

## **Collective agreements for blue collar employees, 2013-2016**

*The Federation of Finnish Technology Industries has renegotiated its collective agreements for blue collar employees, salaried employees and senior salaried employees. This member bulletin explains the key changes made in collective agreements. We shall describe the amendments made to the collective agreements for salaried employees and senior salaried employees in a separate bulletin.*

*The new collective agreements are based on preparation work conducted between the sector federations and on the pact for employment and growth concluded between the national labour and employer confederations.*

*The revised agreements take effect on 1 November 2013. This date will also mark the entry into force of amendments to the terms of the collective agreements unless other implementation arrangements have been specified at the relevant points of the agreements.*

*The wage settlement will be negotiated locally at workplaces with a view to revising wages primarily in response to local requirements. The agreements also include a subsidiary procedure whereby wages will be revised through a general increase as of the start of the wage payment period beginning at a time to be decided by the employer but no later than 1 March 2014 or soonest thereafter. The subsidiary procedure general increase will be implemented through wage increases made during the collective agreement period when so determined at the time of the increase.*

*The modifications made in the collective agreement are also being explained at information sessions arranged in 20 localities between 5 and 14 November 2013. A separate invitation to these sessions was sent to affiliated enterprises on 24 October 2013.*

*The new collective agreements will be available for downloading from the Technology Industries website at [www.teknologiateollisuus.fi](http://www.teknologiateollisuus.fi) > Labour Market > Collective Agreements.*

### **The revised agreements**

The Federation of Finnish Technology Industries – TT and the Finnish Metalworkers' Union Metalli have concluded the following collective agreements:

- **Collective agreement for the technology industry** (TT – Metalli)
- **Collective agreement for ore mines** (TT – Metalli)

The following agreement was also concluded with the Finnish Electrical Workers' Union

- **Collective agreement for electrical engineering employees in technology industries** (TT – Electrical Workers' Union)

All of these agreements take effect on 1 November 2013 and end on 31 October 2016. Modifications to the agreements take effect on 1 November 2013 unless other

arrangements have been specified concerning the entry into force of certain individual agreement clauses.

Under the pact for employment and growth, the national labour and employer confederations will agree on the cost impact of the wage settlement for the third year in June 2015. The wage settlement will be implemented in the technology industries in the same way as in the previous years of the agreement period.

If the national labour market confederations fail to reach a negotiated settlement on or before 15 June 2015, then the sector federations will negotiate on implementation of the wage adjustment for the third year by no later than 30 June 2015. If the wage adjustment negotiations between the sector federations are inconclusive, then the Parties may terminate the collective agreement with effect as of 31 October 2015.

## **Wage increases**

The wage increases for the first and second agreement years have been settled in collective agreements. The wage adjustment for the third agreement year will be negotiated in the foregoing manner. The workplace procedure for negotiating and agreeing on wage increases will be the same in all bargaining rounds. We shall circulate a new member bulletin concerning the increase in the third agreement year.

### Workplace co-operation concerning wage increases

Wage settlements will be negotiated locally. Wages will be primarily revised at workplaces in response to conditions within the enterprise. A procedure for achieving this aim has been incorporated in the agreement, whereby the manner, time and size of wage increases are freely negotiable.

The federations stress the importance of negotiating the wage increase and its parameters locally. Bargaining will allow for the financial, order book and employment situation at the enterprise or workplace, and for cost competitiveness in the market, with a view to supporting incentives for wage formulation, an equitable wage structure and wage grading.

The goal of bargaining with the chief shop steward is a negotiated wage settlement reflecting the situation and needs of the workplace and increased productivity.

### Manner, time and size of wage increases in 2013 (the first agreement year)

1. The primary aim is to seek a wage settlement covering all employees at the individual workplace. The manner, time and size of wage increases will be specifically determined for each enterprise and workplace. A local settlement will arise if any of these factors has been agreed. Individual graded wage increases in time rates and performance-based wages are recommended. The agreement shall be concluded with the chief shop steward by no later than 30 November 2013. The parties may also agree to extend the negotiating period locally.
2. If no local settlement is achieved, then time rates and performance-based wages will be increased by 12 cents per hour or EUR 20 per month across the board. The increases will be implemented at a time decided by the employer, but by no later than the start of the wage payment period beginning on 1 March 2014 or soonest thereafter.

All wage increases implemented during the collective agreement period – including individual increases – will implement the general increase when this is stated at the time of the increase, but changes arising from redefining regular wages will not be included when assessing implementation of the increase.

(The local collective bargaining and agreement procedure for revising the wages of electrical engineering sector employees will be described later. The specification arises from harmonising procedures in the metal industry and electrical engineering sector.)

#### Manner, time and size of wage increases in 2014 (the second agreement year)

1. The primary aim is to seek a wage settlement covering all employees at the individual workplace. The manner, time and size of wage increases will be specifically determined for each enterprise and workplace. A local settlement will arise if any of these factors has been agreed. Individual graded wage increases in time rates and performance-based wages are recommended. The agreement shall be concluded with the chief shop steward by no later than 30 October 2014. The parties may also agree to extend the negotiating period locally.
2. If no local settlement is achieved, then time rates and performance-based wages will be increased by 0.4 per cent across the board. The increases will be implemented at a time decided by the employer, but by no later than the start of the wage payment period beginning on 1 March 2015 or soonest thereafter.

All wage increases implemented after the increases of the first agreement year – including individual increases – will implement the general increase when this is stated at the time of the increase, but changes arising from redefining regular wages will not be included when assessing implementation of the increase.

#### Implementation of wage increases in payroll administration

- *Order of calculation:*  
The foregoing increases will be made first at the time of the increase at each workplace, followed by adjustments with the new job-specific wages.
- *Job-related wages:*  
The new job-related wages are shown in the attached annex. Job-related wages shall be introduced as of the time of the wage increase at individual workplaces.
- *Increasing of average hourly earnings:*  
When applying average hourly earnings after the wage increase takes effect, these earnings of an hourly-paid employee shall be increased in a manner that allows for the wage increase insofar as the said increase is not included in average hourly earnings. Average hourly earnings shall be increased to the extent of the wage increase after the wage increase takes effect.

#### Separate bonuses

The following separate bonuses will be payable from the start of the wage payment period beginning on 1 March 2014 or soonest thereafter:

Temporary deterioration in working conditions	up to 57 cents per hour
Exceptional inconvenience or difficulty	not less than 43 cents per hour
Shift work, evening and night work:	
Evening shift (e.g. 14.00-22.00)	115 cents per hour
Night shift (e.g. 22.00-06.00)	211 cents per hour
Bonus for uninterrupted and continual shift work	211 cents per hour
Mining work bonus	148 cents per hour

#### **Certain amendments to the collective agreements**

### Revised structure and appearance of the collective agreement (layout)

The structure and appearance of the collective agreement has been revised with a view to greater clarity, brevity and simplicity, and to an improvement in layout. This revision does not alter the content of the collective agreement or established practices.

The restructuring has involved a rearrangement of sections, with the new collective agreement divided into nine parts comprising chapters, paragraphs and subparagraphs. A current aspects part explaining key amendments and other current issues has been included at the start of the collective agreement. The national labour and employer confederation agreements previously appended to the collective agreement have been detached, with their regulations incorporated into the collective agreement to the extent required.

The revised collective agreement will also be disseminated as an online version incorporating the appropriate features, and potentially in the form of an associated mobile application.

### Use of agency workers

Restrictions governing the use of agency workers have been lifted with the exception of circumstances in which in-house labour is laid off or dismissed.

The guide to agency work drafted jointly by the federations sets out more detailed guidelines on the use of agency workers.

### *Enterprise co-operation related to discharging of employer obligations*

The employment agency and its client must collaborate to discharge employer obligations. If the collective agreement for the technology industry governs the employment of both agency workers and in-house staff of the client enterprise performing corresponding work, then the client enterprise must furnish the employment agency, in writing or electronically, with all of the information that is required for specifying the key terms and conditions of employment of its employees in accordance with the principles applied at the client enterprise.

### *Reduction of in-house labour and agency work*

An employer may not lay off or dismiss its in-house employees due to the use of agency labour. The use of agency workers must first be discontinued in the event of a reduction in work, and only thereafter will the employer's in-house employees performing corresponding work be laid off or dismissed. The employer must discontinue or revoke layoffs of in-house employees before using agency labour if work corresponding to the skills of the laid off employees becomes available. Agency workers may nevertheless still be required for duties requiring special skills, or for duties that are not regularly performed by the employer's in-house staff.

A client enterprise may not dismiss in-house employees on grounds of finance, production or operational reorganisation with the aim of subsequently replacing their labour with agency labour. If less than 6 months has elapsed since the end of employment, then use of agency labour is only justified when unforeseeable changes have occurred in the employer's operating conditions during the said period. The employer must explain the foregoing changes in operating conditions to the chief shop steward.

### *The chief shop steward of a client enterprise as a representative of agency workers*

The chief shop steward of a client enterprise may represent an agency worker by special authorisation.

### Older employees

#### *The career span scheme – measures to prolong working careers*

The federations have prepared a joint technology industries career span scheme publication providing examples of practical measures for prolonging working careers. These measures may concern such aspects as management, career planning, expertise and skills, modification of duties, and various working time scheduling arrangements. The career span scheme publication is available in Finnish from the website of the Federation of Finnish Technology Industries at [www.teknologiateollisuus.fi](http://www.teknologiateollisuus.fi) > työmarkkinat > työsuhteisiin neuvonta ja ohjeet.

#### *Prolonging working careers - performance appraisal*

The employer and employee attaining the age of 58 years will discuss available measures for helping an older employee to cope at work.

#### *Exchange of seniority bonus for time off*

The employer and employee attaining the age of 58 years may conclude an annual written agreement that the seniority bonus or part thereof earned by the employee will be exchanged for corresponding time off. The time off may be taken after the time of reviewing the seniority bonus. The employer and the employee will agree on the time of taking the time off or on the procedure for taking time off. Compensation corresponding to average hourly earnings will be paid to the employee for the period of time off. The chief shop steward shall be given an account of exchange practices at the enterprise.

### Reduction in absences due to illness and self-certification practice

Introduction of a self-certification practice at a workplace may be locally agreed as part of workplace-specific measures to reduce absences due to illness. The agreement may govern absences of the employee concerned lasting for up to three days. The agreement must be made in writing with the chief shop steward.

Matters to agree may include such aspects as the individuals covered by the agreement, the certification procedure, how to proceed in the event that illness continues, possible limitations on the number of acceptable absences, the employer's right to order an employee to report for a medical examination, anticipation of abuses, and the ability to set aside the grounds for payment of sick leave wages when cases of abuse occur.

An employee who falls ill during the annual holiday is entitled to have the holiday deferred as of the first day of illness on expressly so requesting. Elimination of the waiting period applies to all annual holidays taken after 1 October 2013. The employer must provide guidance to employees concerning procedures, including required medical certificates. The employer is entitled to a medical certificate of incapacity to work commencing during the annual holiday, even when enterprise practice does not otherwise require certification of brief absences.

### Order of staff reductions

The employer's duty to observe an order of reductions at times of staff redundancies and layoffs has been specified. Priority is assigned to skilled employees who also possess other abilities that are important for enterprise operations.

### Vocational training during time off

If vocational training is arranged outside of regular working hours, then compensation corresponding to the personal time rate is paid for the training period, but the said period is not counted as working time.

### Paternity leave

The maximum duration of paid paternity leave remains 6 days. The restriction of paying paternity leave wages only for the first period of paternity leave has been removed.

## **Guidelines on minimum terms and conditions of employment of posted workers**

The Federations have prepared guidelines on key wage, working time and annual holiday regulations applicable to posted workers in the technology industries. By complying with these guidelines, employers and employees may ensure that wages and working time satisfy the minimum requirements of Finnish legislation. The guidelines do not constitute a collective agreement or any part thereof.

The guidelines are intended for foreign enterprises and their employees who arrive in Finland to work and are governed by the Posted Workers Act<sup>1</sup>. The guidelines will also be useful to subscriber enterprises and labour protection authorities. There are three kinds of posted worker: employees of foreign subcontractor enterprises (subcontracting), employees who are sent to work for establishments or enterprises within the same corporate group (foreign postings), and employees of a foreign employment agency (agency workers). The guidelines are available in Finnish from the website of the Federation of Finnish Technology Industries at [www.teknologiateollisuus.fi](http://www.teknologiateollisuus.fi) > työmarkkinat > työsuhteasiain neuvonta ja ohjeet.

## **Proactive co-operation**

Proactive co-operation at the workplace establishes a foundation for continual development work. The federations have prepared materials for encouraging workplaces to strengthen a high standard of information flow of in all directions. Commitment to regular discussion of the state of the enterprise and the outlook for the future promotes mutual trust, preparation for change and setting of common goals.

Workplaces may also use a local bargaining format negotiated by the federations for agreeing on regular discussions of the financial situation of the enterprise and the outlook for order books and employment. Procedures related to temporary unforeseen layoffs will also be agreed in advance. The materials are available in Finnish from the website of the Federation of Finnish Technology Industries at [www.teknologiateollisuus.fi](http://www.teknologiateollisuus.fi) > työmarkkinat > työsuhteasiain neuvonta ja ohjeet.

The federations also provide enterprise-specific “Common goals – common interest” coaching with a view to providing stimulating and novel perspectives for enhancing co-operation at the workplace. A coaching brochure may be viewed on the websites of the federations.

## **Collective agreement for electrical engineering employees**

If the collective agreement for electrical engineering employees in technology industries applies at a workplace, then the role of the electrical engineering employees’ chief shop steward should be acknowledged in respect of local bargaining and agreements on wage increases.

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<sup>1</sup> *Laki lähetetyistä työntekijöistä*, no. 1146 of 1999

Efforts should be made to achieve a harmonised local wage settlement for all employees at the workplace. The electrical engineering employees' chief shop steward must also be given an opportunity to participate in processing and agreeing on the matter at the workplace. While the electrical engineering employees may ultimately conclude a local wage settlement of their own, this may not differ in principle from the corresponding settlement reached by metalworkers in respect of the timing and cost impact of increases.

### Textual amendments

Following prolonged preparation a new *scope regulation* has been agreed in the collective agreement for electrical engineering employees. The scope of the agreement is based on the occupational sector principle, whereby the nature of the employee's duties determines whether the collective agreement applies. The scope regulation also incorporates additional criteria concerning such aspects as the precise operating sector and affiliation of the enterprise, the employee's qualifications and job description, and the number of electrical engineering sector employees at the workplace. If the new scope regulation results in any changes in the collective agreement that applies at an enterprise or part thereof, then the change will not take effect before 1 January 2015.

The collective agreement for electrical engineering employees basically incorporates the same amendments as the "main sector" collective agreement for the technology industries. A separate settlement has nevertheless been reached on the *opinion sought from the electrical engineering employees' chief shop steward* that is appended to an *emergency work notice* submitted to the labour protection authorities. It is also recommended that *local agreements* be concluded *with the shop steward in writing*. The table of *monthly compensation* payable to a *chief shop steward* for electrical engineering employees differs from the table used in the main sector.

### **Development projects**

The Federations have agreed on several projects to improve regulations governing terms and conditions of employment and the world of work more generally. The aims of these projects also serve important employer interests. Some of the more important of these concern improving wage regulations, the effectiveness of staff representation and industrial peace regulations, representativity of the collective agreement particularly in enterprise networks, and the correct scope of terms and conditions of employment to be specified at workplace level and the parties who are competent to agree them.

### **For further details**

Further information is available from the Technology Industries labour market service desk, tel. +358 9 192 3222.

**Orders for the printed collective agreement**

The collective agreements will be available for downloading as pdf documents from the Technology Industries website at [www.teknologiateollisuus.fi](http://www.teknologiateollisuus.fi) > Labour Market > Collective Agreements.

Kind regards

*Risto Alanko*

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Federation of Finnish Technology Industries – TT

**Job-related wages as of 1 March 2014**

Job requirement category	hourly rates	monthly wages
	cents per hour	EUR per month
1	869	1515
2	912	1591
3	958	1670
4	1006	1754
5	1056	1841
6	1109	1934
7	1165	2030
8	1223	2132
9	1284	2238

Job requirement category	hourly rates	monthly wages
	cents per hour	EUR per month
Rough classification I	869	1515
Rough classification II	1006	1754
Rough classification III	1165	2030

## Other locally agreed ways of determining job requirement

	hourly rates	monthly wages
	cents per hour	EUR per month
lower limit	869	1515
upper limit	1284	2238

Job-related wages will be introduced as of the time of the wage increase at individual workplaces.