby work are reimbursed by the employer.

#### 3.9 EMERGENCY OUT-OF-HOURS WORK

Unless otherwise locally agreed, the following rules apply:

1. In emergency out-of-hours work, the work is done on the basis of an emergency call and the employee must

come back to work outside their regular working hours after already leaving the workplace.

- 2. Three hours' wages are paid as call-out pay.
- 3. When the call to emergency out-of-hours work has required work between 9 p.m. and 6 a.m., a basic salary with 100% increment is paid for the time spent on the work, including any overtime increments.

When the call to emergency out-of-hours work is made between 9 p.m. and 6 a.m. on a Sunday, another religious holiday, Independence Day or May Day, a basic salary with 100% increment is paid for the time spent on the work, including any overtime increments.

- 4. However, the pay for emergency out-of-hours work which lasts for less than one hour is equal to an hour's wages.
- 5. Emergency out-of-hours work cannot be compensated for by reducing the salaried employee's regular working hours accordingly.
- 6. Any additional costs incurred by the salaried employee due to emergency out-of-hours work are reimbursed by the employer.

#### N.B.

The provisions in this section do not apply to situations referred to in a standby agreement.

#### 3.10 REST PERIODS

# 1. Daily breaks (section 24 of the Working Hours Act)

According to the Working Hours Act, when a salaried employee's daily consecutive working time exceeds six hours and the salaried employee's presence at the workplace is not essential to the continuity of the work, the salaried employee must be given a regular break of at least one hour during the shift, during which break the salaried employee is free to leave the workplace.

The employer and the employee may agree on a shorter break, the length of which must nevertheless be at least 30 minutes.

When the working time in shift work exceeds six hours, the salaried employee must be given a break of at least thirty minutes or the opportunity to have a meal during working time.

(The provision does not constitute part of the collective agreement.)

# 2. Daily rest period (section 25 of the Working Hours Act)

According to the Working Hours Act, a salaried employee must be given, during the 24 hours following the start of each shift, an uninterrupted rest period of at least 11 hours' duration except for work performed during stand-by time.

Daily rest periods may be agreed locally on in derogation of the law.

(With the exception of the right to agree otherwise, the provision does not constitute part of the collective agreement.)

#### Weekly rest period (section 27 of the Working Hours Act)

Working time must be organised in such a manner that a salaried employee is given once every seven days an uninterrupted rest period of at least 35 hours. Whenever possible, this rest period must occur around a Sunday. However, the weekly rest period may be organised to average 35 hours over a period of 14 days. The rest period must consist of at least 24 consecutive hours in each seven-day period.

The time spent on work during a weekly rest period must be compensated to the salaried employee as soon as possible, nevertheless within three months of the performance of the work, by reducing their regular working hours by a period corresponding to the missed rest period. Such work may also be compensated for by, in addition to any overtime and Sunday work pay, a separate monetary remuneration determined by the basic amount of the overtime pay, if the salaried employee agrees to it.

The method of compensation must be agreed upon at the same time as the work to be done during the weekly rest period.

#### N.B.

With this provision, it is agreed that the weekly rest period is determined pursuant to the Working Hours Act that was in force until 31 December 2019.

#### 3.11 BANKING OF HOURS

The employer and the shop steward may agree on the introduction of the banking of hours in the company.

The employer and shop steward may agree to bank the following, for example:

- adjustment leave related to working time systems
- any reduced working time leave
- accumulated flexible working time
- working time compensations converted to days off
- the part of an annual holiday exceeding 18 days and the winter holiday as well as an already accumulated carried-over holiday or
- · a holiday bonus exchanged for days off.

When the parties have agreed to bank adjustment leave accumulated in the application of the average working time, they can also agree not to apply a separate adjustment system. In such a case, the working time is adjusted through the banking of hours and within the limits agreed upon when it was introduced.

The holidays and days off transferred to the bank lose their original identity and are not subject to limitation periods under the Working Hours Act, for example.

A salaried employee's wages are determined according to the time the leave is taken. The taking of this leave does not reduce the accrual of annual holidays. Any holidays and days off banked are paid in cash at the end of the employment relationship.

Salaried employees are given an annual statement of the holidays they have accumulated in the bank. The shop steward is given an annual summary of the holidays accumulated in and taken through the bank. The shop steward and the employer's representative monitor the accumulation of banked hours annually, especially for reasons related to occupational health and safety.

The associations agree on the principle that any hours accumulated in the bank should be used first in a situation where work is scarce, before resorting to layoffs.

In connection with the introduction of the banking of hours, at least the following must also be agreed on:

- who falls within the scope of the system
- which holidays or days off can be banked, under what conditions they are banked, and the procedures for verifying the amount of hours banked
- the maximum amounts set for the banking and borrowing of holidays/days off, paying particular attention to occupational health and safety aspects
- how the days off can be taken or ordered to be taken
- how the pay for any period of leave is determined if there are several pay bases or pay methods in use

- the applicable procedures if a salaried employee is unable to work during the agreed leave due to incapacity for work or for any other reason
- in which situations, in addition to the termination of the employment relationship, can banked hours be converted into cash and according to what principles the exchange is carried out
- how the functioning of the banking of hours is handled between the employer and the shop steward and how the system can be changed.

#### 3.12 REDUCTION OF WORKING TIME FOR SALARIED EMPLOYEES WORKING A 40-HOUR WEEK

#### 1. Grounds for reducing working time

The reduction of working time concerns salaried employees working a 40-hour week.

If the working time in the company has already been reduced beyond the provisions of the collective agreement, the working time does not need to be reduced, unless the company-specific reduction remains smaller than the agreed reductions. In such a case, the working time must be reduced at least to the amount that the reduction in accordance with the collective agreement will result in.

#### 2. Earning reduced working time

Reductions in working time are earned on a quarterly basis during each calendar year.

The reduced working time accrued is equal to a quarter of the annual reduction for the calendar year in question for each such quarter during which the salaried employee has worked in accordance with the shift schedule during a working week that qualifies for reduction in working time.

For a quarter during which the salaried employee has not worked for more than 12 working days, the aforementioned reduction does not accrue. The working days in the shift schedule that are considered to be equivalent to working days are those

- during which a salaried employee is prevented from working due to their own annual holiday, winter holiday, reduction of working time or military refresher course,
- for which the employer pays the salaried employee sick leave or pregnancy or parental leave pay,

- for which the employer pays the employee compensation for loss of earnings in accordance with the training agreement,
- for which the salaried employee, under the conditions referred to in Chapter 7, section 2 of the collective agreement, has been absent due to participation in national or municipal elections or, under the conditions referred to in Chapter 6, section 7 of the collective agreement, due to participating in their 50th and 60th birthday celebrations or due to their wedding day or participation in an examination prior to military service.

#### 3. Amount of reduced working time

When the above-mentioned general criteria for reduction and earning are met, the working time is reduced by 80 hours in daytime work and by 64 hours in shift work.

#### 4. Implementation of reductions

#### 4.1 Methods for implementing reductions

The reductions' implementation methods are agreed locally as follows:

- in terms of the entire company and the main principles of reduction, with the shop steward:
- in terms of a department, with the shop steward on a departmental basis;
- in terms of a machine or a work group, groupspecifically;
- · with a salaried employee, individually.

The reductions can be implemented in several ways, such as by

- reducing daily working hours,
- reducing weekly working hours,
- · including the reduction in the shift schedule,
- · employing flexible working time,
- granting leave one shift at a time,
- granting leave several shifts at a time,
- granting off part of a shift (such as 4 hours),
- reducing daily working hours during a particular period (e.g. "daylight saving time"),
- the days off are packaged into a personal "bank" from which the days off are "spent" as necessary and per agreement on an hourly basis,
- granting leave for the duration of any "extra days of work needed for time off",
- collecting days off for the purposes of training (even for periods of more than a year).

If granting the reduction has been impossible, the reduction must be compensated for in money on the basis of the number of hours of reduced working time.

When agreeing on the form and time of the reduction, the prerequisites of production and the work situation as well as any justified wishes of the salaried employees must be taken into account.

If the company has agreed on the main principles for granting the leave, the determination of the leave may take place in one of the following ways:

- by agreement with the salaried employee
- by informing the salaried employee of the time of the leave no later than two (2) weeks before the time of the leave, if no agreement over the matter has been reached
- the employer may schedule half of the reduction leave as full days for a time when, exceptionally, for unforeseen reasons, no work is available for the salaried employee, by notifying the salaried employee of the fact no later than on the third day preceding the implementation of the change.

The leave must be given no later than 30 April of the year following the year of earning. Agreed leave cannot be brought forward or postponed without a new agreement.

# **4.2 Compensation for lack of reductions in certain cases**

If implementing the reductions has not been possible by the aforementioned or an otherwise agreed deadline for a justified reason (such as illness or layoff), the earned but not reduction that has not been taken can be paid in cash. If agreed with the salaried employee, compensation may also be paid at an earlier date in such a case.

If an agreement on the reduction being scheduled for fixed days (such as the days between Christmas and New Year) has been made in advance with the chief shop steward or a departmental shop steward in such a way that the company or departmental unit does not operate on the days in question, the following procedure is observed in terms of salaried employees not covered by the system of reduced working hours who are left without work as a result of the reduction:

When a fixed holiday is agreed upon for the company or department, the number of salaried employees whom the holiday does not apply to is acknowledged simultaneously. Efforts are made to give these salaried employees an opportunity to work extra hours so that they could also take time off on the day in question, provided

that this is possible from the perspective of production arrangements. A salaried employee may also use their holidays or, if agreed, their overtime leave to compensate for the day in question. If the working of extra hours for time off cannot be arranged or if the salaried employee does not wish to use the leaves in question, the wages for the day in question need not be paid.

When the parties have agreed on the leave falling on fixed days in such a way that the company or department does not operate on the days in question, the days off are considered holidays in accordance with the shift schedule which cannot be postponed even if a salaried employee would be absent for some other reason (such as incapacity for work) during the days.

### Wages for the period of reduced working hours

A salaried employee is paid wages without deduction for the period of reduced working hours. For commission wage earners, the compensation is paid according to the average hourly earnings. If the leave, based on the shift schedule, occurs on a day for which a shift work bonus would otherwise be paid, the shift work bonus is also paid for the period of the leave.

If a salaried employee's employment is terminated before the leave accrued from the reduction of working hours has been granted, wages corresponding to the accrued leave are paid to the salaried employee.

If a salaried employee's employment is terminated and they have been granted a reduction in working hours before it has accrued, the salaried employee is obligated to pay an amount of wages corresponding to the leave granted to the employer. The employer is entitled to withhold this amount from the payoff to be remitted to the salaried employee.

# 6. Local bargaining on the exchange of reduced working hours for cash

If agreed, the reduction in working time can be exchanged in part or in full for cash, determined according to the criteria applicable to the payment of wages specified in section 3.13.5. The cash compensation is paid as a separate instalment.

## 3.13 SPECIAL PROVISION CONCERNING NEWSPAPER WORK

In addition to a compensatory day off, the first four socalled additional appearance dates affected in a company during a calendar year are subject to an extra day off given to those who have worked the shifts in question. The parties may also agree to exchange the extra day off for cash compensation.

The salaried employees' wishes for working on any additional appearance dates and on the scheduling of the days off must be taken into account insofar as possible.

# WAGES AND PAYMENT OF WAGES – TOVA

(entered into force on 1 October 2008)

- 4.1 Wage and wage structure
- 4.2 Changes in duties
- 4.3 Minimum wages
- 4.4 Length-of-service component of personal salary
- 4.5 Assessment of personal competence and performance
- 4.6 Trainees and summer employees
- 4.7 Effect of working hours on minimum wages
- 4.8 Part-time pay
- 4.9 Substitution
- 4.10 Payment of wages
- **4.11** Other pay systems
- 4.12 Commission wage earners
- 4.13 Christmas bonus

### WAGES AND PAYMENT OF WAGES – TOVA

(entered into force on 1 October 2008)

#### 4.1 WAGE STRUCTURE

The minimum wage according to the collective agreement consists of the minimum wage based on a job's difficulty and of the length-of-service component of a salaried employee's personal salary.

#### JOBS' DIFFICULTY GROUPING

#### Group 100

- · Work that requires short practical experience.
- The work is carried out under supervision or according to clear instructions.
- · Decision-making situations are similar.

#### Group 111

- Work that requires professional skills.
- The work is carried out according to established procedures or instructions.
- Decision-making situations are usually of the same type.
- The information available for decision-making can be obtained from the immediate vicinity of the work environment.
- Interaction at the customer interface is based on presenting pre-defined solutions or receiving and communicating information.

#### Group 124

- The job requires professional expertise and knowledge of commonly used practices, as well as the independent application of this knowledge and these skills.
- The work is guided by general assignments or instructions.
- Interaction takes place in teams or at the customer interface, where the job has a clarifying role.

#### Group 154

- The responsibility, expertise or independence involved in the work are emphasised to such an extent that it has become more demanding than the basic definition of the preceding group.
- The job may also include guiding the work of those performing the actual tasks or manual labour.

#### Group 191

- The work requires theoretical knowledge and a good command of the work processes.
- The work includes the detection and assessment of problems and the generation of solutions (such as planning, investigation or development).
- Information for decision-making is obtained from previous cases or by combining new information available in the immediate surroundings.
- Interaction is characterised by an expert role at the customer interface or the management of work.

#### Group 236

 The responsibility, expertise, independence or key position involved in the work are emphasised to such an extent that it has become more demanding than the basic definition of the preceding group.

#### Group 292

- The work usually involves organisational, planning or resourcing responsibilities.
- Interaction is characterised by independent influence in decision-making as a specialist or serving as a leader of a development team.
- Emphasis is placed on a comprehensive expertise in the processes of the function involved.

#### 4.2 CHANGES IN DUTIES

When a salaried employee's duties change significantly, the minimum wage group associated with the duties is reviewed. The level of difficulty and the corresponding minimum wage may then rise or fall. A change in the minimum wage alone does not reduce a salaried employee's personal salary.

#### 4.3 MINIMUM WAGES

| Pay grade | 1 June<br>2022 | 1 June<br>2023 | 1 June<br>2024 |
|-----------|----------------|----------------|----------------|
| 292       | 3,165          | 3,276          | 3,341          |
| 236       | 2,828          | 2,927          | 2,986          |
| 191       | 2,548          | 2,637          | 2,690          |
| 154       | 2,296          | 2,376          | 2,424          |
| 124       | 2,107          | 2,181          | 2,224          |
| 111       | 1,933          | 2,001          | 2,041          |
| 100       | 1,791          | 1,854          | 1,891          |

If the salaried employee's salary is determined on the basis of an hourly wage, the minimum hourly wage is formed by dividing the graded salary by 158.

### 4.4 LENGTH-OF-SERVICE COMPONENT OF PERSONAL SALARY

After a salaried employee has worked in a company for five years in a job involving the same level of difficulty, their personal salary must be at least five per cent higher than the minimum wage of the pay grade in question. (The accumulation of the length-of-service component has begun when the company has switched to the new pay system, no later than on 1 October 2008.)

The minimum wages with a 5% length-of-service bonus are as follows:

| Pay grade | 1 June<br>2022 | 1 June<br>2023 | 1 June<br>2024 |
|-----------|----------------|----------------|----------------|
| 292       | 3,323          | 3,440          | 3,508          |
| 236       | 2,969          | 3,073          | 3,135          |
| 191       | 2,675          | 2,769          | 2,825          |
| 154       | 2,411          | 2,495          | 2,545          |
| 124       | 2,212          | 2,290          | 2,335          |
| 111       | 2,030          | 2,101          | 2,143          |
| 100       | 1,881          | 1,947          | 1,986          |

## 4.5 ASSESSMENT OF PERSONAL COMPETENCE AND PERFORMANCE

The provision concerning the length-of-service component of the personal salary is not valid if the company has a system for assessing and rewarding personal competence and work performance based on objective criteria, through which at least 8% of the sum of the minimum wages is allocated to the salaried employees on a company-specific basis.

Transition to the system is negotiated and agreed upon locally. A withdrawal from the system requires a new agreement.

The structure of the assessment system, including the competence factors and metrics to be assessed, is at the discretion of the employer. However, the system, as well as any subsequent changes to it, are negotiated on between the employer and the shop stewards in an effort to reach an agreement.

All salaried employees should be aware of the factors measured, how they are measured, who measures them and how the results affect their salary. The employer must explain to the shop stewards the fulfilment of the 8% limit in connection with the implementation of pay increases, and in any case at least once a year, unless otherwise agreed.

## 4.6 TRAINEES AND SUMMER EMPLOYEES

A traineeship of a maximum duration of one year may be agreed on with a salaried employee, unless they have acquired the skills required for the job through training or experience. In such a case, the salaried employee's minimum wage for first six months of the traineeship is 80 per cent and for the following six months 90 per cent of the minimum wage applicable to the job's difficulty level. In positions with a difficulty level of 100 or 111, the traineeship period may not exceed six months and the salary must be 90 per cent of the minimum wage for the level.

The minimum wage for salaried employees working in fixed-term employments of a maximum of five months during the holiday period (2 May – 30 September) is 80% of the minimum wage for the relevant level of difficulty, unless the salaried employee has acquired the skills required for the job through training or experience.

Exceptions to the minimum wages set out in the collective agreement may be made with regard to students working as trainees who do not have the experience required for the relevant work and whose degree requirements include a traineeship period or periods.

## 4.7 EFFECT OF WORKING HOURS ON MINIMUM WAGES

The minimum wage scale is based on an average weekly working time of 37.5 hours. When complying with a 40-hour weekly working time, the minimum wages are increased by 2.6%, taking into account the reduction in working time.

#### 4.8 PART-TIME PAY

- 1. When calculating the amount of salary to be paid for part-time work, the hourly salary is arrived at by dividing the monthly salary by the number of regular working hours included in the shift schedule for the relevant month. In this case, the Independence Day is considered comparable to a working day.
- 2. An absence can also be compensated for by an equivalent number of working hours.
- 3. If the salaried employee's salary is determined on the basis of an hourly wage, the minimum hourly wage is formed by dividing the graded salary by 158.

#### 4.9 SUBSTITUTION

The terms and conditions of employment and pay related to a substitution are agreed on before accepting the substitution.

The payment of the substitution compensation requires the substitution to last without interruption for at least five working days. If the condition for the payment of the substitution compensation is met, the compensation is paid from the beginning of the substitution.

When acting as a substitute for another, a person does not perform their own work at all, but focuses solely on the work of the other person. The payment of the substitution compensation requires a person to take up the substitution of a person working in a job with a higher level of difficulty. In this case, the compensation is the salary corresponding to the position's level of difficulty.

When acting as a substitute alongside their own work, a person takes care of both their own work and the work of the person they are substituting. The payment of the compensation requires the substitution to cause significant changes to the salaried employee's duties. The amount of the compensation is 14–35% of the employee's own personal salary.

#### **4.10 PAYMENT OF WAGES**

Unless otherwise agreed, the salary of a salaried employee is a monthly salary and it is paid once a month. The salaried employee indicates the account to which the salary is paid. The salaried employee is provided with a pay slip indicating the amount of the salary and the grounds for its determination.

#### **4.11 OTHER PAY SYSTEMS**

A company may adopt another pay system by local agreement. However, the lowest wage in a company-specific system cannot be lower than the lowest minimum wage specified in the collective agreement's pay system.

#### **4.12 COMMISSION WAGE EARNERS**

Commission-based work is work for which it has been agreed that the salary or part of it is determined on the basis of a fixed salary tied to something other than the time spent on the work.

The factors related to the determination of the salary are agreed on in detail while agreeing on the commission wages. These factors may include the sales objective, the products to be sold, the sales area, a sales rep's designated customers, the sales rep's authorisations, exclusivity, reporting, the job's level of difficulty, the minimum wage, the guaranteed wages, the amount of the fixed salary component, the due date of the commission component and the sales rep's liability in the customer's breach of contract, etc.

The review period for the implementation of the minimum wage is a calendar year, unless otherwise agreed. However, at least 80% of the minimum wage must be paid out monthly.

The personal competence assessment system, which serves as an alternative to the length-of-service component of a personal salary, does not apply to commission wage earners.

Across-the-board increases are implemented in such a way that the commission wage as a whole increases on average, for the same amount of work, by the amount of the across-the-board increase.

Salesmen as referred to in the Act on Commercial Representatives and Salesmen (in this text, sales reps) are not subject to the minimum wage provisions of this collective agreement.

"In this Act, salesman means an employee who, under a representation contract concluded with the employer, has undertaken, on behalf of the employer, to promote the sale of goods in the manner referred to in section 1 by travelling from place to place or by visiting clients at the place where the business of the employer is located. A salesman does not carry the goods to be sold with him." (Chapter 4, section 39 of the Act on Commercial Representatives and Salesmen)

The basis for calculating the annual holiday pay is the average earnings for the holiday credit year.

Sick pay, maternity pay and parental leave pay are calculated on the basis of the average earnings for the previous 12 calendar months, unless a shorter period has been agreed on.

The employer reimburses the costs incurred in the performance of the work.

#### **4.13 CHRISTMAS BONUS**

A salaried employee has the right to exchange the first winter holiday week permanently for a Christmas bonus under the conditions specified below. New employees are directly included within the scope of the Christmas bonus system.

#### I Switching to the Christmas bonus system

# 1. Start of employment before 1 February 2018 (old employees)

The employer and salaried employee may agree on exchanging the first winter holiday week for a Christmas bonus permanently.

Given that the winter holiday and Christmas bonus do not accrue for the same period (the winter holiday earning period ends on 31 March and the Christmas bonus earning period begins on 1 January), the employer and the salaried employee must at the same time agree on how to deduct a winter holiday already taken from the Christmas bonus.

#### Example 1:

The salaried employee has taken their entire winter holiday of five (5) days during the winter holiday period that began on 1 October 2018. The salaried employee and the employer agree on a switch to the Christmas bonus as of 1 January 2019. The Christmas bonus does not start to accrue until 1 April 2019, since the winter holiday and Christmas bonus cannot accrue simultaneously.

#### Example 2:

The salaried employee has taken three (3) days of their winter holiday during the winter holiday period that began on 1 October 2018. The salaried employee and the employer agree on a switch to the Christmas bonus as of 1 January 2019. According to the collective agreement's winter holiday schedule, the salaried employee has accrued four days of winter holiday from 1 April to 31 December 2018 (a period of 9 months). The Christmas bonus starts to accrue immediately as of 1 January 2019. In addition, the salaried employee may take one more day of winter holiday or agree on its exchange for cash.

# 2. The employment starts on 1 February 2018 or later (new employees)

The salaried employee earns the Christmas bonus as of the beginning of their employment.

A salaried employee who does night work and shift work continues to earn a so-called second week of winter holiday (Chapter 5, section 2, subsection 1 of the collective agreement).

#### **II Amount of Christmas bonus**

The Christmas bonus is 2.4% of the salary paid to a salaried employee for regular working hours from 1 January to 30 November, including bonuses (payout principle). The calculation base also takes into account the salary paid for a period of paid leave, such as a holiday period, sick leave, family leave and any travel and training time occurring during regular working hours.

The calculation base does not take into account:

- non-recurring items (including holiday bonuses, Christmas bonuses, performance bonuses)
- adjustment or other compensatory payments made upon converting leaves into cash
- overtime wages and comparable remuneration
- · standby compensation and call-out pay
- shop steward remuneration, initiative bonuses, the meeting fees of cooperation bodies
- the value of fringe benefits (including housing, car, meal or telephone benefits)
- the reimbursements of costs (such as mileage allowances, daily allowances)
- other payroll items paid for regular working hours other than those worked.

#### **III Payment of Christmas bonus**

The Christmas bonus is payable in conjunction with the first payment of wages in December.

At the end of employment, any accrued Christmas bonus is paid in connection to the payoff.

#### **IV Other**

The Christmas bonus system does not apply to

- such hourly paid part-time salaried employees whose holiday pay is calculated as a percentage in accordance with section 12 of the Annual Holidays Act and
- salaried employees who are entitled to a holiday compensation pursuant to section 16 of the Annual Holidays Act when the employment relationship continues.

Those covered by the Christmas bonus are entitled to receive the portion of an annual holiday in excess of 24 business days outside the holiday period.

### **HOLIDAYS**

- **5.1** Annual holiday
- 5.2 Winter holiday
- 5.3 Holiday compensation in case of continued employment and percentual holiday pay

### **HOLIDAYS**

#### **5.1 ANNUAL HOLIDAY**

#### **Local bargaining**

1. By local agreement, an annual holiday can be granted outside the annual holiday period, divided into parts, and a higher proportion than referred to in the law can be granted as a carried-over holiday pursuant to section 27 of the Annual Holidays Act. Furthermore, it can be agreed that the annual holiday pay is paid on the company's normal paydays. Local bargaining is also possible with regard to holiday bonuses.

Unless agreed locally in accordance with the above, annual holidays are granted in accordance with the law and the following provisions of the collective agreement.

#### Provisions concerning annual holidays:

- 2. A salaried employee receives two days of annual holiday as referred to in the Annual Holidays Act for a full holiday credit month. If the employment relationship has lasted for one year by the end of the holiday credit year, the salaried employee receives 2.5 days of annual holiday for a full holiday credit month (section 5 of the Annual Holidays Act).
- 3. A month entitling an employee to a holiday pursuant to the Annual Holidays Act means a calendar month during which the salaried employee has accumulated at least 14 days or at least 35 hours at work if, according to their employment contract, they work on so few days that they do not therefore accumulate 14 days at work in a calendar month (cf. section 6 of the Annual Holidays Act), or during which an equivalent number of days equivalent to time at work (section 7 of the Annual Holidays Act) or reduced working time leaves in accordance with this agreement have accrued in their favour.
- 4. The daily salary to be paid during an annual holiday or as an annual holiday compensation is calculated:
- a) on the basis of the monthly salary, using the number 25 as the divisor.
- b) on the basis of the commission wage so that the number of months entitling the employee to a holiday is used to divide the wages earned over these months and the number 25 is used in converting the daily salary of the average monthly salary arrived at thereby.

5. The holiday bonus is 50% of the holiday pay. It is paid at the beginning of the holiday. The holiday bonus is also paid at the end of an employment relationship.

Local agreement is possible in the following matters concerning holiday bonuses:

- · changing the dates of payment,
- staggering the payment over a longer period of time
- exchanging the holiday bonus for time off.

Also subject to local agreement is whether a holiday bonus is paid at all or whether only part of it is paid. This applies to situations where the employer has financial or production-related grounds for reducing the workforce in accordance with the Dismissal Protection Agreement.

The holiday bonus can be paid in one or more instalments, depending on local agreement. The payment dates must be agreed on precisely so that the due date or dates are uncontested. A transfer and any other related measures must be agreed on before the start of an annual holiday or part of it.

If an employee's employment relationship ends before the holiday bonus' locally agreed date of payment, the bonus is paid at the end of the employment relationship.

When agreeing on the exchange of the holiday bonus or part thereof for corresponding time off, the length of the time off is determined according to the holiday bonus to be exchanged, so that the maximum amount of time off to be exchanged is, depending on the calculation method, for a 30-day (5-week) annual holiday:

- 0.50 x 30 days of annual holiday = 15 days of annual holiday
- $0.50 \times 25$  working days = 12.50 working days
- 0.50 x 200 hours = 100 hours (8h/day)
- 0.50 x 187.5 hours = 93.75 hours (7.5 t/day) Upon the exchange, proportionate time off is determined from a partial holiday bonus.

The time off is subject to a pay for regular working hours on normal paydays.

The parties must acknowledge that the compensation paid for the time off must be at least equal to the monetary amount of the holiday bonus.

The time off cannot be scheduled to coincide with a time for which the employer otherwise pays wages (annual or winter holidays, sickness, etc.) on the basis of the collective agreement or the law.

The method and time of granting the time off must be agreed on. If only part of the holiday pay is exchanged for time off, the remaining part is paid in cash either in connection with the annual holiday pay in accordance with the collective agreement or at other agreed times.

If an employee's employment relationship ends before an exchanged time off is taken, a portion of the holiday bonus corresponding to the time off not taken is paid at the end of the employment relationship.

6 A salaried employee is granted their annual holiday during the holiday period (2 May – 30 September) Part of the annual holiday may also be granted by mutual agreement between the employer and the salaried employee at a time other than what is stated above. If the salaried employee so wishes, the annual holiday must primarily be given as an uninterrupted period.

Those earning a Christmas bonus are entitled to receive the portion of an annual holiday in excess of 24 business days outside the holiday period.

If the employer terminates an employee's employment contract on grounds other than those laid down in Chapter 7, sections 3–4 of the Employment Contracts Act, the employer may order the employee to take their earned holidays during the period of notice, regardless of holiday periods.

7. If a salaried employee is entitled to annual holiday at the end of their employment relationship, this holiday may be included in the period of notice, if the employer or salaried employee so wishes.

#### **5.2 WINTER HOLIDAY**

- 1. Salaried employees who regularly work shifts in which at least every fourth shift in the working hours adjustment system is night work (from 9 p.m. to 6 a.m.) earn winter holidays in such a way that the length of a full winter holiday is 10 working days as referred to in the working hours adjustment system, but nevertheless at least two weeks.
- 2. Salaried employees other than those mentioned above earn winter holidays in such a way that the length of a full winter holiday is 5 working days as referred to in the working hours adjustment system.

#### N.B.

Christmas bonuses are earned by all employees whose employment relationship started on 1 February 2018 or later, and by those salaried employees who have exchanged the winter holiday week for a Christmas bonus. Those earning a Christmas bonus do not accrue a week of winter holiday. They are entitled to receive the portion of an annual holiday in excess of 24 business days outside the holiday period.

3. Receiving the aforementioned winter holiday in full requires 12 holiday credit months as referred to in the Annual Holidays Act. Otherwise, the length of the holiday is determined according to the table below. The winter holiday period begins on 1 October in the earning year and ends on 30 April the following year.

| Number of<br>months entitling a<br>salaried employee<br>to a winter holiday | Length of winter holiday (N.B. The winter holiday of a salaried employee covered by the Christmas bonus is 5 working days shorter) Night and shift Daytime |                   |
|---|--|-------------------|
|   | work   | work              |
| 12 months   | 10 working<br>days   | 5 working<br>days |
| 11 "  | 9 "  | 5 <i>"</i>        |
| 10 "  | 8 "  | 4 "               |
| 9 "   | 7 "  | 4 "               |
| 8 "   | 7 "  | 3 "               |
| 7 "   | 6 "  | 3 "               |
| 6 "   | 5 <i>"</i>   | 3 "               |
| 5 "   | 4 "  | 2 "               |
| 4 "   | 3 "  | 2 "               |
| 3 "   | 2 "  | 1"                |
| 2 "   | 2 "  | 1"                |
| 1"  | 1"   | 1"                |

When a salaried employee does shift work for part of the year and daytime work for part of the year, the right to a winter holiday must be reviewed in periods equal to a calendar month. For one month, 0.83 days of a winter holiday of 10 working days is earned (10:12) and 0.42 days of a winter holiday of 5 working days is earned (5:12). For example, when earning a winter holiday of 10 working days for 9 months and 5 working days for 3 months, the length of the winter holiday is 9 x 0.83 + 3 x 0.42, or 8.73 days, which is rounded to 9 working days. In these cases, the rounding of decimals is performed only from the sum total.

- 4. When calculating the daily salary for the winter holiday compensation, the monthly salary is divided by 21.25.
- 5. Under a local agreement, a winter holiday may be granted at a time other than that provided in the collective agreement, divided into parts or exchanged for cash.
- 6. The first five consecutive days of the winter holiday are postponed if the employee is incapacitated for work at the beginning of the holiday.

# 5.3 HOLIDAY COMPENSATION IN CASE OF CONTINUED EMPLOYMENT AND PERCENTUAL HOLIDAY PAY

1. Under Section 16 of the Annual Holidays Act, a salaried employee who, in accordance with their employment contract, is less than 14 days or 35 hours at work during all calendar months, is entitled to receive a holiday compensation calculated on the basis of the salary paid or due for the time at work during the previous holiday credit year.

The amount of the holiday compensation is arrived at by multiplying the amount of wages in accordance with section 16, subsection 1 of the Annual Holidays Act by the following % coefficient:

|                      | Employment<br>relationship<br>less than 1<br>year | Employ-<br>ment rela-<br>tionship<br>more than 1<br>year |
|----------------------|---|--|
| Daytime work         | 15.50   | 19.25  |
| Night and shift work | 17.50   | 21.25  |

2. The holiday pay and holiday compensation of an hourly paid salaried employee who works less than 14 days per calendar month are calculated as a percentage in accordance with section 12 of the Annual Holidays Act. The percentage is determined in accordance with subsection 1.

### **SICK LEAVE AND FAMILY LEAVE**

- **6.1** Doctor's appointments
- 6.2 VDU work
- 6.3 Sick leave pay
- 6.4 Alternative work
- 6.5 Pregnancy and parental leave
- 6.6 Health insurance compensation
- 6.7 Caring for a sick child
- 6.8 Short temporary leave

### **SICK LEAVE AND FAMILY LEAVE**

#### 6.1 DOCTOR'S APPOINTMENTS

#### 1. Notification of illness

An employee must notify the employer at the earliest convenience of any absence due to incapacity for work.

#### 2. Doctor's certificate on incapacity for work

- 1. As a rule, employees must acquire a doctor's certificate on their illness and the resulting incapacity for work. The certificate must be delivered to the employer without delay. Any exceptions to the main rule by, for example, the self-certification procedure are specified in the general workplace instructions, or case-specifically by specific agreement.
- 2. The employer covers the costs of the certificate on the incapacity for work up to the doctor's fee confirmed by the Ministry of Social Affairs and Health. The employee shall give the employer the authorisation to receive the compensation payable under health insurance.
- 3. A certificate of incapacity for work given by a public health nurse authorised by a doctor can replace a certificate written by a doctor if the illness in question is a common cold or related to an epidemic.
- 4. For particular reasons, the employer may require the employee to acquire a certificate of incapacity for work from the company doctor or other doctor approved by the employer. In this case, the employer covers the costs of the certificate and the doctor's appointment.

#### 3. Doctor's appointments

#### General

- 1 Doctor's appointments must be scheduled outside working hours. Exceptionally, employees may see a doctor during working hours if it is necessary due to the acute nature of the injury or illness, or if an appointment cannot be scheduled outside working hours without excessive inconvenience, or if local health care services are not available outside working hours.
- 2. The loss of working hours caused by a visit to the doctor shall be minimised and the employer shall be informed about the appointment as soon as possible.

#### Occupational health care

3. If the employer has arranged occupational health care services, a justified reason is required for seeing any doctor other than one designated by the employer. Examples of justified reasons: the illness is acute, the illness prevents travelling, or acquiring a certificate of incapacity for work is expensive for the employee because of examinations that are not covered by the employer's compensation obligation.

### 4. Compensation for loss of earnings because of a doctor's appointment

- 1. Compensation for loss of earnings is paid:
  - when a doctor's appointment is necessary in order to receive a doctor's certificate required by the employer,
  - when an injury or illness that requires sick leave or therapeutic measures is diagnosed at a doctor's appointment,
  - when an acute illness occurring during a
    work shift makes an employee incapable for
    work and a visit to the doctor is necessary
    (for example, an acute eye or dental
    disease),
  - for the duration of a physiotherapy session
    if a doctor designated by the employer has
    prescribed physiotherapy that is necessary
    for the maintenance of the employee's ability
    to work and treatment services are not
    available outside working hours,
  - for the duration of laboratory tests and X-ray examinations if the tests and examinations have been prescribed by a doctor and constitute part of a doctor's appointment for which the employer pays compensation for loss of earnings, or the nature of the examination is such that it must be carried out at a time ordered by the doctor.
- 2. Compensation for loss of earnings is not paid for:
  - medical examinations carried out for health control.

- recurring visits to the doctor for the treatment or monitoring of an already diagnosed illness or injury,
- normal dental care.
- a visit to an eye specialist for normal sight control,
- physical therapy (with the exception referred to in item 1),
- laboratory tests and X-ray examinations (with the exception referred to in paragraph 1).

#### N.B.

If doctor's services are not available outside working hours, instead of reducing the employee's pay it is possible to agree on make-up hours.

## 5. Statutory medical examinations and mass screenings

#### **Statutory medical examinations**

- 1. The employer compensates the employee for earnings lost because of a statutory medical examination and reimburses any necessary travel costs.
- 2. If the medical examination takes place during an employee's free time, the employee is reimbursed for the extra costs by paying an amount equal to the minimum daily allowance specified in the Health Insurance Act.
- 3. If applicable under the collective agreement, daily allowance is paid for the duration of a statutory medical examination carried out at some other locality.

#### Mass screenings and age-related examinations

4. If an employee has requested the opportunity to participate in a mass screening or age-related examination arranged by the health authorities outside working hours but this is not possible, compensation for lost earnings is paid for such an examination for the maximum of one day. The obligation to compensate does not apply to any re-examinations or follow-up examinations.

#### 6.2 VDU WORK

In work that is straining for the eyes (visual display units), the employer reimburses the doctor's fee for a visit to an ophthalmologist when the doctor has deemed the visit necessary.

#### **APPLICATION INSTRUCTION:**

#### **VDU GLASSES**

When the working conditions, on the basis of a specialist's examination, require the use of special work glasses for VDU work, the employer compensates for the purchase of such glasses, connected to the use of the equipment.

When a salaried employee engaged in VDU work finds the working conditions to put a particular strain on their vision, they must contact the occupational health doctor designated by the employer and agree on a visit to an ophthalmologist.

If the ophthalmologist's examination finds the VDU work to require the purchase of spectacles to eliminate or reduce the harm caused by the working conditions, the ophthalmologist must be asked to mention this on their receipt, for example.

If the ophthalmologist has issued a prescription for the purchase of work glasses, the salaried employee and the employer must agree on the way in which the glasses are purchased and where, and on the maximum price of the frames, etc. Attention should be paid to the glasses purchased being appropriate and suitable for the person using them, and to the employer's ability to influence the quality and price of the glasses purchased. (However, lenses are subject to the ophthalmologist's prescription.)

Spectacles paid for by the employer are the employer's property; the employee has a right of possession (right of use) to them connected to the work.

#### **6.3 SICK LEAVE PAY**

1. Employees who are prevented from working by such an illness or accident that entitles them to receive pay pursuant to the Employment Contracts Act have the right to receive their pay after uninterrupted employment with the same employer for the following periods of time:

| Uninterrupted employment of          | Full pay                  |
|--------------------------------------|---------------------------|
| one month but<br>less than one year  | for a 40-day period       |
| one year but<br>less than five years | for a 75-day period       |
| five years or more                   | for a period of 105 days. |

If the employment has lasted for less than one month, the employee is entitled to half of the full pay until the end of the ninth weekday following the date of falling ill, but only up to the day on which the employee's right to national sickness allowance under the Sickness Insurance Act (sairausvakuutuslaki) begins.

2. When an employee becomes incapable of work again, the length of paid sick leave on the basis of the

current employment is determined. The number of days of illness for which the employer has paid wages during the preceding six months are subtracted from the total number of days included in this period. The employee is entitled to wages only for the number of days that results from this calculation.

Even if all the days entitling to pay had been used up, the employee is always paid until the end of the ninth weekday following the date of falling ill, but only up to the day on which the employee's right to national sickness allowance under the Sickness Insurance Act begins.

3. Wages are paid in a similar manner also in circumstances in which the authorities have prohibited an employee to come to work under the provisions of the Communicable Diseases Act (tartuntatautilaki, 583/1986).

#### 6.4 ALTERNATIVE WORK

Alternative work refers to work that a salaried employee performs when, due to an accident or illness, they are incapacitated for work in accordance with their employment contract or established duties. The alternative work must be appropriate and, insofar as possible, similar to the employee's normal duties. Alternative work in other tasks or training may be agreed on separately.

The salaried employee's wages may not decrease during the period of alternative work, unless otherwise expressly agreed. Alternative work or training does not constitute a period of incapacity for work. At the end of the alternative work, the salaried employee has the right to return to their previous duties.

Alternative work is voluntary. It is based on the occupational health physician's assessment of the employee's capacity for work and the agreement on alternative work made between the employee and the employer. The alternative work may not jeopardize the salaried employee's recovery. The alternative work's implementation methods and related principles are discussed together, between the employer and the shop steward or the staff.

#### 6.5 PREGNANCY AND PARENTAL LEAVE

### Wages paid during a pregnancy and parental leave

The requirement for the payment of wages is that the employee complies with the provisions on pregnancy and parental allowance included in the Health Insurance Act.

Wages are paid on normal payment days.

In accordance with the Health Insurance Act, weekday means days other than Sundays, religious holidays and midweek holidays.

#### **Pregnancy leave pay**

An employee who is entitled to pregnancy allowance pursuant to the Health Insurance Act is entitled to pregnancy leave pay.

The employee is paid full pay for a total of 40 weekdays during the pregnancy leave under chapter 4, section 1 of the Employment Contracts Act.

#### **Parental leave pay**

An employee who is entitled to parental allowance leave pursuant to chapter 9, section 5, subsections 1–3 of the Health Insurance Act is entitled to parental leave pay.

The employee shall be paid full pay for a total of 21 weekdays during the parental leave under chapter 4, section 1 of the Employment Contracts Act, starting from the beginning of the leave.

The provisions of the previous collective agreement shall be applied to paternity leave if the estimated due date of the baby was before 4 September 2022 or if the adopted child was placed in the employee's care before 31 July 2022. The provisions shall apply regardless of the estimate due date of the baby if the baby was born and the right to parental allowance began before 1 August 2022. In other cases, the new parental leave provisions apply.

**Information about family leave** More information on the various forms of family leave and allowances is available at www. kela.fi.

#### 6.6 HEALTH INSURANCE COMPENSATION

1. An employer who pays wages during sick leave or family leave is entitled to receive the daily allowance paid for the same period under the Health Insurance Act, but no more than the portion of the daily allowance that equals the wages paid.

If an employee is compensated for loss of earnings on the basis of the same occurrence of incapability for work under the Health Insurance Act or the Employees Pensions Act (työntekijäin eläkelaki), the employer is entitled to receive an amount equalling up to the wages paid for the same period.

- 2. Employers may also fulfil their obligation to pay wages by supplementing the daily allowance benefit paid under the Health insurance Act (sairausvakuutuslaki) with wages paid for the duration of an illness or a family leave, so that the employee receives the same benefits that are agreed on herein. Whenever the daily allowance paid under the Health Insurance Act is equally advantageous as the wages paid in accordance with the above, other wages are not paid for the period of sick leave or family leave.
- 3. If a daily allowance pursuant to the Health Insurance Act is not paid or it is paid in a lower amount than the employee would be entitled to pursuant to the Health Insurance Act and the reason for this is attributable to the employee concerned, the employer has the right to deduct from the wages the proportion that was not paid because of the negligence.

#### 6.7 CARING FOR A SICK CHILD

1. When a child of an employee or a child of another person living in the employee's household who is under 10 years old, developmentally disabled or severely ill (Chapter 1, section 4 of Government Decree 1335/2004) comes down with an acute illness, the employee has the right to take temporary paid leave to arrange the child's care or care for the child. This right also applies to a parent who is not living in the same household with the child.

Only one parent at a time may be on temporary leave to care for a sick child. In addition, an employee may be granted temporary leave only in the event that there is no one at home who could arrange the care of the child or care for the child.

2. The maximum duration of paid leave for the same illness is four (4) days. Payment is made in accordance with the provisions concerning sick leave pay. The employer is notified of the absence and the child's illness reported in a similar manner as the employee's own illness.

#### **6.8 SHORT TEMPORARY LEAVE**

- 1. A short temporary leave granted due to an illness in the family or the death of a close relative of a salaried employee is not deducted from the salaried employee's paid working time.
- 2. The provisions of this paragraph shall also apply in respect of one day in the following cases: the salaried employee's own 50th and 60th birthdays, the date of their wedding and an examination prior to military service.

### **OTHER PROVISIONS**

- 7.1 Collection and payment of membership fees
- **7.2** Positions of trust
- 7.3 Military service, non-armed military service or alternative civil service
- 7.4 Military refresher courses
- 7.5 Group life insurance
- 7.6 Liability insurance
- 7.7 Right of association

### OTHER PROVISIONS

## 7.1 COLLECTION AND PAYMENT OF MEMBERSHIP FEES

- 1. The employer deducts an employee's trade union membership fee from each pay if the employee has given the employer an authorisation for this. The employer must sign the authorisation and the shop steward sends copies of it to the recipients specified in the authorisation. At the end of the calendar year or the employment, the employer gives the employee a certificate of the deducted membership fees.
- 2. The deducted membership fees are normally paid to the trade union on the payment day of wages, but no later than by the 15th day of the month following the payment of wages. The membership fee is deductable from any wages subject to withholding tax, including holiday pay, sick leave pay and pregnancy or parental leave pay.
- 3. The trade union provides employers with a member-specific membership fee collection and clearance instructions. A specific clearance of collected membership fees is made at the end of the wage payment period following the end of each quarter of the year. It must be completed by 15 April, 15 July, 15 October and 15 January in accordance with the above guidelines.

A copy of the collection and clearance list is given to the chief shop steward of the personnel group in question.

#### 7.2 POSITIONS OF TRUST

- 1. The time spent on participating in negotiations between associations and unions is not deducted from a salaried employee's paid working time.
- 2. The time spent on the meetings of a trade union's union conference, council and board of directors and any permanent preparatory bodies appointed by them is not deducted from the paid working time of salaried employees.

The trade union informs Finnmedia of the names and terms of office of the elected persons. An elected salaried employee must notify their employer of their participation in the meetings, if possible, one week before the event.

3. The time spent on the tasks of a position of public trust to which a salaried employee has been elect-

ed is not deducted from their paid working time. If the body which appointed the salaried employee to the position has paid compensation for the loss of earnings for the duration of the employee's absence from work, the share of this compensation is deducted from the wages paid by the employer.

4. A salaried employee elected to the board of Industrial Union/Viestintäalan toimihenkilöt Grafinet is entitled to participate in the associations' board meetings. No salary is paid for this time. The notification procedure is similar to that specified in section 2 above.

# 7.3 MILITARY SERVICE, NON-ARMED MILITARY SERVICE, ALTERNATIVE CIVIL SERVICE AND PEACEKEEPING SERVICE

- 1. An employee in military service, non-armed military service or alternative military service, as well as an employee enrolled in peacekeeping service or training for peacekeeping service, has the right to return to the previous or similar job in accordance with the provisions of law after the end or discontinuation of the service.
- 2. During employment, the absence referred to in this provision is taken into account in the determination of the salaried employee's years of service.

#### 7.4 MILITARY REFRESHER COURSES

For the duration of military refresher courses and supplementary service, an employee is entitled to receive their wages plus an inconvenient conditions bonus. However, while the reservist pay payable by the government may be deducted from the wages, the military refresher course or supplementary service allowance may not.

#### 7.5 GROUP LIFE INSURANCE

The employer shall take out a group life insurance policy for the employees, as agreed between the central labour market organisations.

#### 7.6 LIABILITY INSURANCE

The employer takes out a so-called employer's liability insurance for salaried employees in a managerial position, this insurance covering the liability of a salaried employee who is in the service of the employer, their substitute or the policyholder in a managerial or supervisory position, such as a foreperson, for any personal injury and property damage caused to their own employee insofar as the damage is not covered by the statutory accident insurance or motor insurance.

#### 7.7 RIGHT OF ASSOCIATION

The right of association is mutually inviolable.

# NEGOTIATION PROVISIONS AND INDUSTRIAL PEACE

- 8.1 Assembly at the workplace
- 8.2 Local bargaining
- 8.3 Negotiating procedure at the workplace
- 8.4 Settlement of disputes
- 8.5 Arbitration
- 8.6 Industrial peace
- 8.7 Labour disputes in which salaried employees do not participate
- 8.8 Survival actions if the company finds itself in financial difficulties

# NEGOTIATION PROVISIONS AND INDUSTRIAL PEACE

#### 8.1 ASSEMBLY AT THE WORKPLACE

Employees have the right to arrange meetings at the workplace to discuss employment relationship-related questions. Such meetings shall be agreed on with the employer reasonably in advance of the meeting. Meetings shall be arranged outside working hours: before the start of the working day, during the lunch hour or immediately after working hours. Elected officials, who shall be present at the meeting, are responsible for the appropriate use of the place of assembly. Representatives from the respective employee organisation, its branch organisation or the central organisation may be invited to meetings.

#### 8.2 LOCAL BARGAINING

- 1. Local bargaining is possible according to the negotiating procedure of this collective agreement.
- 2. In local bargaining concerning agreements on the local application of this agreement, the negotiating parties in matters concerning one employee are the employee and the employer's representative, and in matters concerning a department or the company the negotiating parties are the shop steward and the employer's representative. Employees have the right to have shop stewards assist them in negotiations. When agreeing on working hours arrangements, individual employees' reasoned opinions on their personal needs must be taken into account.
- 3. Local agreements are made in writing; in matters concerning one employee, the agreement is made in writing at either party's request.

The associations recommend that at least the following be included in local agreements:

- purpose of the agreement
- parties to the agreement
- subject matter of the agreement
- detailed terms and conditions of the agreement
- · validity and termination
- dates and signatures.
- 4. A local agreement can be made for a fixed or indefinite period. Unless otherwise agreed, an agreement

made for an indefinite period can be terminated with three months' notice. If no new agreement is made after the termination, the applicable provisions of the collective agreement and legislation shall apply after the expiry of the agreement.

- a) Collective matters to be agreed with the shop steward:
  - the introduction of a locally agreed pay system
  - the non-payment of a holiday bonus or part thereof in circumstances in which the employer has financial or production-related grounds for the reduction of personnel
  - agreeing on a single concept of overtime.
- b) Matters to be agreed with the salaried employee or shop steward:
  - regular working in such a way that they do not exceed 12 hours a day and 60 hours a week
  - the payment of annual holiday pay on the company's normal paydays
  - postponing the payment dates of annual holiday pay or staggering the payments over a longer period of time
  - agreeing otherwise on evening and night pay and Saturday evening and night pay, although not by employment contract or during a trial period.
- c) Individual matters to be agreed with a salaried employee:
  - the granting of annual holidays outside the annual holiday period, dividing an annual holiday into parts, and granting a higher proportion than referred to in law as carriedover holiday pursuant to section 27 of the Annual Holidays Act
  - exchanging the holiday bonus for time off
  - the granting of winter holidays outside the period specified in the employment contract, dividing them into parts or exchanging them for time off.

### 8.3 NEGOTIATING PROCEDURE AT THE WORKPLACE

- 1. Questions concerning terms of employment must first be resolved through discussions between the employee and supervisor. If an issue relating to the terms of employment cannot be resolved in this way, it is discussed in negotiations between the department's shop steward and the employer's representative. If the matter cannot be resolved at the department level, the department's shop steward can submit the matter to the chief shop steward. The result of the negotiations is recorded and those involved are notified of the result.
- 2. The responsibilities and associated authorisations assigned to persons, shop stewards and supervisors regarding employment matters and local bargaining at the different levels of the negotiating procedure must be determined in cooperation.
- 3. The employer provides new employees with information on the management of the company's employment relationship matters and the negotiating procedure.

#### 8.4 SETTLEMENT OF DISPUTES

- 1. Any disputes arising from the interpretation of this collective agreement between the employer and an employee or between the signatory associations shall primarily be resolved through negotiations. The negotiations are to be conducted without undue delay.
- 2. If a dispute cannot be settled at the workplace, the employer or employees may take the initiative to submit the matter to be resolved by the associations.

A mutual memorandum is prepared of an unresolved issue at the workplace, specifying the matter causing the disagreement and the substantiated opinions of both parties. The memorandum is sent to the employee' and employers' associations. In specific cases, the associations may agree to resolve the matter without a written memorandum of the dispute.

3. If the associations cannot settle the dispute concerning the interpretation of the collective agreement, the matter may be submitted for settlement by arbitration.

#### 8.5 ARBITRATION

#### 8.5.1 General provisions

1. Each party to the collective agreement appoints two arbitrators and a necessary number of substitutes for

them for the agreement period. An arbitrator may also be a person who could be declared disqualified pursuant to section 10 of the Arbitration Act (välimiesmenettelystä annettu laki, 23 October 1992).

The arbitrators appoint a chairman for the collective agreement period. The chairman shall be an impartial person learned in the law. If the arbitrators cannot agree on the appointment of a chairman, the Conciliator General appoints the chairman at the request of either party.

- 2. If an association wants to submit a matter for arbitration, the other party is notified of this in writing. A copy of the notification is given to the chairperson of the arbitrators within 30 days of the date on which it was established that the associations cannot reach a settlement.
- 3. If the arbitrators find that the matter submitted to them has far-reaching consequences and its general nature requires settlement by the Labour Court, they notify the parties concerned. After this, they have the right to initiate court proceedings in the Labour Court.
- 4. The arbitrators may complete the processing of pending matters after the expiry of the collective agreement.
- 5. An arbitral decision cannot be appealed.
- 6. Any costs and compensations ordered by the arbitration decision to be paid by an individual person concerned shall be payable by the individual's association.
- 7. In other respects, the provisions of the Arbitration Act apply.

#### 8.5.2 Local agreements

Disputes arising from the application and interpretation of the local agreement referred to in paragraph 8.2 of the collective agreement shall be settled in accordance with the negotiating procedure. If the associations cannot settle a dispute, the matter can be settled through arbitration, for which each association shall appoint one representative and the representatives together appoint the chairman. In other respects, what is provided in paragraph 8.5.1 of the collective agreement apply to arbitration.

### 8.5.3 Negotiation provisions for grouping the difficulty of jobs and arbitration

1. The assessment concerning the difficulty of jobs is carried out in cooperation. The associations recommend the establishment of a rating committee. If

there is no rating committee, the collective agreement's negotiating procedure and provisions on the handling of disputes are followed. If the parties fail to reach an agreement on the rating, the employer rates the jobs and is responsible for the rating's accuracy.

The associations recommend that the job of a new salaried employee be rated no later than four months after the salaried employee has begun working in the job, and if the their duties change substantially, the rating is reviewed between the salaried employee and their supervisor. A shop steward may request a joint review of the ratings on an annual basis.

- 2. An individual employee cannot contest a job difficulty rating agreed upon in the rating committee or according to the negotiating procedure.
- 3. The associations do not handle disputes related to the pay system that do not have an effect on pay.
- 4. In resolving disputes, the associations may use the services of a pay system expert who may be given decision-making powers by separate agreement.
- 5. If the associations cannot settle the dispute, the matter may be submitted for settlement by arbitration.
- 6. The associations each appoint one arbitrator and the arbitrators elect a pay system expert to serve as their chairperson. In other respects, what is provided in section 8.5.1 of the collective agreement applies to arbitration.

#### 8.6 INDUSTRIAL PEACE

While this collective agreement is in force, no secret of public lockout, strike, boycott or working ban shall be initiated.

# 8.7 LABOUR DISPUTES IN WHICH SALARIED EMPLOYEES DO NOT PARTICIPATE

- 1. In the event that a labour dispute (strike, lockout, blockade, etc.) not contrary to the agreements or regulations issued by the authorities breaks out between the employer and a group of persons outside the scope of this agreement, a salaried employee must:
- a) in the usual manner, perform the duties regularly assigned to them by virtue of their job;
- b) perform duties normally performed by salaried employees working for the same company within the meaning of this agreement;

- to the extent that can be reasonably required of them, perform duties that facilitate and expedite the resumption and maintenance or enhancement of work after the end of the dispute; and
- d) participate in protective measures, which refer to the suspension of work in a technically appropriate manner and measures aimed at preventing potential danger to people or damage to buildings and other equipment, machinery or warehouses, or to prevent the deterioration of warehoused goods; comparable to this is work performed for extremely compelling reasons or work that someone is obligated to perform by law or regulation, and work the neglect of which may result in prosecution.
- 2. During a labour dispute that is contrary to the agreement or regulations issued by the authorities, a salaried employee must perform the tasks referred to in paragraph 1 above and, if so agreed locally, other tasks necessary to safeguard the company's operations.
- 3. If the labour dispute has lasted for at least three months and the salaried employee cannot be provided with a sufficient amount of such work as they are obligated to perform during the labour dispute in accordance with the above provisions, their wages may be reduced by 10% after one month, and a further 10% after another month, etc., until the wages have been reduced to 60% of the original wages, by correspondingly reducing the salaried employee's working time.

# 8.8 SURVIVAL ACTIONS IF THE COMPANY FINDS ITSELF IN FINANCIAL DIFFICULTIES

1. Anticipatory measures

In order to safeguard the continuity of business and jobs, the following topics shall be discussed with representatives of the personnel groups:

- the company's financial and operational state on the basis of the relevant key indicators
- the employer's corrective measures to improve the financial situation
- the measures to improve productivity, and
- the primarily available possibilities for flexibility under the collective agreement and local bargaining in order to improve the financial situation.
- Survival actions if the company finds itself in financial difficulties

When it is jointly established with the shop steward or, if no shop steward has been elected, with representa-

tives of the employees that the company finds itself in exceptional financial difficulties which would result in a reduction in the use of workforce or threaten the existence of the company, it is possible to locally agree for a fixed period no longer than one year on:

- exchanging holiday bonuses for time off
- waiving holiday bonuses in full or in part
- carrying forward the part of an annual holiday that exceeds 12 days
- postponing the payment of premium pay or the portion of pay that exceeds the minimum pay and to establish the payment date
- postponing the implementation of pay increases agreed on in the collective agreement.

Furthermore, when it is jointly established that the company is heading towards exceptional financial difficulties which would result in a reduction of the workforce or threaten the existence of the company, the employer may decide to adopt an extended holiday period lasting from 1 April to 31 October. Even in such a case, at least 12 holiday days must be scheduled to take place during a holiday period pursuant to the Annual Holidays Act.

At the same time, possible protection against arbitrary dismissal for the duration of the above adjustments shall be agreed on, as well as the compensation for employees' financial losses once the company's financial standing has improved.

Local agreements shall be in writing. The adjustments shall apply equally to the entire staff and management of the company.

'Company' refers to the company or an independent part thereof, such as a production plant.

Consideration of the key indicators takes into account the group and its subsidiaries and their financial key indicators, income statement and balance sheet.

This provision does not address the obligations provided in the Act on Co-operation within Undertakings (yhteistoimintalaki) in any way.

CO-OPERATION IN THE COMMUNICATIONS INDUSTRY

### CHAPTER 10

**AGREEMENT ON DISMISSAL AND LAY-OFF** 

### CHAPTER 11

**SHOP STEWARD AGREEMENT** 

### **CHAPTER 12**

TRAINING AGREEMENT

### CHAPTER 13

OCCUPATIONAL SAFETY AND HEALTH AGREEMENT – GENERAL SECTION

### **CHAPTER 14**

OCCUPATIONAL SAFETY AND HEALTH AGREEMENT – SPECIAL SECTION

### CHAPTER 15

REFERRAL TO TREATMENT AND TEMPLATE FOR AGREEMENT ON REFERRAL TO TREATMENT

### CHAPTER 16

TRAVEL EXPENSES AND OTHER SIMILAR COMPENSATIONS AND DAILY ALLOWANCE

### CHAPTER 17

TOVA GUIDE: SUMMARY OF THE PAY SYSTEM GUIDE FOR SALARIED EMPLOYEES

# CO-OPERATION IN THE COMMUNICATIONS INDUSTRY

#### 1. Basic principles of co-operation

The purpose of co-operation is to:

- promote interaction and co-operation between the employer and personnel,
- improve internal communication within the company,
- · improve the company's operations
- promote employees' possibilities to influence the company's decisions concerning their work, working conditions and position in the company,
- promote closer co-operation between the employer, personnel and employment authorities in order to improve employees' position and promote their employment in connection with changes in the company's operations.

The essential components of co-operation are:

- · genuine interaction,
- day-to-day co-operation at work in common matters.
- exploitation of different views expressed at the workplace,
- the opportunity to participate, influence, improve and plan the future.

#### 2. Recommendation by the associations

The Act on Co-operation within Undertakings applies to companies with a minimum of 20 employees. The signatory associations recommend that the basic principles of co-operation be applied in smaller companies, too.

#### Implementation of dialogue in accordance with the Act on Co-operation within Undertakings (1333/2021)

In companies falling within the scope of the Act on Co-operation within Undertakings, the employer must conduct a regular dialogue with personnel representatives in accordance with Chapter 2 of the Act on Co-operation within Undertakings. The dialogue is carried out in a meeting between the employer and the employees' representative or representatives. If the subject of the dialogue concerns more than one personnel group, the Act on Co-operation within Undertakings requires the matter to be discussed at a meeting with the repre-

sentatives of all the personnel groups impacted by the matter.

The discussions can take place at the meetings of an advisory committee, for example.

The primary representatives of each personnel group in the advisory committee include the shop stewards elected on the basis of the collective agreement and the industrial safety delegate or other member of the industrial safety organisation. For editorial staff, the chairperson of the editorial department is also included. Each personnel group elects any necessary additional members from among their number.

If an advisory committee is elected for the workplace and if a personnel group lacks a representative elected on the basis of the collective agreement, each personnel group elects representatives to the committee from among their number for a term of two years. The number of representatives depends on the size of the group. However, each personnel group in the company elects at least one representative.

The employer appoints its own representatives to the committee. Their number may not be more than half of the total number of employee representatives.

Companies with a joint ownership base may agree on the establishment of a joint advisory committee. Whenever considered appropriate with regard to the size or location of the company's independent operational units, an advisory committee is established in each of the units.

#### 4. Co-operation between the associations

The associations promote the implementation of the Act on Co-operation within Undertakings through guidance and training.

Should any dispute arise from the interpretation of the Act on Co-operation within Undertakings, the contesting party shall submit the information concerning the co-operation procedures-related dispute to the associations in writing. The associations shall process the matter, aiming to establish the correct interpretation of the Act. Civil cases concerning co-operation procedures are resolved in a general court of law.

### AGREEMENT ON DISMISSAL AND LAY-OFF

## Section 1 The agreement in relation to law

Insofar as not otherwise agreed in this agreement, the provisions of the Employment Contracts Act on the grounds and procedures concerning the termination of employment and lay-offs shall apply. The Employment Contracts Act does not constitute part of this agreement.

#### **LAY-OFF**

## Section 2 Definition of lay-off

- 1. Laying off means the temporary interruption of work and remuneration on the basis of the employer's decision or an agreement made at the employer's initiative, while the employment relationship continues in other respects. If the conditions laid down in the Employment Contracts Act are met, the employer is entitled to lay off employees either for a fixed period or indefinitely by interrupting the work completely or by reducing an employee's regular working hours prescribed by law or contract, to the extent necessary in view of the grounds for laying off the employee.
- 2. Notwithstanding what is provided on the grounds for lay-off and the lay-off notice, the employer and the employee may, during the employment relationship, agree on a lay-off for a fixed period if this is necessary in view of the employer's operations or financial standing.

# Section 3 Advance explanation of the grounds for lay-off

- 1. The provision on the advance explanation does not apply to employers who observe the Act on Co-operation within Undertakings.
- 2. Immediately after becoming aware of the need for lay-offs, the employer must present the explanation pursuant to the Employment Contracts Act, specifying the grounds for the lay-off, as well as its estimated extent, implementation, commencement date and duration. The employer must reserve the employees or the shop steward an opportunity to be heard concerning the explanation given. The advance explanation shall lose its significance if the lay-offs are not put into effect within a reasonable period of time of the date specified in the advance explanation.

## Section 4 Lay-off notice

- 1. Unless otherwise agreed, the employer must notify employees of a lay-off at least five (5) days in advance. The lay-off's period of notice begins on the day following the day on which the employer notified the employees about the lay-off.
- 2. The employer must notify employees of a lay-off in person, unless otherwise agreed between the employer and the respective shop steward. If the notice cannot be given in person, it can be given by letter or electronically with the same minimum notice period.

The notice must include the grounds for the lay-off, the date of its commencement and the duration or estimated duration of the lay-off.

- 3. At the employee's request, the employer must provide a written lay-off certificate which specifies at least the reason for the lay-off, the date of its commencement, and the duration or estimated duration of the lay-off.
- 4. However, the obligation to provide notice does not exist if the employer is, for the entire lay-off period, exempt from the duty to pay the employee on account of other absence from work.

# Section 5 Cancellation, postponement and interruption of lay-off

#### 1. Cancellation of lay-off

If new work turns up for the employer during the layoff's period of notice, the employer may cancel the layoff before it begins. In this case, the notice of lay-off loses its significance and any subsequent lay-offs shall be based on new lay-off notices.

#### 2. Postponement of lay-off

Work received during the lay-off's period of notice may be temporary in nature. In such a case, it is not possible to completely cancel the lay-off, but it can be postponed to start on a later date. A lay-off may be postponed only once on this ground without providing a new lay-off notice, and by no more than the number of days that it took to perform the work that appeared during the lay-off notice period.

#### 3. Interruption of lay-off

The employer may receive temporary work after the lay-off has already started. If the lay-off is expected to continue immediately after the completion of the work in question without providing a new lay-off notice, the interruption of a lay-off shall be based on an agreement between the employer and employee. Such an agreement should be made before the work in question begins. In conjunction with this, the estimated duration of the temporary work should also be specified.

## Section 6 Other work during lay-off and returning to work

- 1. Employees may take on other work during a lay-off.
- 2. If an employee has accepted other work for the duration of the lay-off after receiving the lay-off notice but before being informed about the cancellation or post-ponement of the lay-off, the employee is not liable to compensate for any damage suffered by the employer because of this. In such a situation, the employee must return to work as soon as possible.
- 3. If an employee has been laid off indefinitely, the employer must notify the laid-off employee of resumption of work at least seven days in advance, unless otherwise agreed. In such a case, the employee has the right to terminate an employment contract made with another employer for the lay-off period, regardless of its duration, with five days' notice.

# Section 7 Termination of the employment contract of a laid-off employee

#### 1. The employer terminates the contract

If the employer terminates a laid-off employee's employment contract to end during the lay-off, the employee is entitled to receive his or her wages for the period of notice. The employer may deduct an amount equalling 14 days' pay from the amount payable for the notice period if the employee has been laid off using a law- or contract-based lay-off notice period of more than 14 days.

If an employee whose employment has been terminated because of the lack of work is laid off for such a reason during the notice period, the employer's liability to pay is determined in accordance with the same principles.

#### 2. The employee terminates the contract

During a lay-off, employees are entitled to terminate their employment contract without a notice period re-

gardless of the contract's duration. If the employee knows the end date of the lay-off, this right shall not apply for seven days preceding the end of the lay-off period.

Employees who terminate their employment contract after the lay-off has lasted continuously for a minimum of 200 days are entitled to their pay for the notice period as compensation in accordance with paragraph 1. The compensation is paid on the employer's first normal payday following the termination of the employment contract, unless otherwise agreed.

#### TERMINATION OF EMPLOYMENT FOR A REASON ASSOCIATED WITH THE EMPLOYEE'S PERSON

### Section 8 Grounds for termination

1. The employer may terminate an indefinitely valid employment contract only for a proper and weighty reason pursuant to Chapter 7, sections 1 and 2 of the Employment Contracts Act.

Serious breach or neglect of obligations arising from the employment contract or the law and having essential impact on the employment relationship, as well as such essential changes in the conditions necessary for working related to the employee's person as render the employee no more able to cope with his or her work duties, can be considered a proper and weighty reason for termination arising from the employee or related to the employee's person. The overall circumstances of the employer and employee must be taken into account when assessing the proper and weighty nature of the reason.

2. The employer must carry out the termination of the employment contract within a reasonable period of time after being informed of the existence of the grounds for termination.

#### Section 9 Hearing of the employee

1. Before the employer terminates an employment contract, the employer must give the employee an opportunity to be heard concerning the grounds for termination. The employee has the right to use an assistant when being heard.

The assistant may be the employee's own shop steward or a colleague, for example.

#### **TERMINATION PROCEDURE**

#### Section 10 Notifying of termination

- 1. The notice of termination concerning an employment contract must be given to the employer, the employer's representative or the employee in person. If the notice cannot be given in person, it can be given by letter or electronically. In such a case, the recipient is considered to have received the notice no later than on the seventh day after it was sent.
- 2. If the employee is on annual holiday pursuant to law or agreement, or on leave of at least two weeks granted for the staggering of working hours, a notice of termination sent by letter or electronically is considered to have been delivered no earlier than on the first day after the end of the holiday or leave.

### Section 11 Periods of notice

1. The employer must observe the following periods of notice:

| Uninterrupted duration of employment                     | Period of |  |
|--|-----------|--|
| notice   |           |  |
| • 12 months or less                                      | 14 days   |  |
| <ul> <li>over 12 months but less than 4 years</li> </ul> | 1 month   |  |
| <ul> <li>over 4 but less than 8 years</li> </ul>         | 2 months  |  |
| <ul> <li>over 8 but less than 12 years</li> </ul>        | 4 months  |  |
| over 12 years  | 6 months  |  |

2. The employee must observe the following periods of notice:

| Uninterrupted duration of employment | Period of |  |
|--------------------------------------|-----------|--|
| notice                               |           |  |
| • 5 years or less                    | 14 days   |  |
| over 5 years                         | 1 month   |  |

3. By way of derogation from items 1 and 2, the employer and a salaried employee may agree by an employment contract that the period of notice observed by the salaried employee is at maximum 3 months. The period of notice observed by the employer cannot be shorter than the employee's period of notice.

However, if the employment relationship in such cases has continued for more than 8 years, the period of notice observed by the employer is extended in accordance with section 1. The period of notice to be observed by the salaried employee may be agreed on differently when terminating the employment relationship.

4. The period of notice begins on the day following the date of the notice.

### Section 12 Non-compliance with a period of notice

- 1. An employer who terminates an employment contract without observing the period of notice must pay the employee full pay for a period equivalent to the period of notice as compensation.
- 2. Employees who fail to observe the period of notice must pay the employer an amount equivalent to their pay for the period of notice as a lump-sum compensation. The employer is entitled to withhold this sum from the payoff to be paid to the employee, complying with what is provided on an employer's right of set-off in chapter 2, section 17 of the Employment Contracts Act.
- 3. If the failure to observe the period of notice is only partial, the liability to pay compensation is limited to the amount corresponding with the wages paid for the non-observed period of notice.

## Section 13 Notifying of the reason for termination

At the employee's request, the employer must notify the employee without delay in writing of the termination date of the employment contract and the reasons known to the employer that have constituted the grounds for terminating the employment contract.

#### **MISCELLANEOUS PROVISIONS**

#### Section 14

#### Protection against dismissal during pregnancy and family leave (Chapter 7, section 9 of the Employment Contracts Act)

The employer may not terminate an employment contract on the basis of the employee's pregnancy or because the employee is exercising their right to the family leave provided in Chapter 4 of the Employment Contracts Act. At the employer's request, the employee must present the employer with proof of pregnancy.

If the employer terminates the employment contract of a pregnant employee or an employee on family leave other than the leave provided for in chapter 4, section 7a of the Employment Contracts Act, the termination shall be deemed to have taken place on the basis of the employee's pregnancy or family leave unless the employer can prove there was some other reason.

The employer shall be entitled to terminate the employment contract of an employee on maternity, special maternity, paternity, parental or child-care leave on the grounds laid down in section 3 of the Employment Contracts Act only if its operations cease completely.

A reference to law means that the content of the provision of law is observed as valid at any given time.

### Section 15 Order of personnel reductions

- 1. Dismissals or layoffs for reasons that are unrelated to the individual employee shall, where possible, comply with a rule whereby the last employees to be dismissed or laid off are the skilled professionals who are important for the company's operations and those who have lost part of their working capacity while working for the same employer. The duration of employment and the number of dependants that the employee has are also taken into account.
- 2. In disputes concerning the order of personnel reductions, legal action must be instituted within two years of the termination of the employment.

#### Section 16 Informing the shop steward of dismissals and lay-offs

1. Any reductions or lay-offs carried out for financial or production-related reasons must be reported to the shop steward.

## Section 17 Re-employment

The re-employment provision pursuant to this section and Chapter 6, section 6 of the Employment Contracts Act may be deviated from by written agreement between the employer and employee. However, the re-employment obligation cannot be deviated from in conjunction with signing the employment contract or during the trial period. Before making such an agreement, the shop steward must be notified of its content. Employees have the right to use the shop steward's expertise for making the agreement.

The employer must offer work to a former employee whose employment has been terminated because of financial and production-related reasons or a restructuring procedure and who is still seeking employment through the employment authorities, if the employer needs employees within four months of the termination for the same or a similar job as that held by the dismissed employee. However, in the event that the employment of the dismissed employee has continued uninterrupted for 12 years or more before the dismissal, the re-employment period is six months.

#### **APPLICATION INSTRUCTION:**

The employer fulfils its obligation by contacting the local employment authorities to inquire whether the employer's

terminated former employees are seeking work through said authorities. 'Local employment authorities' refers to the authorities in whose area the work in question is available. On the basis of the inquiry, the employment authorities investigate whether any employees referred to in this provision are seeking work. In conjunction with the same, it should be investigated whether there still are unemployed employees seeking work who have terminated their employment on their own initiative after a lay-off of more than 200 days. The authorities inform the employer of such employees, and the former employees are given employment designations.

#### Pay certificate

According to the Act on Unemployment Security (työttömyysturvalaki), the employer must give the pay certificate referred to in the Act on Unemployment Security to the unemployment benefit society (this provision does not constitute part of the collective agreement).

#### **SETTLEMENT OF DISPUTES**

#### Section 18

### Termination of employment for a reason associated with the employee's person

Pursuant to the provisions of this agreement, it is also possible to investigate

- a) whether a termination due to financial and production-related reasons referred to in Chapter 7, sections 3 and 4 of the Employment Contracts Act factually resulted from a reason attributable to the employee's person, and
- b) whether the employer would have had sufficient grounds for termination in a situation in which an employment contract has been cancelled on the basis of Chapter 8, sections 1 and 3 of the Employment Contracts Act.

#### Section 19 Negotiations

#### 1. Obligation to negotiate

An employee shall notify the employer without undue delay if the employee finds that the employer has terminated the employment contract contrary to this collective agreement.

The employer shall without delay initiate negotiations with the employee concerning the dispute arising from the termination of the employment contract.

#### 2. Local negotiations

The local negotiations between the employer and employee referred to in paragraph 1 above must be conducted without delay once the employer has received the contesting notice referred to in the previous paragraph from the employee.

#### 3. Negotiations between the associations

If it has not been possible to resolve a dispute between the employer and employee through local negotiations, the employer or employee shall submit the dispute to be negotiated between the associations. If possible, the negotiations between the associations are conducted during the notice period.

#### 4. Negotiation procedure

The negotiating procedure of the collective agreement binding on the associations or, before the signing of a new collective agreement, the negotiating procedure of the last collective agreement binding on the associations, shall apply.

#### 5. Arbitration

If no agreement can be reached in a dispute concerning the termination of an employment contract, either one of the associations may submit the dispute for arbitration.

If a matter concerning a termination due to a reason associated with the employee's person has been contested, the employment does not end until the processing of the dispute in accordance with the negotiating procedure is completed, also through arbitration between the associations, when necessary. The arbitrators cannot submit the matter to the Labour Court.

The negotiations and other procedures related to the matter must be carried out without undue delay and, if possible, during the period of notice.

#### 6. The associations' right to make an agreement

In individual cases, the associations may agree in a different manner on the negotiating procedure referred to in paragraph 4 above and the arbitration referred to in paragraph 5.

### Section 20 Compensations

- 1. An employer who has terminated an employee's employment contrary to the termination grounds specified in section 7 of this agreement must compensate the employee in accordance with Chapter 12 of the Employment Contracts Act.
- 2. An employer cannot be ordered to pay a compensatory fine for non-compliance with the procedural provisions of this agreement insofar as it is a question of violating duties that are based on the collective agreement but are basically the same as those for which compensation pursuant to paragraph 1 has been ruled.

Non-compliance with provisions is taken into account when determining the amount of compensation ruled payable for the groundless termination of an employment contract.

### SHOP STEWARD AGREEMENT

## Section 1 Purpose of the agreement

The purpose of the shop steward system is to contribute to compliance with agreements signed between the parties, the prompt and appropriate settlement of disputes between an employer and a salaried employee, the handling of other issues arising between employers and salaried employees, and the maintenance and promotion of industrial peace in the manner required by the collective agreement system.

## Section 2 Shop steward

- 1. In this agreement, in the absence of anything to the contrary in the text of the agreement, 'shop steward' refers to a chief shop steward and a departmental shop steward.
- 2. A salaried employee in the service of the relevant employer who falls under the collective agreement's scope of application and is familiar with the workplace's conditions may be elected as shop steward or deputy shop steward.

## Section 3 Election of shop steward

1. Each company's salaried employees, referred to in the collective agreement and members of an organisation bound by the collective agreement, elect a chief shop steward, their deputy and a departmental shop steward for at least two years at a time.

A local agreement can be made on a joint chief shop steward and deputy chief shop steward representing the salaried employees of several companies within a corporation. The duties and compensation of the joint chief shop steward and the procedures related to local bargaining are agreed on locally. The employment security of the chief shop steward and deputy chief shop steward is determined within the framework of the company acting as the employer.

If a joint chief shop steward is agreed upon, the possible need to elect departmental shop stewards is agreed on locally.

2. The election of a departmental shop steward can be agreed on locally. In such a case, attention is paid

to, among other things, the organisational entity of the department, the separateness of the workplace, the number of salaried employees and the practical possibility of electing a departmental shop steward.

3. The shop steward election can be carried out at the workplace. If the election takes place at the workplace, all salaried employees who are members of the organisations bound by the agreement must be given an opportunity to participate in the election. The arrangement and execution of the election may nevertheless not disturb work.

The schedules and venues of the election are agreed on with the employer no later than 14 days before the election.

4. A party to or association bound by the collective agreement must inform the employer in writing of the elected shop stewards. The notification must also indicate any deputy elected for a chief shop steward when this person will act as a substitute for the chief shop steward.

After receiving notification of the result of the shop steward election, the employer notifies the shop steward as soon as possible, in writing, who conducts local or company-specific negotiations on behalf of the employer and of this person's deputy.

## Section 4 The shop steward's employment relationship

- 1. With regard to their employment with the employer, a chief shop steward and departmental shop steward are in the same position regardless of whether they attend to their shop steward duties in addition to their regular job or whether they are partially or totally exempt from work duties. A shop steward is obligated to comply with the general terms of employment, working hours, the supervisory staff's orders and other administrative rules.
- The chief shop steward's and departmental shop steward's opportunities to develop and advance in their profession may not be impaired because of their duties as a shop steward.
- 3. The chief shop steward and departmental shop steward may not, during or because of their office, be transferred to a job with lower pay than the job they held

before being elected shop steward, or groundlessly to a job that does not correspond with their professional skills. Their employment relationship may not be terminated because of their position as shop steward.

4. If employees in the company are dismissed or laid off for financial or production-related reasons, a shop steward shall not be subject to such a measure, unless the company's activities are discontinued altogether. However, this provision may be deviated from if it is mutually found that the chief shop steward cannot be offered work that corresponds with their profession or that is otherwise suitable for them. In accordance with Chapter 7, section 10 of the Employment Contracts Act, the employment contract of a departmental shop steward may be terminated only when the work is completely terminated and no other work corresponding with their professional skills can be arranged.

If the employer terminates the employment contract of a deputy shop steward or lays them off when they are not acting as a substitute for the shop steward or do not otherwise hold the status of a shop steward, the termination or lay-off is considered to have been caused by the employee's position of trust, unless the employer is able to show that the action resulted from some other reason. The presumption pursuant to this contract clause is in force for the duration of a deputy shop steward's term and for six months following its termination.

The employment relationship of a shop steward or departmental shop steward may not be terminated for a reason attributable to the shop steward without the consent of a majority of the employees they represent, as required by Chapter 7, section 10 of the Employment Contracts Act.

A shop steward's or departmental shop steward's employment contract may not be cancelled contrary to the provisions of Chapter 8, section 1 of the Employment Contracts Act. Cancelling a shop steward's employment contract on the grounds of violating administrative rules is not possible, unless the shop steward has, at the same time and repeatedly, materially and despite a warning, failed to comply with the obligations specified in section 43, subsection 2, paragraph 6 of the Employment Contracts Act of 1970.

When assessing the grounds for cancelling a shop steward's or departmental shop steward's employment contract, the shop steward may not be placed in a disadvantageous position compared with other employees.

5. The provisions of this paragraph shall also apply to a candidate for the position of shop steward. However, the protection of a candidate begins no sooner than three months before the beginning of the term of the

shop steward being elected. For candidates not elected to a position of trust in elections, the protection ends once the result of the election has been confirmed.

The provisions of this paragraph also apply to a salaried employee who has served as chief shop steward for six months following the termination of their position as chief shop steward.

6. If a chief shop steward's or departmental shop steward's employment contract has been discontinued in breach of this agreement, the employer must pay them a compensation equal to at least their pay for 10 months and at most 30 months. The compensation is determined in accordance with the grounds provided in Chapter 12, section 2 of the Employment Contracts Act. The rights under this agreement having been violated shall be taken into consideration as a factor increasing the compensation.

#### **INTERPRETATION INSTRUCTION**

If a dispute arises from the termination or lay-off of shop steward for financial or production-related reasons, the associations may, for a particular reason and taking into account the company's size, financial standing and factual possibilities to assign other work to the shop steward instead of dismissal or lay-off, determine the compensation payable to them to equal the pay of 5–30 months instead of 10–30 months.

If a court of law considers preconditions for the continuation of employment or reinstatement of a terminated employment relationship to exist but, despite this, employment is not continued, this shall be taken into consideration as a particularly weighty factor in determining the amount of compensation.

7. When the dispute concerns the termination of the employment of a shop steward referred to in this agreement, local negotiations and negotiations between the associations must also be initiated and conducted immediately after the grounds for the termination are contested.

## Section 5 The shop steward's duties

A chief shop steward represents salaried employees as referred to in the collective agreement in negotiations conducted with the employer on matters related to the application of the collective agreement or labour legislation and generally in matters related to employment relationships, supervises compliance with this agreement in terms of the salaried employees and is in charge of, on behalf of the salaried employees, company-specific negotiations as referred to in the collective agreement system.

# Section 6 Personnel, statistical and labour data to be given to the chief shop steward

- 1. If any confusion or disagreement arises from matters relating to a salaried employee's pay or the application of employment-related laws or agreements, the chief shop steward must be provided with all information that may affect the resolution of the matter.
- 2. Shop stewards are entitled to receive in writing the following information about all salaried employees in the workplace covered by the collective agreement and the pay system:
- a) the salaried employee's first names and last name
- b) the date of entry into service in terms of new employees
- c) organisational department
- d) job title
- e) pay grade.

The information referred to in points a, c, d and e above must be provided once a year after the agreement has been approved and any pay grade changes caused by it have been implemented at the workplace for all the aforementioned employees at that time. For new employees, the information mentioned in points a-e is provided immediately after the start of the employment relationship.

On request, the employer must present to the shop steward in writing the job title and pay grade in which the salaried employee's position is placed.

3. Shop stewards are provided with pay statistics and length-of-service data on all salaried employees referred to in the agreement and covered by the pay system once a year for the same period in which the basic data of the statistics on salaried employees based on the statistical cooperation agreement between the parties is collected. The information is provided separately for female and male salaried employees.

The pay statistics data provided to the shop steward include the average monthly earnings for regular working hours and the monthly salary per level of job difficulty (including any benefits in kind, but excluding shift work bonuses and Sunday increments). The number of corresponding salaried employees is reported simultaneously.

The statistical and numerical data referred to in this paragraph are provided to the shop steward immediately after the personnel statistics in accordance with the statistical cooperation agreement have been compiled.

A shop steward is not entitled to receive average month-

ly earnings data for groups smaller than three persons. 'Average monthly earnings for regular working hours' refers to the same concept of monthly earnings as in the statistics on salaried employees under the statistical cooperation agreement.

#### Protocol entry:

The small number per workplace of salaried employees at different levels of job difficulty must be taken into account as a factor that weakens comparability with earnings in the industry as a whole.

- 4. As data on the development of the workforce shop stewards are quarterly provided with the number of employees with a full capacity for work and the number of employees referred to in the agreement within each organisational department. The data on the development of the workforce is provided for a period of time in each quarter that can be considered to reflect the normal workforce situation during the quarter.
- 5. Shop stewards are given the opportunity to familiarise themselves with the company's currently valid pay determination and pay calculation systems in terms of the employees referred to in the agreement, such as the various forms of pay and the rules for determining and calculating the shift work bonuses used therein. Shop stewards also have the right, in terms of said salaried employees, to familiarise themselves with the list prepared of emergency and overtime work and the increased pay paid for such work drawn up in accordance with labour legislation.

Every quarter, shop stewards are given the opportunity to familiarise themselves with the accumulated and used hours of the flexitime balances of flexible working time in the manner enabled by the working time monitoring system employed.

- 6. The shop stewards receive the above-mentioned information confidentially, for the performance of their duties.
- 7. The employer must ensure that the chief shop steward is informed as early as possible of matters directly or indirectly affecting the salaried employees of the workplace concerned.
- 8. The chief shop steward is entitled, upon request, to receive the company's financial statements and a general description of the development prospects of the company's operations.

#### N.B.

A company that regularly employs at least 20 people, the information is provided in accordance with Chapter 3, section 10 of the Act on Co-operation

within Undertakings. (The legislative provision cited does not constitute part of the collective agreement)

## Section 7 Performing the shop steward's duties

1. Temporary or regular paid relief from work is arranged for chief shop stewards for the performance of their duties, if necessary. Such a relief may not have a downward effect on the earnings resulting from their regular working hours.

The impact of the relief must be taken into account in the work arrangements and, when determining a shop steward's relief from work, special attention must be paid to the number of employees they represent.

- 2. If local negotiations with the employer during working hours or the activities of the shop steward in tasks otherwise agreed on with the employer during working hours prevent the shop steward from performing their regular work, the shop steward's earnings for regular working hours may not be reduced as a result.
- 3. If the chief shop steward performs duties agreed on with the employer outside the regular working hours, overtime pay is payable for the resulting loss of time off, or some other way of compensation is agreed on with the chief shop steward.

## Section 8 Additional compensation

1. On top of their personal monthly salary, a chief shop steward is paid an additional compensation for the performance of the duties of a shop steward as follows:

| Number of          | Additional   |
|--------------------|--------------|
| salaried employees | compensation |
| 5-9                | 3%           |
| 10-24              | 5%           |
| 25-50              | 7%           |
| 51-100             | 10%          |
| 101-200            | 15%          |
| 201-400            | 20%          |
| more than 400      | 25%          |

- 2. When determining the compensation of shop stewards, the number of salaried employees takes into account all salaried employees within the collective agreement's scope of application.
- 3. The additional compensation is based on the number of salaried employees on 1 January. If the calculation bases for the additional compensation change during a calendar year, the additional compensation can be re-

viewed on the initiative of the shop steward or the employer. Any changes are accounted for as of the first day of the following calendar month.

#### Section 9 Training of shop steward

- 1. Participation in training is agreed on in the training agreement in force between the associations.
- 2. The chief shop steward and deputy shop steward must notify the employer or the employer's representative well in advance if the shop steward, due to their position, must participate in an event arranged by a trade union or an organisation or branch belonging to the union.

### Section 10 Office space

- 1. The employer arranges an appropriate place for the chief shop steward to store the supplies required for their shop steward duties. If the size of the workplace requires a special office space, the employer arranges an appropriate space where the discussions necessary for carrying out the shop steward can take place.
- 2. When the size of the workplace so requires, the chief shop steward is entitled to use the company's standard office supplies, etc., when necessary as per local agreement.

### TRAINING AGREEMENT

#### Section 1

#### Scope of application

This agreement applies to vocational continuing and further training, retraining, study leave, occupational safety and health training, trade union training, training arranged jointly by the associations and training arranged jointly at the workplace.

#### Section 2 Training workgroup

- 1. The associations nominate a joint workgroup in which the different collective agreement sectors are represented for the implementation of the agreement.
- 2. The tasks of the training workgroup include:
  - investigating and monitoring the need for training
  - providing the necessary supply of training
  - influencing the authorities in training-related matters
  - approving occupational safety and health courses each year
  - approving trade union courses each year
  - · deciding on joint training
  - monitoring labour policy training and managing its implementation
  - promoting the publishing of training material and professional literature
  - monitoring the implementation of the training agreement and resolving disagreements.

## Section 3 Training co-operation in the company

The handling of education-related questions in co-operation is important as part of the company's development. Taking into account the size of the organisation and other contributing factors, the advance planning of training in co-operation can be carried out in conjunction with the co-operation procedures or, when necessary, in a specific training committee.

# Section 4 Further and additional vocational training and retraining

1. When the employer provides vocational training or sends employees on courses related to their profession during working hours, the employer reimburses the travel and accommodation costs, daily allowances, any course fees and any other relevant expenses as direct costs resulting from participation in the course. In addition, the employee is paid for normal working hours, comprising personal wages, evening, night and shift work bonus and any other conditions-related bonus.

If the training is provided outside working hours, the resulting direct costs are reimbursed and normal hourly wages are paid as compensation, unless otherwise agreed.

2. The employer specifies the employees who will participate in training, after negotiating on the matter in the co-operation procedure. Training needs that concern a number of employees or entire departments are discussed with the elected official representing the personnel group in question, so that the needs of the company and the personnel's professional development can be matched.

# Section 5 Trade union training and occupational safety and health training

1. The elected officials specified below in this section are given the opportunity to participate in courses arranged by central organisations and trade unions with a duration of up to three months without this causing an interruption in their employment, if this is possible without causing considerable inconvenience for production or the company's operations.

The chief shop steward, deputy chief shop steward, shop steward, deputy shop steward and the chairperson of the local union branch or association may participate in trade union courses approved by the training workgroup without pay reductions for up to one month.

The industrial safety delegate, deputy delegate, occupational safety ombudsman and member of the industrial safety commission may participate in courses related to their co-operation duties that last for up to two weeks without pay reductions.

However, the deputy chief shop steward and the deputy shop steward may not attend the courses at the same time as the chief shop steward and the shop steward, if these persons work in the same duties as they do. The same applies to the industrial safety delegate and deputy delegate.

2. A notification of the intention to participate in a course must be given at least three weeks before the start of the course for courses lasting for a week or less, and at least six weeks in advance for courses lasting over a week.

In the event that participation during the intended period would cause considerable inconvenience for production or the company's operations, the employer must notify the shop steward at least two weeks in advance of the reason why granting leave would cause considerable inconvenience. In such a situation, the course is rescheduled together.

When assessing considerable inconvenience, attention should be paid to the size of the company. Particularly when the number of employees represented by the shop steward is less than 10 employees, this should be taken into account. The same applies to the industrial safety delegate.

- 3. The employer pays a meal allowance agreed on between the associations to course participants entitled to participate in trade union and occupational safety and health training. The allowance is payable for each course day not subject to pay reductions. The meal allowance is paid to cover the costs of the meals arranged by the organiser of the course. In 2023, the meal allowance is EUR 28.25.
- 4. Up to the duration of one month, participation in trade union training does not cause any decrease in annual holidays, pension or other comparable benefits.

# Section 6 Joint training arranged by the associations

- 1. The training workgroup may approve collective agreement training events agreed on jointly by the associations as training referred to in the training agreement, as well as training events arranged by the industrial co-operation committee or the graphic industry safety work branch committee.
- 2. Compensation is paid to employees participating in the training as provided in section 4.
- 3. The employer and chief shop steward agree locally on participation in the training.

### Section 7 Study leave

The signatory parties provide information on study leaves, adult education subsidies and other adult education.

### Section 8 Settlement of disputes

Any disputes concerning this training agreement are submitted to the joint training workgroup of the associations for resolution. A memorandum of the dispute must be prepared in the company and addressed to the training workgroup. In other respects, the negotiating procedure of the collective agreement shall apply.

# OCCUPATIONAL SAFETY AND HEALTH AGREEMENT – GENERAL SECTION

### Section 1 General

The employer appoints an industrial safety officer for a workplace referred to in legislation concerning occupational safety and health, and employees at the workplace elect an industrial safety delegate as described below.

#### Section 2 Elections

- 1. An industrial safety delegate and two deputy delegates must be elected for two calendar years if at least ten employees, including salaried employees, are regularly working at the workplace. Salaried employees at the workplace have the right to elect an industrial safety delegate and two deputy delegates from among their number.
- 2. If a personnel group does not comprise ten persons and an industrial delegate has not been elected from another group to jointly act as an industrial delegate for the groups, the shop steward may participate in the handling of occupational safety and health matters that concern the personnel group represented by the shop steward.

If a workplace of ten or more employees does not have any personnel group with ten or more employees, the groups may locally agree to elect one industrial safety delegate to represent them all.

3. Delivery employees, taking into account their working conditions outside the employer's general area of supervision, have the right to elect an industrial safety delegate of their own.

If delivery employees do not elect an industrial safety delegate to represent them, they have the right to participate in the election of a joint industrial safety delegate and deputy delegates for the workplace with the other employees.

4. If convenient with regard to the conditions at the workplace, when arranging the election of industrial safety delegates, the personnel groups may choose to consider employees working in the same working area and conditions as salaried employees.

### Section 3 Occupational safety ombudsmen

The election, number, duties and working area of occupational safety ombudsmen are agreed on locally, so that the working areas are practical and cover the different departments and professions of the production plant or a similar unit, taking into account any emerging occupational safety risks and other conditions.

#### Section 4 Local bargaining

- 1. The organisation of co-operation can be agreed on locally pursuant to sections 23 and 29 of the Act on Occupational Safety and Health Enforcement and Co-operation on Occupational Safety and Health at Workplaces (laki työsuojelun valvonnasta ja työpaikan työsuojeluyhteistoiminnasta). The personnel groups may agree on combining the jobs of an industrial safety delegate and shop steward in accordance with the law.
- 2. When the activities of a production plant or a corresponding operational unit are fundamentally expanded or reduced, the occupational safety and health organisation is modified to match the new circumstances.

### Section 5 Occupational safety and health co-operation

- 1. 'Workplace' refers to a workplace pursuant to section 25 of the Act on Occupational Safety and Health Enforcement and Co-operation on Occupational Safety and Health at Workplaces.
- 2. The practical procedures of occupational safety and health are agreed on locally through the co-operation procedure. Extensive questions that affect working conditions, such as changes in workspace or new machinery and equipment that involve occupational safety and health factors, can be suitably discussed in conjunction with the co-operation procedure concerning the matter.
- 3. In other respects, occupational safety and health activities can be efficiently and suitably implemented through an industrial safety commission, another co-operation body and the line organisation, as required by the conditions of the workplace.

# Section 6 Occupational safety and health co-operation duties

Unless otherwise locally agreed, occupational safety and health co-operation shall address the following questions at a sufficiently early stage:

- · annual action plan
- factors immediately affecting the health and safety of employees
- principles of investigating risks and harmful effects at the workplace
- workplace surveys carried out by occupational health services
- development goals and programmes related to working capacity
- matters related to work arrangements and workload planning
- need and arrangements for training, instruction and familiarisation
- various statistics and other monitoring data included within the scope of co-operation
- monitoring of implementation and effects
- arranging co-operation at the joint workplace (when necessary)

## Section 7 Occupational safety and health provisions

The employer makes the necessary book of statutes, covering occupational safety and health legislation, available to the parties involved in occupational safety and health co-operation.

# OCCUPATIONAL SAFETY AND HEALTH AGREEMENT – SPECIAL SECTION

# Section 1 Purpose of agreement and scope of application

- 1. The purpose of the agreement is to promote a positive atmosphere with regard to occupational safety and health activities and to promote co-operation between employers and salaried employees.
- 2. The persons participating in the co-operation must have good knowledge of the occupational health and safety issues of salaried employees.
- 3. Insofar as not otherwise agreed in this agreement, the Act on Occupational Safety and Health Enforcement and Co-operation on Occupational Safety and Health at Workplaces shall apply. It does not constitute part of this agreement.

### Section 2 Use of time

1. The industrial safety delegate performs their duties during working hours. The use of time is agreed on with the employer. In exceptional cases, due to an event related to their duties, the industrial safety delegate also has the right to use their working hours for the performance of the duties at times other than those agreed on.

The industrial safety delegate must agree on the duties to be performed outside working hours with the employer in advance, if possible.

2. If a person referred to in subsection 1 performs duties agreed on with the employer outside the regular working hours, overtime pay is payable for the resulting loss of free time, or some other way of compensation is agreed on with the employee, unless the duties in question are performed due to an order by the industrial safety authorities or are the result of an accident.

### Section 3 Additional compensation

1. On top of their monthly salary, the industrial safety delegate, as of 1 February 2015, is paid an additional compensation for performing the delegate's duties as follows:

|                       | Monthly compens | sation in euros |
|-----------------------|-----------------|-----------------|
| Total number of       | At the time     |                 |
| salaried employees    | the collective  |                 |
| represented by        | agreement       |                 |
| the industrial safety | enters          |                 |
| delegate              | into force      | 1 June 2024     |
| 10-24                 | EUR 53          | EUR 56          |
| 25-50                 | EUR 66          | EUR 70          |
| 51-100                | EUR 80          | EUR 84          |
| 101-200               | EUR 92          | EUR 97          |
| more than 200         | EUR 105         | EUR 111         |

- 2. The additional compensation is based on the number of salaried employees on 1 January. Fixed-term employees whose employment lasts at least for 12 months are also included in the number. If the number of salaried employees changes substantially during a calendar year, the compensation may be adjusted by specific agreement. The possible change comes into force as of the beginning of the following month.
- 3. The additional compensation does not count as such pay or bonus that should be taken into account when calculating increases paid for overtime and Sunday work. In addition, the additional compensation is not included in the calculation of annual holiday pay or holiday bonus.
- 4. The additional compensation is paid during the industrial safety delegate's annual holiday or sick leave only in the event that they perform industrial safety delegate duties during this time. If the employer has been notified in writing that a deputy delegate is acting as a substitute for the industrial safety delegate, the additional compensation is paid to the deputy delegate for the period of performing the duties.

## Section 4 Office space

1. The employer provides the industrial safety delegate with a suitable place for storing the supplies needed for performing the duties and, when necessary, provides a place for any necessary discussions associated with the performance of the duties.

### Section 5 Job security

1. If employees in the company are dismissed or laid off for financial or production-related reasons, an industrial safety delegate may not be subject to such a measure, unless the production plant's operations are completely discontinued.

However, this provision may be deviated from if it is mutually found that the industrial safety delegate cannot be offered work that corresponds to their profession or is otherwise suitable for them.

- 2. An industrial safety delegate's employment cannot be terminated for a reason attributable to the industrial safety delegate without the consent of the salaried employees that they represent, as required by Chapter 7, section 10 of the Employment Contracts Act.
- 3. An industrial safety delegate's employment contract cannot be cancelled in violation of the provisions of Chapter 8, section 1 of the Employment Contracts Act. Cancelling an industrial safety delegate's employment contract on the grounds of them violating administrative rules is not possible, unless the industrial safety delegate has, at the same time and repeatedly, materially and despite a warning, failed to comply with the obligations specified in the Employment Contracts Act (Chapter 8, section 1 of the Employment Contracts Act).
- 4. The provisions of this section also apply to an industrial safety delegate candidate of whose nomination the industrial safety commission or other corresponding co-operation organ has been informed of in writing. However, the candidate protection begins no sooner than three weeks prior to the election. For candidates not elected to the position of industrial safety delegate, the protection ends once the result of the election has been confirmed.

The provisions of this section also apply to a salaried employee who has served as an industrial safety delegate for six months following the termination of their position as industrial safety delegate.

5. If an industrial safety delegate's employment contract has been discontinued in breach of this agreement, the employer must pay the industrial safety delegate a compensation equal to at least their pay for

10 and at most 30 months. The compensation is determined in accordance with the grounds provided in Chapter 12, section 2 of the Employment Contracts Act.

If the number of employees regularly working in a production plant or similar operational unit is 20 or fewer, the compensation is equal to at least the pay for 4 and at most 24 months.

- 6. If a dispute concerns terminating the employment of an industrial safety delegate referred to in this agreement, local negotiations and negotiations between the associations must be initiated and carried out immediately after the reason for the termination is contested.
- 7. The employment of an occupational safety ombudsman may not be terminated due to them performing their duties as the ombudsman.

### Section 6 Settlement of disputes

If a dispute arising from the application of this agreement at the workplace cannot be resolved locally, the order in which disputes are to be dealt with according to the collective agreement shall apply.

# REFERRAL TO TREATMENT AND TEMPLATE FOR AGREEMENT ON REFERRAL TO TREATMENT

A company-specific agreement on referral to treatment must be prepared on the basis of the template for agreement on referral to treatment, if so requested by either party.

Company Ltd's recommendation for an agreement on referral to treatment

- 1. An employee of the company who has developed or is clearly developing a social or health problem attributable to excessive substance (mainly alcohol) abuse that, among other things, prevents the person from properly carrying out their work, is referred to treatment in accordance with this agreement.
- 2. The objective is to encourage the person to seek treatment, so that the problem will not lead to measures that could result in the termination of employment or other consequences that are harmful for the individual. Seeking treatment does not constitute grounds for the termination of employment.
- 3. Referral to treatment begins by informing the person concerned of the treatment facilities and treatment forms available and providing the contact details of the contact person who provides guidance on referral to treatment at the workplace.
- 4. Referral to treatment is primarily based on the employee's own initiative and secondarily on the employer's initiative when the employer has to consider taking measures affecting the person's employment.
- 5. When an employee is being referred to treatment, the most suitable treatment option available is always chosen in co-operation between the person being referred, the treatment facility and the contact person and, when necessary, the employer. The employee's possibilities for financial support from the social insurance system are investigated at the same time.
- 6. When an employee has voluntarily sought institutional treatment, they receive sick leave pay pursuant to the collective agreement from the date on which the institutional treatment began, if the treatment has been agreed on with the employer.
- 7. The contact person for referral to treatment is from the company's occupational health care services / an employee who has given their consent to acting as the contact person.

- 8. The contact person takes care of the practicalities related to the referral to treatment, such as making appointments, reserving a bed at the treatment facility and any necessary communication with the employer or other intermediary. Everyone has the opportunity for a confidential discussion with the contact person on possibilities for referral to treatment and other treatment-related practical matters.
- 9. If agreed with the employee, the contact person or employer has the right to receive information about compliance with the treatment agreement.
- 10. Without the express permission of the employee being referred to treatment, a person involved in the referral process must not disclose to others any personal information disclosed to them.
- 11. When the employer is considering employment-related measures because of substance abuse referred to herein, the contact person has the right to participate in any negotiations, unless expressly prohibited by the employee concerned.
- 12. A list of local treatment options is attached to this agreement. (The municipality's social welfare board, A-clinic, health centre, occupational health care services, detoxification centre, community mental health centre, hospital, care home, rehabilitation centre, AA group or the like. Phone number, address, opening hours, a person who can be contacted.)
- 13. The company's co-determination committee (yt-neuvottelukunta) has approved this agreement.

# TRAVEL EXPENSES AND OTHER SIMILAR COMPENSATIONS AND DAILY ALLOWANCE

#### 1. General

- 1.1. 'A trip' refers to work-related travel outside the workplace or the normal working area.
- 1.2. 'A day of travel' is a 24-hour period following the beginning of a work trip. A trip begins at the workplace, or at the employee's home by specific agreement, and ends when the employee returns to either one of these.

If necessary, compensation for travel expenses and other travel-related details must be clarified together with the employer before travel, taking into account the measures the employer has taken with regard to the stav

#### 2. Compensable travel time

- 2.1. The working hours provisions of the collective agreement apply to work carried out during a trip.
- 2.2. Compensation for loss of earnings is payable for travel during regular working hours.
- 2.3. If travel takes place outside regular working hours, the employee receives the basic hourly pay for travel time, up to eight (8) hours for a working day and 16 hours for a day off.
- 2.4. No compensation is paid for hours of travel falling between 10 p.m. and 7 a.m. if the travelling employee has access to a sleeping berth.
- 2.5. The basic hourly pay is calculated using the same divisor as for calculating the hourly rate that is the basis for overtime pay.
- 2.6. Because travel to the place where work is to be carried out is not included in working hours, the travel time is not taken into account in the calculation of daily overtime.
- 2.7. When calculating the fulfilment of regular working hours as a basis for weekly overtime, the hours spent on travel are also taken into account in the maximum daily regular working hours in accordance with the working hours scheme for such travel days on which regular working hours are not otherwise fulfilled. However, these hours are not considered actual working hours in the compilation of working hours statistics.

2.8. If an employee's sales, marketing or similar job normally requires frequent travel or if the nature of an employee's job is such that the employee can decide on travelling, compensation for travel time is not paid. Instead of paying meal and daily allowances, it is possible to agree with an employee referred to in this subsection on a separate compensation payable in conjunction with the employee's normal pay.

#### 3. Compensation for travel expenses

#### **Direct expenses**

- 3.1. The employer reimburses the expenses incurred from travelling. Direct expenses include travel tickets and other necessary expenses incurred from a work trip.
- 3.2. A mileage allowance pursuant to paragraph 6 of the agreement is paid for the use of the employee's own car.

#### **Daily allowance**

- 3.3. Daily allowance compensates for the higher costs of living during a trip.
- 3.4. The daily allowance is calculated per day of travel. A day of travel is a period of 24 hours starting from the beginning of the trip or the end of the previous day of travel.
- 3.5. If the nature of the employee's job requires travelling, no daily allowance is paid for travel falling within regular working hours. (Such jobs include editorial work, delivery work, sales work, maintenance work, and other work the nature of which requires travel.)

#### **Travel in Finland**

- 3.6. A full day allowance is payable for a trip of more than 10 hours.
- 3.7. A half-day allowance is payable for a trip lasting over 6 but no more than 10 hours.
- 3.8. When a full day of travel is followed by less than a full day, a half-day allowance is payable for the latter if the full day is exceeded by at least two hours. A full daily allowance is payable if the time is exceeded by six (6) hours.

3.9. Daily allowances are reduced by 50% if the employer arranges free meals for the employee. For a full day allowance this means two warm meals and for a half-day allowance one warm meal a day.

#### **Travel abroad**

- 3.10. A daily allowance abroad is payable for a trip of more than 10 hours.
- 3.11. The amount of daily allowance abroad is determined by the country in which the day of travel ends. If a day of travel ends onboard a ship or aircraft, the daily allowance is determined by the country which the vehicle last left or, when leaving from Finland, the country in which the vehicle first arrives.
- 3.12. When a full 24-hour day of travel is followed by less than a full day, half of a daily allowance is payable for the latter if the full day is exceeded by more than two (2) hours. If the full day of travel is exceeded by more than 10 hours, a new daily allowance abroad is payable.
- 3.13. If the employee's meals have been free or included in the price of the travel ticket or hotel room (full board), the daily allowance is reduced by 50%.

#### 4. Meal allowance

- 4.1. If no daily allowance is payable for a trip but the trip has lasted over six (6) hours and it has not been possible for the employee to eat at the regular or corresponding place, a meal allowance is payable to the employee. This provision does not override company-specific practices if they provide better benefits.
- 4.2. The meal allowance is not paid if the employee receives free meals or is given lunch vouchers or similar.

#### 5. Accommodation expenses

- 5.1. If an employee needs accommodation and the employer has not arranged accommodation that meets reasonable requirements or access to a sleeping berth, accommodation expenses are compensated as follows:
- 5.2. Accommodation expenses resulting from the use of a room are reimbursed according to the receipt. The maximum amount is the amount specified for hotel expenses in the State Travel Regulations.
- 5.3. Accommodation invoices are reimbursed according to receipts if it is not possible to find accommodation at a price that does not exceed the allowed maximum amount of hotel expenses.

5.4. If an employee does not provide the employer with an accommodation invoice, an accommodation allowance is paid instead of the accommodation expenses.

#### 6. Travel allowance

Daily allowances, hotel allowances and mileage allowances equal the maximum amounts confirmed as tax-exempt by the tax administration each year (see www.vero.fi).

#### 7. Local bargaining

It is possible to locally agree on different compensation for travel expenses, providing that the benefits are mutually found to be at the same level as those provided in this chapter of the collective agreement.

### **CHAPTER 17**

# TOVA GUIDE: SUMMARY OF THE PAY SYSTEM GUIDE FOR SALARIED EMPLOYEES

(The guide does not constitute part of the collective agreement)

### 1. Pay system for salaried employees

TOVA, that is the pay system for salaried employees, is based on the difficulty of the job and is based on the Palkkavaaka system.

The pay system includes the difficulty groupings and the related minimum wages as well as a personal salary's length-of-service component (HEKO) or an alternative personal competency assessment system, known as the HEPA system.

The collective agreement defines the minimum conditions applicable to wages based on the aforementioned principle. In addition to the provisions of the collective agreement, the practical wage level is affected by the relevant company's wage policy, the job-specific market wages, as well as the industry and the location of the workplace.

Performance bonus and profit bonus basis of determination: results of the organisation or group Personal salary component basis of determination: performance or competence

Job difficulty basis of determination: job difficulty

### **FIGURE**

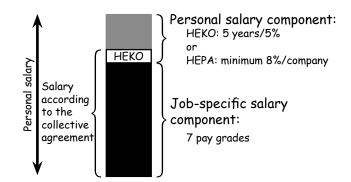
Components of the pay system (Työmarkkinajärjestöjen työnarviointijärjestelmien seurantaryhmä TASE 2003)

### 2. Wage structure

A personal salary in the pay system for salaried employees consists of two components: **a job-specific salary component** and a personal salary component, determined by **personal competence and work performance**.

Jobs are assigned to seven difficulty groups based on the each job's difficulty. The difficulty groups also function as pay grades on the basis of which the job-specific salary component is determined. The minimum wage according to the collective agreement consists of the job-specific salary component based on the pay grade and of the length-of-service component of a personal salary (HEKO). After a salaried employee has worked in a company for five years in a job involving the same level of difficulty, their personal salary must be at least five per cent higher than the minimum wage of the pay grade in question.

A personal salary's length-of-service component is not valid if an alternative HEPA system has been agreed on in the company.



**FIGURE** 

Wage structure of salaried employees

### 2.1 Job difficulty

The key element of the pay system is the **job difficulty**, which is defined with verbal descriptions of the relevant difficulty level by the TOVA system.

The assessment of job difficulty measures the requirements that the job sets for the employee. The object of the assessment is therefore the job and its content. The assessment does not account for a person's performance, qualifications, personal characteristics, job title or education/training. The purpose of the difficulty assessment is to determine the job-specific salary component.

The TOVA system assesses the difficulty of the job on the basis of four different factors. These are the competence required for the job, the degree of challenge involved in interaction situations, the responsibilities the job involves, as well as independence and guidance in decision-making situations. Each job belongs to the difficulty group whose definition most closely corresponds with the content of the job on the basis of an overall assessment.

A job may contain features from more than one level of difficulty; in this case, it is necessary to consider what is significant and relevant in terms of the job and make the assessment accordingly.

### **Difficulty factors:**

### Competence

The assessment concerning the competence required for a job accounts solely for such professional skills that are actually used in the job. In other words, the start-

ing point is not a person's education, although it often plays an indicative role in the assessment.

#### Interaction

What is essential in assessing interaction situations is what needs to be accomplished by the interaction. Proactiveness, activeness and goal-orientedness in interaction situations increase the difficulty of the job.

### Responsibility

Responsibility refers to the authority to act according to certain expectations to achieve the objectives characteristic of the job. All jobs include responsibility for the quality and implementation of one's own work in accordance with the plans, schedules and instructions given. Responsibility is emphasised when the instructions are indicative or the targets are aggregates guided by operational strategies at the level of a principle.

| Level of difficulty | Grouping description   |
|---------------------|--|
| 100                 | <ul> <li>Work that requires short practical experience.</li> <li>The work is carried out under supervision or according to clear instructions.</li> <li>Decision-making situations are similar.</li> </ul>   |
| 111                 | <ul> <li>Work that requires professional skills.</li> <li>The work is carried out according to established procedures or instructions.</li> <li>Decision-making situations are usually of the same type.</li> <li>The information available for decision-making can be obtained from the immediate vicinity of the work environment.</li> <li>Interaction at the customer interface is based on presenting pre-defined solutions or receiving and communicating information.</li> </ul>                                    |
| 124                 | <ul> <li>The job requires professional expertise and knowledge of commonly used practices, as well as the independent application of this knowledge and these skills.</li> <li>The work is guided by general assignments or instructions.</li> <li>Interaction takes place in teams or at the customer interface, where the job has a clarifying role.</li> </ul>  |
| 154                 | <ul> <li>The responsibility, expertise or independence involved in the work are emphasised to such an extent that it has become more demanding than the basic definition of the preceding group.</li> <li>The job may also include guiding the work of those performing the actual tasks or manual labour.</li> </ul>  |
| 191                 | <ul> <li>The work requires theoretical knowledge and a good command of the work processes.</li> <li>The work includes the detection and assessment of problems and the generation of solutions (such as planning, investigation or development).</li> <li>Information for decision-making is obtained from previous cases or by combining new information available in the immediate surroundings.</li> <li>Interaction is characterised by an expert role at the customer interface or the management of work.</li> </ul> |
| 236                 | The responsibility, expertise, independence or key position involved in the work are emphasised to such an extent that it has become more demanding than the basic definition of the preceding group.  |
| 292                 | <ul> <li>The work usually involves organisational, planning or resourcing responsibilities.</li> <li>Interaction is characterised by independent influence in decision-making as a specialist or serving as a leader of a development team.</li> <li>Emphasis is placed on a comprehensive expertise in the processes of the function involved.</li> </ul>   |

#### **Decision-making situations**

Independence in decision-making situations means the freedom to make decisions based on one's own discretion and implement them. The more extensive the effects of the decisions are, the more difficult the job is.

# 2.2 Length-of-service component of personal salary (HEKO)

The second element of the minimum wage system is the **personal salary component** (HEKO), which is based on the experience acquired in the employment relationship. A personal salary's length-of-service component is part of the minimum wage system and it is calculated from the job-specific minimum wage.

The length-of-service component of a personal salary is accumulated when working in the same company and in a job of the same pay grade, so that after five years, the salaried employee's personal salary must be at least five per cent higher than the job-specific minimum wage.

According to the transitional rules of the pay system, the accumulation of the length-of-service component of a personal salary started from the date on which the company switched to the new pay system, but no later than on 1 October 2008. Whether the personal salaries meet the minimum condition of five per cent is reviewed for the first time five years as of the date of the transition.

### Accumulation of the length-of-service component

- A person's transfer to a different position within the same pay grade does not interrupt the accumulation of the length-of-service component.
- When a person transfers to a job with a higher level of difficulty, the calculation of the time that entitles them to the length-ofservice component starts from the beginning.
- If a person moves from a job with a higher level of difficulty to a job with a lower level of difficulty, the accumulation of the length-ofservice component also takes into account the time that the person has worked in the job that is more difficult.
- The accumulation in a new employment relationship starts from the beginning.
- The time entitling a person to the lengthof-service component in an employment relationship is also accumulated by some periods comparable to being at work, such as pregnancy and parental leave and a period of military service.

A personal salary's length-of-service component is not valid if an alternative system for assessing personal

competence (the HEPA system) has been agreed on and introduced in the company.

## 2.3 Assessing a person's competence and performance (HEPA)

Alternatively, a personal salary component can be determined by a company-specific personal competence and performance assessment system (HEPA). A transition to the HEPA system is subject to local agreement. The structure of the HEPA system, including the competence factors and metrics to be assessed, is nevertheless at the discretion of the employer. However, the system, as well as any subsequent changes to it, must be negotiated on between the employer and the shop stewards in an effort to reach an agreement.

The collective agreement's minimum wage system does not contain binding provisions on the HEPA system itself, with the exception of the amount to be distributed in the form of personal salary components.

The personal salary components paid by a company through its HEPA system must amount to at least 8% of the sum of the minimum wages.

If the company introduces an alternative HEPA system, the salaried employees must be informed of the factors measured, how they are measured, who measures them and how the results affect their wages. The employer must also explain to the shop stewards how the minimum condition of 8% concerning personal salaries is fulfilled in connection with pay increases pursuant to collective agreements, and in any case at least once a year.

### 3. Maintenance of pay system

The maintenance of the pay system requires the creation of ground rules for the maintenance of job descriptions and the review of difficulty assessments, and the determination of the people in charge of the maintenance.

Up-to-date job descriptions facilitate the maintenance of the pay system. The associations recommend that the content of jobs be reviewed regularly in connection to performance reviews, for example. The employee performing a job and their supervisor are the experts in the content of each job.

Organisational changes in the workplace, for example, can significantly affect the content of jobs, due to which it may be necessary to review the difficulty ratings. The maintenance of the pay system is handled in accordance with the negotiating procedure, unless the company has a separate rating committee.

### **JOB DESCRIPTION FORM**

### APPENDIX 1

| Job title   | Unit                                 |                              |  |  |  |  |
|---|--------------------------------------|------------------------------|--|--|--|--|
|   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Purpose of job  |                                      |                              |  |  |  |  |
| Describe why the job exists.  |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Main tasks  |                                      |                              |  |  |  |  |
| What are the main tasks and their objectives, in other wo   | ords, what should they achieve?      |                              |  |  |  |  |
| Rather than a detailed list of tasks, focus on the big pictor   | ure.                                 |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Pagia requirements for the job's nerformance  |                                      |                              |  |  |  |  |
| Basic requirements for the job's performance  A) Areas of competence  |                                      |                              |  |  |  |  |
| Indicate the competence requirements key for the job.   |                                      |                              |  |  |  |  |
| Describe the scope and/or versatility of the competence   | and the kind of theoretical and pr   | actical competence required. |  |  |  |  |
| What kind of experience does the job require?   | and the find of the following and pr | autour compoterios roquirour |  |  |  |  |
| What kind of experience does the job require.   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| B) Special requirements   |                                      |                              |  |  |  |  |
| Indicate the special skills required for performing the job   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Communication related to the job  |                                      |                              |  |  |  |  |
| A) Internal contacts  |                                      |                              |  |  |  |  |
| Describe internal interaction situations (teamwork, negotiations, reporting, etc.)  |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| D) Futornal contacts and their objectives   |                                      |                              |  |  |  |  |
| B) External contacts and their objectives  Describe external interaction situations and what their of                         | hiactiva is                          |                              |  |  |  |  |
| Describe external interaction situations and what their objective is.   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Role in decision-making situations  |                                      |                              |  |  |  |  |
| Describe what kind of responsibility, independence and practical authority the job has in relation to the consequences of the |                                      |                              |  |  |  |  |
| activities.   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Jobs to be substituted for  |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Date  | Salaried employee's signature        | Supervisor's signature       |  |  |  |  |
|   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
| Names in block letters  |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |
|   |                                      |                              |  |  |  |  |

### Assessment of personal competence and performance

The assessment of work performance and competence is part of goal-oriented and systematic management. It involves constructive feedback on the work done and motivation for better work performance in line with the company's goals. Performance assessment enables the identification of top performances and support for career development, while on the other hand, highlighting underachievers' need for support and training. The HEPA system is part of rewarding, and enables a fair pay policy.

In a good HEPA system, performance targets are clear, measurable and reliably assessable. Employees have the opportunity to improve their performance, and improved performance is linked to wages. The experience of fairness guarantees commitment to the system.

The construction and maintenance of the system requires work and goal-oriented management. The system's benefits must outweigh its costs. A systematic and goal-oriented pay policy increases the productivity of work. In addition to the structure of the HEPA system, it is important to pay attention to its application: interpretations, assessment situations, decision-making processes and communication. Supervisors play an important role in setting goals, providing feedback and providing an experience of fairness.

The assessment of work performance and competence takes a stand on how the employee performs in relation to the requirements of their own job. A person's competence does not depend on the job's difficulty; different levels of performance may occur at all levels of difficulty.

The assessment of personal competence and performance focuses on activities and performance in accordance with the selected criteria. In other words, evaluate activities and achievements, not personality traits.

Good work performance = Clarity of role and objectives x Competence x Motivation

#### **FIGURE**

Good work performance is the sum of many things

Good work performance is an amalgam of clear tasks and goals, competence and motivation. If one of these factors is not at a sufficient level, it is reflected in the work performance (Figure 1). For example, it is difficult to apply one's competence if one lacks motivation or if the goals are unclear.

### The following are examples of the competence factors in use:

- work results and achievements
- ability to develop at work, willingness to learn to work with new tools and according to new procedures
- being multi-skilled, a person's use value in multiple tasks, versatility
- expertise
- · flexibility, ability to work under pressure
- interpersonal skills, which refer to the ability to create a positive working atmosphere in one's own work environment and the ability to level out conflicts within the workplace community
- ability to communicate when a person seeks to present their views in a team, in negotiations, in a teaching situation, or through reports and accounts

The above list of competence factors is not exhaustive. The competence factors to be assessed and their mutual weighting are selected in the company according to the company's needs.

#### **Requirements set for competence factors:**

- the factors must be based on the work done
- a person must be able to influence the outcome of the assessment through their own actions
- personality traits (attitudes, memory, intelligence, etc.) should not be used as factors
- the factors must be observable and assessable, and there must be variation within them
- different factors may not measure the same thing
- the factors must cover the job to be assessed to a sufficient extent
- the factors may have a different meaning and weight in different jobs.

The collaborative development of the HEPA system and regular performance monitoring ensures a good result – it engages, improves quality and increases the sense of fairness. Transparency and openness guarantee trust in the system.

### Employees should know at least the following about the HEPA system:

- · which factors are used
- how performances are assessed
- by whom and when the assessment will be carried out
- how and when their supervisor provides feedback

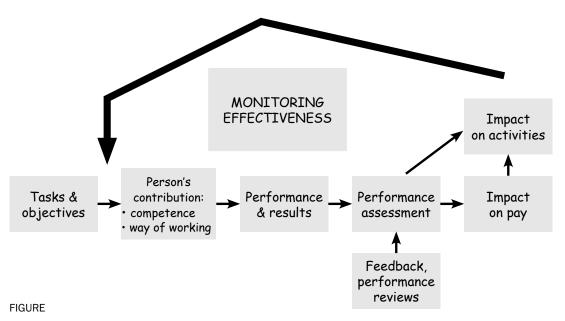
- how individuals are helped to improve performance
- · how good performances are rewarded.

#### Checklist

- · communicate to the staff
- the starting point are the jobs and their content
- identify the factors required for successful performance of jobs
- draw up the assessment system (factors, rating scale, weightings, etc.)
- draw up the procedures

- train the supervisors
- monitor measurements and results and, if necessary, review

The implementation of a successful HEPA system requires the consideration of many factors. In addition to assessment forms, practices for carrying out the assessments should be established and linked to the organisation's other management policies. The process should be given time. Supervisors play an important role and the significance of interaction must not be forgotten. A well-functioning system is good for the entire organisation.



"Develop, monitor and improve - better performance through rewarding"

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