

# Collective Agreement

IT Service Sector

*9 November 2011 – 31 October 2013*



**ASSOCIATION OF IT SECTOR EMPLOYEES**

info@tietoala.fi

www.tietoala.fi

**FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF – YTN**

Ratavartijankatu 2

00520 Helsinki

ytn@ytn.fi

www.ytn.fi

**ASSOCIATION OF IT SECTOR EMPLOYEES**

Eteläranta 10

00130 Helsinki

www.teknologiateollisuus.fi

# **Collective Agreement**

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*9 November 2011 – 31 October 2013*

*The Federation of Finnish Technology Industries – TT  
Federation of Professional and Managerial Staff – YTN  
Association of IT Sector Employees*

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*The Federation of Finnish Technology Industries – TT  
Federation of Professional and Managerial Staff – YTN  
Association of IT Sector Employees*

# SIGNING MINUTES OF THE COLLECTIVE AGREEMENT

Date: 16 November 2011

Venue: Federation of Finnish Technology Industries, Eteläranta 10, Helsinki

Attending:

**Federation of Finnish Technology Industries – TT:** Jorma Turunen, Risto Alanko, Jarkko Ruohoniemi, Hanna Hovi, Satu Koivistoinen

**Federation of Professional and Managerial Staff – YTN:** Heikki Kauppi, Pertti Porokari, Mika Varjonen, Lotta Savinko, Jani Huhtamella, Riikka Mykkänen, Esa Schön

**Association of IT sector employees:** Juha Reinisalo, Ismo Kokko, Esa Koskinen, Turkka Ahlstedt, Jouko Malinen

## 1 § SIGNING OF COLLECTIVE AGREEMENT

It was noted that on the day of this meeting the federations had signed a collective agreement and appendices thereto reflecting a settlement proposal issued by the National Conciliator on 9 November 2011. The collective agreement now signed will take effect on 9 November 2011.

The agreed modifications shall take effect as of 9 November 2011, unless otherwise agreed with respect to entry into force of the agreement clause concerned.

## 2 § SALARY ADJUSTMENTS

*In 2011*

### **Negotiations on the salary settlement and its frame of reference**

Salary settlements will be negotiated locally. The aim of local bargaining is to find a salary settlement that suits the circumstances and needs of the workplace. The aim is to foster a culture of transparent negotiation and to support incentives for salary formulation, fairness and improved productivity in enterprises. The intention is for local appraisals to consider the credibility of remuneration and any measures that may be required for maintaining remuneration. Open exchange of information between the parties will be required to establish equitable local negotiating conditions.

The salary settlement will seek to safeguard the operating conditions and cost competitiveness of enterprises and workplaces in the sector, to improve their productivity, and to conserve employment. It will also enable rising earnings for employees in enterprises where the financial and employment situation is favourable.

### **Enterprise-specific salary settlement**

Negotiations will be followed by a written agreement on the cost impact, timing, and manner of implementing salary increases. A settlement with a higher cost impact than is agreed below in this section may be possible under favourable conditions. Under the conditions specified in annex 2 to the collective agreement (protocol on local collective bargaining under abnormal circumstances) and after complying with the procedures set out in the said protocol, an agreement may also be reached to increase salaries by some amount falling short of the cost impact agreed by the federations, or to waive the salary increase entirely.

The foregoing agreement shall be concluded with the regular elected staff representative or, where no such representative has been elected, with an ad hoc representative elected by the employees expressly for this purpose, or concluded jointly in writing with all of the employees in the workplace by no later than 15 December 2011.

The employer may not unilaterally impose any enterprise-specific salary settlement.

### **If no enterprise-specific salary settlement is achieved**

If no local settlement is achieved, then salaries shall be increased retroactively as of the start of the salary payment period beginning on 1 October 2011 or soonest thereafter by 1.6 per cent across the board, and by an element of 0.8 per cent allocated to individual salary increases.

Allocation of the foregoing 0.8 per cent element shall be negotiated and agreed under the salary system with the regular elected staff representative or, where no such representative has been elected, in a manner mutually agreed with the employees at the workplace.

The federations stress the importance of active local negotiations on allocating the salary increase in a manner that provides incentives based on work outcomes, qualifications or job performance, or that rectifies salary scales. The federations also find that consideration and allocation of the local element may justifiably result in differing outcomes for various functions and duties in an enterprise.

If the manner of implementing the local element cannot be agreed locally, then the parties may request an opinion from the federations on the manner of processing and implementing the local element. The total increase shall be 2.4 per cent across the board if no such agreement is reached on use of the local element.

The cost impact agreed between the federations or local collective bargaining parties may not serve as the basis for implementing any increase arising from a change of duties.

### **Non-recurrent element payable as of 1 January 2012**

Unless other arrangements are agreed locally with respect to payment of the non-recurrent element or the time of such payment, then a non-recurrent lump sum of EUR 150 will be payable to all employees falling within the scope of the collective agreement for the IT Service Sector as of the start of the salary payment period beginning on 1 January 2012 or soonest thereafter, subject to the following conditions:

- The lump sum shall be paid to employees who have been continuously employed since no later than 1 October 2011 and remain employed on the date of payment.

- The lump sum payable to part-time employees shall be reckoned in proportion to the agreed hours of work in relation to full-time working hours.
- The lump sum shall be paid to employees on unpaid leave at the time of the first salary payment next following their return to work, provided that the said return to work occurs during the agreement period.

### ***In 2012***

#### **Negotiations on the salary settlement and its frame of reference**

Salary settlements will be negotiated locally. The aim of local bargaining is to find a salary settlement that suits the circumstances and needs of the workplace. The aim is to foster a culture of transparent negotiation and to support incentives for salary formulation, fairness and improved productivity in enterprises. The intention is for local appraisals to consider the credibility of remuneration and any measures that may be required for maintaining remuneration. Open exchange of information between the parties will be required to establish equitable local negotiating conditions.

The salary settlement will seek to safeguard the operating conditions and cost competitiveness of enterprises and workplaces in the sector, to improve their productivity, and to conserve employment. It will also enable rising earnings for employees in enterprises where the financial and employment situation is favourable.

#### **Enterprise-specific salary settlement**

Negotiations will be followed by a written agreement on the cost impact, timing, and manner of implementing salary increases. A settlement with a higher cost impact than is agreed below in this section may be possible under favourable conditions. Under the conditions specified in annex 2 to the collective agreement (protocol on local collective bargaining under abnormal circumstances) and after complying with the procedures set out in the said protocol, an agreement may also be reached to increase salaries by some amount falling short of the cost impact agreed by the federations, or to waive the salary increase entirely.

The foregoing agreement shall be concluded with the regular elected staff representative or, where no such representative has been elected, with an ad hoc representative elected by the employees expressly for this purpose, or concluded jointly in writing with all of the employees in

the workplace by no later than 31 October 2012.

The employer may not unilaterally impose any enterprise-specific salary settlement.

### **If no enterprise-specific salary settlement is achieved**

If no local settlement is achieved, then salaries shall be increased retroactively as of the start of the salary payment period beginning on 1 November 2012 or soonest thereafter by 1.3 per cent across the board, and by an element of 0.6 per cent allocated to individual salary increases.

Allocation of the foregoing 0.6 per cent element shall be negotiated and agreed under the salary system with the regular elected staff representative or, where no such representative has been elected, in a manner mutually agreed with the employees at the workplace.

The federations stress the importance of active local negotiations on allocating the salary increase in a manner that provides incentives based on work outcomes, qualifications or job performance, or that rectifies salary scales. The federations also find that consideration and allocation of the local element may justifiably result in differing outcomes for various functions and duties in an enterprise.

If the manner of implementing the local element cannot be agreed locally, then the parties may request an opinion from the federations on the manner of processing and implementing the local element. The total increase shall be 1.9 per cent across the board if no such agreement is reached on use of the local element.

The cost impact agreed between the federations or local collective bargaining parties may not serve as the basis for implementing any increase arising from a change of duties.

## **3 5 JOB SATISFACTION AND MAINTENANCE OF WORKING CAPACITY**

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

The federations appointed a working group in 2009 to promote the job satisfaction of enterprise staff in the sector, maintain the working capacity of employees of varying ages, and manage absences due to illness. The mission of this working group was to develop suitable instruments and operating formats that would enable workplaces in the technology industries to gauge the current state of job satisfaction and identify the most important challenges. The working group was also assigned to support enterprises in implementing development projects.

The working group has worked with specialists to develop tools enabling workplaces to review their situation and determine their principal development measures. These tools will be tested at selected pilot enterprises towards the end of 2011. The tools and good practices will be disseminated for use by all enterprises in the technology industries in 2012 and 2013. The federations will encourage and support new workplaces joining the Good work - Longer career project in using the tools and implementing job satisfaction projects.

### **4 § IMPROVEMENTS IN GENERAL WORKING CONDITIONS**

A document dealing with improvements in general working conditions has been appended to these signing minutes.

### **5 § IMPROVEMENTS IN TRAVELLING REGULATIONS**

The federations shall appoint a working group to study the effectiveness of collective agreement regulations and local custom and practice concerning travelling expenses, per diem allowances and compensation for work-related travelling, and to report by no later than 31 December 2012. Based on this study, the working group shall assess any need for reform and prepare a proposal for improving regulations where necessary.

### **6 § IMPROVEMENT OF THE SALARY SYSTEM**

The federations shall appoint a working group to examine the need and prospects for improving remuneration and rewards in the sector. This investigation shall be completed by no later than 31 December 2012.

## 7 § DEVELOPMENT GROUP

The federations shall consider sectoral issues in industry-specific dialogue, on the principle of continual collective bargaining. Such issues include questions of productivity and industry competitiveness, working time, and clarification of the collective agreement.

The working group shall study the need for closer co-operation in compiling statistics and the conditions for achieving this, and shall report by no later than 31 May 2012. Based on this study, the working group shall submit proposals for promoting openness and trust, improving the comparability and availability of statistics, and enhancing conditions for local collective bargaining.

## 8 § COLLECTION OF MEMBERSHIP DUES

A reference to an agreement between national labour and employer confederations (EK-STTK) has been deleted from section 2 of the collective agreement. This deletion does not seek to modify previous practices.

## 9 § INSPECTION OF THE MINUTES

It was agreed that Jorma Turunen, Risto Alanko, Heikki Kauppi, Jani Huhtamella, Pertti Porokari and Juha Reinisalo would inspect these minutes.

### **In fidem**

Hanna Hovi

### **Minutes inspected by**

Jorma Turunen

Risto Alanko

Heikki Kauppi

Jani Huhtamella

Pertti Porokari

Juha Reinisalo

**APPENDIX TO THE SIGNING MINUTES OF THE COLLECTIVE AGREEMENT**

As part of the national incomes policy framework settlement signed on 13 October 2011, the national labour and employer confederations approved the Finnish government objective of encouraging employers to boost training for expertise and higher productivity as follows:

***Improvements in general working conditions***

*In response to the framework settlement, the government will initiate preparations for legislative reform based on tripartite negotiations.*

*To improve labour market effectiveness and staff skills, the government is also willing to begin preparing a new scheme of business tax relief for training and staff welfare measures through a special tax deduction facility.*

*The aim is to encourage employers to invest more in training with a view to upgrading the skills of their staff. This will enable employees to take three days of vocational skills training annually, as determined by the employer, resulting in an increase in staff skills training and the inclusion of a greater number of employees in such training. In the case of employees over 55 years of age these days may also be used for promoting working capacity and improving job satisfaction.*

*The aim of the tax relief scheme is to promote upgrading of skills, preparation for change, and prolongation of working careers.*

*A tripartite proposal on the criteria for the new system, ground rules for its introduction and manner of implementation will be prepared by no later than 31 May 2012. Corresponding arrangements will be implemented in the public sector. The scheme will be introduced on 1 January 2013.*

Enterprise staffing plans and corresponding arrangements will be reviewed to ensure their compliance with the foregoing scheme.

# 1 GENERAL REGULATIONS

## 1 § SCOPE OF THE AGREEMENT

1. This collective agreement determines the terms of employment for employees in information technology service businesses.
2. In this collective labour agreement, an information technology service business refers to an enterprise whose principal line of business is the provision of information technology services such as data processing services, labour-based services, software products, and comprehensive system deliveries to others. The enterprise may also engage in sales, maintenance, and installation.
3. This agreement does not apply to corporate management or representatives of the employer when determining the terms of employment for employees within the sphere of the agreement.

## 2 § AGREEMENTS AND RECOMMENDATIONS BETWEEN UNIONS AND CENTRAL ORGANISATIONS

The agreements appended to this collective agreement, shall be complied with as part of this collective agreement, alongside the following central organisation agreements in force:

Co-operation agreement PT-AKAVA

Moreover, recommendations concerning, for instance, referrals to treatment, are in force between the central organisations.

## 3 § MANAGEMENT AND DISTRIBUTION OF WORK, AND THE RIGHT TO ORGANISE

1. The employer has the right to manage and distribute work.
2. The right to organise is inviolable on both sides.

## 2 EMPLOYMENT

### 4 § BEGINNING OF EMPLOYMENT

1. The employer shall provide new employees with information on the relationships regarding organisations and negotiations in the sector, as well as the shop steward at the workplace.
2. The signatory organisations recommend that contracts of employment be made in writing.

### 5 § TERMINATION OF EMPLOYMENT

The unions have signed an agreement over protection against arbitrary dismissal for the IT Service Sector. The agreement is included as an appendix to this collective agreement.

## 3 SALARIES

### 6 § SALARIES

1. The employee's salary is generally determined as a monthly salary. The minimum salary of a part-time employee is determined in accordance with the ratio of agreed working hours to full working hours. Other agreements regarding wages and salaries can be made with temporary employees.

If a results-based pay scheme is introduced at the workplace, the employer must consult the employees to whom the scheme applies and provide a report on the content and objectives of the scheme.

If the competence level for a task of an employee changes permanently, the competence classifications shall be redefined.

2. For determining an employee's minimum salary, the competence classifications of tasks and personal grounds in salary determination shall be

*Salary level indicators*

Level 1	Level 2	Level 3	Level 3 A
<b>General description</b>			
These tasks are professional tasks typical of the group.	These tasks are more demanding or versatile than the previous tasks.	These tasks are professional tasks typical of the group, or tasks that involve supervision duties.	Compared to the previous, the task involves a significant amount of financial, operational, and supervision work.
<b>Competence, freedom, responsibility, and interaction required for the work</b>			
Competence required for independently carrying out tasks in one's area of competence.	Competence requiring knowledge and skills in different competence areas of work, or work requiring profound command and application of knowledge and skills in the areas of competence.	Competence requiring knowledge and skills in different areas; requires a comprehensive view or profound knowledge of the competence areas.	See level 3.
The task requires conventional interaction and co-operation skills, in compliance with the general guidelines.	The task may require co-operation skills in varying situations requiring interaction and consideration.	The task requires the creation of independent solutions/models in situations requiring consideration  The task requires co-operation skills in varying situations requiring interaction.	See level 3.

*Minimum salaries 1.1.2012*

Task category	Level 1	Level 2	Level 3	Level 3A
<b>SALES</b> Such as sales consultants, sales secretaries, and managers	1902	2699	3530	3706
<b>MARKETING AND COMMUNICATIONS</b> Such as experts in marketing and communications	1981	2411	3367	3535
<b>CUSTOMER SERVICE AND SUPPORT</b> such as contact persons, trainers, and advisers	2038	2581	3125	3280
<b>DESIGN/DEVELOPMENT</b> Such as programming, systems analysis, and application design workers and experts	2097	2741	3446	3617
<b>PROJECT/SYSTEM RESPONSIBILITY</b> Such as responsible for a project and system entities	2559	3077	3530	3706
<b>NETWORK AND TELECOMMUNICATIONS</b> Such as network services and telecommunications personnel	2097	2839	3446	3617
<b>OPERATIONS AND EQUIPMENT SERVICES</b> Such as operators, operations planning personnel, and operating system experts	1865	2352	3182	3342
<b>HARDWARE AND SOFTWARE MAINTENANCE</b> Such as those in service and maintenance tasks, or software expert tasks	1888	2451	3001	3149
<b>ADMINISTRATION</b> Such as accounting and HR personnel	1495	1968	2373	2491

*Minimum salaries 1.11.2012*

Task category	Level 1	Level 2	Level 3	Level 3A
<b>SALES</b> Such as sales consultants, sales secretaries, and managers	1939	2751	3598	3777
<b>MARKETING AND COMMUNICATIONS</b> Such as experts in marketing and communications	2019	2457	3431	3603
<b>CUSTOMER SERVICE AND SUPPORT</b> such as contact persons, trainers, and advisers	2077	2631	3185	3343
<b>DESIGN/DEVELOPMENT</b> Such as programming, systems analysis, and application design workers and experts	2137	2794	3512	3686
<b>PROJECT/SYSTEM RESPONSIBILITY</b> Such as responsible for a project and system entities	2608	3136	3598	3777
<b>NETWORK AND TELECOMMUNICATIONS</b> Such as network services and telecommunications personnel	2137	2893	3512	3686
<b>OPERATIONS AND EQUIPMENT SERVICES</b> Such as operators, operations planning personnel, and operating system experts	1901	2397	3243	3406
<b>HARDWARE AND SOFTWARE MAINTENANCE</b> Such as those in service and maintenance tasks, or software expert tasks	1924	2498	3059	3209
<b>ADMINISTRATION</b> Such as accounting and HR personnel	1524	2006	2419	2539

taken into account. If no mutual agreement on the grounds of salary determination can be reached at the workplace, the parties are entitled to request consultation from the unions in order to resolve the problem.

3. The task categories, general indicators of competence levels, and minimum salaries for different competence classes shall be as described in the tables on pages 17 to 19. The employer shall inform the employee yearly about his/her task category and competence level either in development discussion or in another appropriate way. The task category and competence level may also be written in the payslip. When the task category or the competence level changes, the employee shall be informed about it in writing.
4. In addition to the competence classification, an employee's salary is affected by the employee's performance, professional skills, the goals set for the work with regard to results and quality, and personal qualifications and competencies. The intention behind grading salaries on personal grounds is to encourage and reward the person for good performance and development of professional skills.
5. The maximum hourly wages divisor for employees on a monthly salary is 158.

## **7 § TRAINEES AND SUMMER EMPLOYEES**

1. The maximum training period is 12 months and can be applied only once in the sector to which this agreement applies.
2. The salary of a trainee is at least 85 per cent of the salary applicable to the duties in question. Vocational training in the field shall be taken into account as a factor shortening the training period, if the employee takes on a task that corresponds to the training in question. This provision shall not apply to training related to a degree.
3. Special arrangements can be made in the case of remuneration for trainees employed with no experience in the work to be undertaken, and where the degree requirements include one or more training periods.
4. The salary of a summer employee with no professional education or work

experience in the sector is 75% of the minimum salary applicable to the duties involved.

5. The salary for an employee on an apprenticeship contract is at least 75% of the salary applicable to the duties in question in the first year, and at least 85% from then onwards.

## 4 WORKING HOURS

### 8.5 REGULAR WORKING HOURS IN DAYTIME WORK

1. Regular working hours in daytime work consist of no more than 7.5 hours per day and no more than 37.5 hours per week.
2. Regular working hours can be extended to a maximum of eight hours per day and a maximum of 40 hours per week by means of a local agreement. In this case, weekly working hours shall be reduced to an average of 37.5 hours in accordance with Appendix
3. Daily regular working hours shall take place between 8 am and 5 pm unless there is a justifiable reason for some other arrangement.
4. The work week begins on Monday.
5. Sundays as well as Saturdays are days off.
6. Christmas Eve and Midsummer Eve are days off.
7. If a public holiday falls on a day other than Saturday or Sunday, the number of regular working hours in that week shall be reduced by the number of working hours corresponding to the holiday during the work week.
8. The employee is entitled to a lunch break of 30 to 60 minutes during which he or she may leave the workplace. The lunch break is not included in the working hours.
9. There are two refreshment breaks per day.

## 9 § REGULAR WORKING HOURS IN SHIFT WORK

### 1. Two-shift work

Regular working hours are no more than eight hours per day and no more than 48 hours per week, so that average weekly working hours balance out to 37.5 hours within a period of no more than eight weeks.

### 2. Interrupted three-shift work

Regular working hours are no more than eight hours per day and no more than 48 hours per week, so that weekly working hours balance out to 37 hours within a period of no more than eight weeks.

### 3. Uninterrupted three-shift work

Uninterrupted three-shift work refers to work performed in three shifts for a total of 24 hours per day on seven days per week. The terms and conditions applicable to uninterrupted three-shift work, and transferring to uninterrupted three-shift work is subject to local agreement.

## Regulations concerning two-shift work and interrupted three-shift work

4. The week begins on Monday.
5. Regular work shall not be done on Sunday, and regular weekly working hours shall be divided over five days.
6. Regular working hours in a week with a work-week holiday shall be reduced by the number of hours corresponding to that holiday.
7. Working hours shall be balanced out to the weekly working hours mentioned under points 1 and 2 by granting leave to the employee. The balancing leave must be given as full shifts unless agreed otherwise locally. The shift supplement paid for the balancing leave shall be the average amount of such a supplement.
8. When work has been arranged in the form of regularly changing shifts longer than seven hours, the employee shall be granted a 30-minute rest period included in working hours.
9. A working hours scheme for shift work shall be prepared in advance, providing employees with the opportunity to express their opinions, and the

employees must be informed of the working hours scheme at least one month before the beginning of the period. Temporary deviations are allowed when necessary for the enterprise's operations. If possible, notice of any changes must be provided one week in advance. A change in days off due to changed shifts shall be compensated for through single hourly wages if notice has not been provided at least one week in advance.

10. Upon a change in the type of working hours or upon termination of employment, an agreement shall be made with regard to compensation for free time earned but not yet realised either through corresponding time off or via monetary compensation.

### **Regulations concerning uninterrupted three-shift work**

11. Uninterrupted three-shift work can be agreed upon locally.

## **10 § SHIFT SUPPLEMENTS**

1. Shift supplements shall be paid for work in regular working hours performed in evening and night shifts. The shift supplements are as follows.

Monthly salary	Evening shift supplement since 1 January 2012 €/hour	Evening shift supplement since 1 January 2012 €/hour
Under 2018	4,02	4,10
Over 2018	4,24	4,32

2. The night shift supplement is twice the applicable evening shift supplement.
3. Employees in shift work shall receive a shift supplement not increased by overtime compensation in accordance with any shift during which overtime work is carried out.

## **11 § SUPPLEMENTS FOR EVENING AND NIGHT WORK**

1. Whenever work is not considered shift work or overtime work and the employee has to perform it between 6 pm and 10 pm, this will be considered

evening work; correspondingly, work performed between 10 pm and 6 am will be considered night work.

2. Evening work shall be compensated for by a supplement equal to that paid for evening shifts, and night work shall be compensated for by a supplement equal to that paid for night shifts

## **12 § ADDITIONAL, OVERTIME AND SUNDAY WORK**

1. Additional work refers to work carried out between regular working hours and the maximum legal number of regular working hours.

Additional work can only be performed by employees whose regular agreed working hours are less than 40 hours per week.

2. Single hourly wages for each actual working hour shall be paid for additional work. If additional work is carried out between the regular maximum working hours as referred to in the collective agreement (7.5 hours a day and 37.5 hours a week) and the maximum legal regular working hours (eight hours a day and 40 hours a week), the hourly wages for this work shall be raised by 50 %.
3. Overtime refers to work exceeding the legal maximum number of regular working hours (8 h per day and 40 h per week).
4. Daily overtime shall be compensated for by a wage increase of 50 % for the first two hours and 100 % for any subsequent hours.
5. Weekly overtime shall be compensated for by a wage increase of 50 % for the first eight hours and 100 % for any subsequent hours.
6. Overtime work carried out on Sunday, on public holidays, on the First of May, on Independence Day, and after 5:00pm on New Year's Eve shall be compensated for by a wage increase of 150 % for the first two hours and 200 % for any subsequent hours.
7. If work performed by an employee continues into a new day, the work shall be included in the additional work and overtime calculations for the previous day until the start of the employee's normal regular working hours. These hours shall not be taken into account in calculation of the

regular working hours of the second day.

8. With the employee's consent, additional work, overtime, and Sunday work can be compensated for by time off in lieu. Time off must be granted within two months of performance of the work if demanded by the employee.
9. Local agreements can be made with regard to overtime not exceeding 250 extra hours within a 12-month period, instead of the four-month review period as referred to in the Working Hours Act. The same time period shall be observed if an agreement regarding 80 hours of extra overtime has been made in the enterprise.

### **13 § WEEKLY FREE TIME**

1. Working hours must be arranged such that the employee will have 35 hours of uninterrupted free time once a week. This period must be in connection with a Sunday if possible.
2. If, during his or her free time, an employee is required for work at the enterprise on a temporary basis, the employee must be compensated for the weekly free time missed through shortening of his or her regular working hours by the number of hours spent working on the day off. The working hours shall be reduced no later than within three months of performance of the work, unless otherwise agreed. With the employee's consent, the wages.

### **14 § STANDBY**

1. If an employee's contract requires him or her to be on standby duty at his or her residence or otherwise maintain readiness to come to work when requested in a separately agreed manner, the employee shall receive half of the specified hourly wages for the period that he or she is bound by such an obligation but not actually working.
2. Effort should be made to arrange standby duty that is not considered working hours in an uninterrupted fashion.
3. Standby compensation shall be paid for a minimum of four standby hours.

## 15 § TELEPHONE CALL COMPENSATION

1. If the employee is contacted by telephone on business matters during his or her free time, he or she shall be compensated by single hourly wages for one hour.
2. Telephone calls placed between 9:00 pm and 6:00 am, as well as on Sundays, public holidays, Independence Day, and the First of May, shall be compensated for by single hourly wages for two hours.

## 16 § EMERGENCY WORK

1. Emergency work is carried out on the basis of an emergency call. This refers to a case in which the employee has left the workplace and is required to come to work outside his or her regular working hours.
2. Emergency work shall be compensated for by at least one hour's wages and an emergency supplement as follows:

### I In daytime work (other than shift work)

a) If the call is issued after regular working hours or during the employee's day off but before 10 pm, compensation corresponding to two hours' wages shall be paid.

b) If the call is issued between 10 pm and 6 am, compensation corresponding to four hours' wages shall be paid.

### II In shift work

a) For the morning shift

Emergency supplements for the morning shift shall be equal to those agreed on for daytime work hereinabove.

b) For the evening and night shifts

If the call is issued within nine hours of the end of the employee's regular work hours, compensation corresponding to four hours' wages shall be paid.

c) If the call is issued after nine hours following the end of regular work hours but at least one hour before the beginning of the employee's next regular working hours, compensation corresponding to two hours' wages shall be paid.

es shall be paid to the employee.

3. Compensation in accordance with paragraph 2. I a) above shall also be paid when work is performed between 10 pm and 6 am on the basis of a call issued during regular working hours on the same day.
4. If work performed in either of cases I b) and II b) hereinabove constitutes diurnal overtime, the overtime compensation will immediately be 100%.

## 5 TRAVEL REGULATIONS

### 17 § TRAVEL EXPENSES AND DAILY ALLOWANCE

1. The corresponding regulations of the collective agreement for government officials shall be observed as applicable with regard to compensation for travel expenses and the payment of daily allowances.
2. When an employee is required by the employer to travel during his or her free time in accordance with the working hours scheme, the time spent travelling will be compensated for with basic salary not exceeding eight hours for a working day and 16 hours for a day off. Travel time shall be calculated in full 30-minute periods. Travel time is not considered working hours. This benefit can also be implemented by concluding a local agreement on separate, fixed monthly compensation.

If the employer pays for the employee's sleeping accommodation on board a means of transport, no compensation for travel time payment shall be made for between 9 pm and 7 am.

In calculation of the fulfilment of regular working hours as a basis for weekly overtime, the hours spent travelling shall also be taken into account, up to the maximum daily regular working hours in accordance with the working hours scheme for travel days on which regular working hours are not otherwise fulfilled. However, these hours are not considered actual working hours.

Leisure-time travel referred to directly above will not be compensated for if:

a) compensation for leisure-time travel has been taken into consideration in the terms and conditions of employment and this has been stated in the conclusion of a contract of employment with the employee or later; such compensation can constitute, for example, a salary higher than the salary otherwise called for by the competence classification of the task, or

b) the employee is able to independently decide on the scheduling of his or her working hours and his or her duties do not determine the times of starting or ending travel.

In the event of lack of clarity or disagreement regarding the application or interpretation of paragraphs a) and b) in the workplace, these shall be handled in accordance with the regulations governing negotiation procedures in the collective agreement and shop steward agreement between the parties. The employer then needs to explain the criteria that were used for defining leisure travel.

The regulation concerning compensation for leisure-time travel is not applicable to international travel or participation in training sessions.

3. When an employee must arrive to perform emergency work or overtime work, or leave from emergency work or overtime work during a time of day with no regular means of transport, or if he or she is called to emergency work so urgently that it would be impossible to get to the workplace in time by public transport, the employee shall receive a travel allowance or, if he or she has used his or her own vehicle, compensation for the use of one's own vehicle as specified in paragraph 1.

## 6 ABSENCES AND SOCIAL REGULATIONS

### 18 § EMPLOYEE'S ILLNESS

#### 1. Preconditions

The employer shall pay salary for the duration of an employee's illness if:

- the employee is prevented from working in accordance with the contract of employment because of illness or accident and
- the employee has not caused his or her incapacity for work intentionally or by gross negligence.

#### 2. Duty to declare and medical certificate

The employee must inform the employer of his or her absence and, if possible, its duration without delay. If requested, the employee must present a medical certificate or other document accepted by the employer indicating his or her incapacity for work.

If the employer designates the doctor, the employer shall be responsible for the costs of obtaining a medical certificate.

#### 3. Salary payment

Salary shall be paid as follows in connection with each case of incapacity for work when the period of employment has lasted:

- under three years, for four weeks
- three years but under five years, for five weeks
- five years but under 10 years, for six weeks
- at least 10 years, for eight weeks

If the employment has lasted less than one month, the employer's obligation to pay salary for periods of illness shall be determined by the Employment Contracts Act.

If an employee succumbs to the same illness within 30 days of returning to work, the salary for the period of illness is determined in the following way:

- The absences are added together and treated as a single period of illness with respect to salary payment
  - However, salary is paid for the waiting period stipulated by the Sickness Insurance Act – i.e., the first day of illness, provided it is a working day.
4. The employer can pay salary for periods of illness either
- such that the full salary will be paid for the waiting period specified in the Sickness Insurance Act, and the difference between daily wages and the daily allowance paid on the basis of the Sickness Insurance Act will be paid for any subsequent working days, or
  - such that the employer pays the salary to the employee and files an application for health insurance compensation to be paid to the employer
5. If the daily allowance referred to in the Sickness Insurance Act, for a reason attributable to the employee, is not paid or if the amount paid is less than the statutory amount, the employer's obligation to pay salary will be decreased by the amount that was not paid.
6. Any daily allowance or comparable compensation received for the same incapacity for work and the same period of time on the basis of legislation, on the basis of an insurance policy partially or fully paid for by the employer, or from a sickness insurance fund receiving the employer's contributions shall be deducted from the salary paid for the period of illness.

## 19 § FAMILY LEAVE

1. Special maternity leave, maternity leave, paternity leave, adoption leave, parental leave, and child-care leave shall be determined on the basis of the Employment Contracts Act and Sickness Insurance Act.
2. The employer will pay three months' salary to a female employee in connection with statutory maternity leave. The precondition is that uninterrupted employment has continued at least five months before the estimated date of confinement.

3. The employer shall pay salary and benefits in kind to a male employee for the working days that are included in a period of six ordinary weekdays of paternity leave. The salary for paternity leave shall only be paid for the first period of paternity leave. The precondition is that uninterrupted employment has continued at least five months before the estimated date of confinement.
4. The employer shall be entitled to collect any statutory or agreed daily allowance or comparable benefit payable to the employee, or to recoup the said amount from the employee, for the period during which the employer has paid the salary of maternity or paternity leave referred to above to the employee, to the extent that the sum so collected or recouped does not exceed the sum paid in salary.
5. An employee who has adopted a child younger than school age is entitled to unpaid adoption leave of three months.

### 20 § MEDICAL EXAMINATIONS

1. The employer's duty to arrange occupational health care is based on the provisions of the Occupational Health Care Act. In addition to statutory occupational health care, employees working in shifts will be provided with the opportunity to have a medical examination once a year.
2. **Preconditions for salary payment**  
Salary for regular working hours will not be reduced in the following cases, provided that the examinations have been arranged in a manner that prevents unnecessary loss of working hours, that it has not proved possible to arrange the examinations outside working hours, and that the employer has been notified of them in advance.

#### *a) Other than statutory examinations*

In order to diagnose an illness, the employee attends:

- a necessary medical examination or
- a laboratory or X-ray examination associated with a medical examination and ordered by a doctor

This is also applicable to incapacity for work due to a medical examination, as well as observation or examination in a hospital due to symptoms of ill health.

The employee attends a medical examination due to a previously diagnosed illness. This applies to the following cases:

- an illness becomes fundamentally worse and the employee has to attend a medical examination
- a chronic illness requires a medical examination by a specialist in the field concerned in order to determine the appropriate medical treatment
- a specialist's examination is necessary in order to determine treatment in connection with which an order to acquire a medical appliance such as eyeglasses is issued
- a medical examination is necessary in order to determine treatment for any other previously diagnosed illness if the service cannot be obtained outside working hours
- incapacity for work caused by necessary treatment for cancer

*b) The period of treating an acute dental condition if*

- the dental condition causes the employee's incapacity for work,
- the dental condition requires treatment on the same day or during the same shift, and
- the dentist's certificate proves incapacity for work and the urgency of the treatment

*c) Pregnancy*

- when the employee attends an examination related to the payment of maternity allowance

*d) Statutory check-ups and examinations*

When the employee attends:

- examinations referred to in the Government decision on statutory occupational health care and approved in the action plan for occupational health care
- examinations related to the Young Workers' Act
- examinations required by virtue of the Health Care Act to which the employer sends the employee

The employer will compensate the employee for necessary expenses for travel to the examinations or check-ups in question, as well as pay a daily allowance if they are conducted in another locality. When an examination is carried out during the employee's free time, he or she will be compensated for additional expenses in an amount corresponding to the minimum daily allowance in accordance with the Sickness Insurance Act.

### 21 § TEMPORARY ABSENCE

#### **Illness**

1. Effort shall be made to arrange an employee's short-time temporary unpaid absence in a case of sudden illness in the family. This shall not reduce the employee's annual holiday benefits.
2. When a child younger than 10 years of age or a disabled child under the age of 18 (Government Resolution 130/85) suddenly becomes ill, the child's guardian shall receive pay in accordance with the regulations concerning sick pay for a case of absence of no more than four working days that is necessary in order to arrange care for the child or personally care for the child.

A precondition for the payment of salary to persons other than single parents is that both guardians be gainfully employed and the other guardian have no possibility of arranging care or personally caring for the child, on account of his or her employment and working hours.

A report of the absence must be provided in accordance with the rules of the collective agreement concerning the payment of salary during illness. Likewise, a report regarding the other guardian's inability to care for the child must be provided. The employee's annual holiday benefits shall not be reduced on account of the absence referred to above.

#### **Death and funeral**

3. Effort shall be made to arrange an employee's short-time temporary absence upon the death and for the funeral of next of kin. The employee's annual holiday benefits and income shall not be reduced on the basis of such an absence.

**Weddings and birthdays**

4. An employee shall be granted a paid day off for his or her wedding or for registering a civil partnership.
5. An employee whose employment has continued for at least one year shall be granted a paid day off on his or her 50th and 60th birthday if these coincide with his or her working days.

**Day of removal**

6. If an employee moves to another residence, he or she shall be granted a paid day off if the day of removal coincides with his or her work days. An employee has the right to a paid day off for removal no more than once in any 12 consecutive months.

**Conscription and military refreshment courses**

7. An employee liable for military service answering a call-up shall not lose any of his or her income.
8. If an employee participates in military refreshment courses for reservists, the difference between his or her salary and reservist's pay shall be paid to him or her for the days of participation.

**Public service**

9. An employee shall receive the difference between his or her salary and compensation for the loss of income when he or she participates in the work of a municipal council or government or an election committee or electoral commission associated with statutory elections during working hours. The employee's annual holiday benefits shall not be reduced on account of any such meetings being held during working hours.
10. An employee's salary and annual holiday benefits shall not be reduced if he or she attends the general meeting, council meeting, annual meeting, or board meeting, or a board-appointed committee meeting, of the Confederation of Unions for Professional and Managerial Staff AKAVA, Federation of Professional and Managerial Staff YTN or Association of IT Sector or a membership organisation of the aforementioned federations as an appointed representative.

## **7 ANNUAL HOLIDAY AND HOLIDAY BONUS**

### **22 § ANNUAL HOLIDAY**

1. The employee's annual holiday is determined in accordance with the Annual Holidays Act.
2. The employee has the possibility to accumulate days of annual leave for a later date (accumulated leave) in accordance with the Annual Holidays Act. Moreover, the inclusion of days off due to the conversion of holiday bonus to holiday pay leave, and other enterprise-specific days off, in the accumulated leave can be agreed on locally.
3. If desired by an employee whose employment started before the holiday season, the employer shall arrange an opportunity to receive unpaid leave in addition to any paid annual holiday so that the paid and unpaid holiday will amount to a minimum total of two weeks.

### **23 § HOLIDAY BONUS**

1. An employee shall be paid 50 % of the salary for his or her statutory annual holiday as a holiday bonus in connection with the payment of holiday pay unless otherwise agreed locally.
2. When the annual holiday is split, holiday bonus shall be paid in connection with the holiday pay paid out before each instance of holiday unless otherwise agreed locally.
3. The precondition for receiving a holiday bonus is that the employee begin his or her holiday at the reported or agreed time.
4. If an employer gives an employee notice for reasons not attributable to the employee such that the term of employment will end during the holiday season, holiday bonus shall be paid on the basis of the holiday compensation determined on the basis of the completed holiday credit year.
5. Holiday bonus shall be paid on the holiday pay and holiday compensation of retiring employees.

6. Holiday pay shall be paid to an employee doing his or her national service once the employee has returned to work.
7. If a shop steward and the employer jointly determine that grounds for termination of employment on the basis of Chapter 7, Section 3 of the Employment Contracts Act exist in the enterprise because of its financial situation, an agreement can be made with regard to partial or total non-payment of holiday bonus. Such an agreement can only be concluded for one holiday year at a time. In connection with the agreement, the employer must clarify the principles of applying the cost savings arising from the non-payment of holiday bonus.

## OTHER REGULATIONS

### **24 § SHOP STEWARD AND OCCUPATIONAL SAFETY AND HEALTH REPRESENTATIVE**

1. The shop steward agreement (Appendix 3) lays down provisions concerning shop stewards, the position and duties of shop stewards, the shop steward's employment security, and the compensation to be paid to the shop steward.
2. The occupational safety and health representative shall enjoy the preferential employment security provided in section 10 of chapter 7 of the Employment Contracts Act.
3. The occupational safety and health representative's participation in training has been agreed upon in the training agreement valid between the unions (Appendix 4).
4. Occupational safety and health representatives are entitled to the following compensation:

Number of employees represented	Compensation until 31 December 2011, €/month	Compensation from 1 January 2012, €/month
20-100	32	34
101-400	54	57
over 400	64	67

### 25 § LOCAL AGREEMENTS

In accordance with the agreement on local agreements (Appendix 1), local agreements deviating from the collective agreement can be concluded with regard to the following regulations:

- §6 (retaining the competence levels, standard salaries, and margins)
- §8 (regular working hours in daytime work)
- §9 (regular working hours in shift work)
- §11 (supplements for evening and night work)
- §14 (standby)
- §15 (telephone call compensation)
- §16 (emergency work)
- §23 (holiday bonus)
- Flexible working hours: working time exceeding 40 hours per week is accumulated in the working hour reserve

### 26 § NEGOTIATION PROCEDURE

1. Disputes concerning the interpretation of the collective agreement or terms of employment will be resolved in compliance with the negotiation procedure described below.
2. Disputes shall primarily be resolved through negotiations at the workplace.

3. In matters related to performing work and the related technical issues, employees must immediately turn to the management.
4. Disputes concerning salaries and other terms and conditions of employment must be resolved locally between the employer or its representative and a shop steward or the employee.
5. Disputes concerning the interpretation of the collective agreement shall be resolved between the employer or its representative and the shop steward, if a shop steward has been elected for the enterprise.
6. Local negotiations should be initiated and carried out without undue delay. Negotiations must be initiated no later than within one week of the issuing of the negotiation proposal.
7. A memorandum must be drawn up on local negotiations if either of the parties requests this. However, a memorandum need not be drawn up on an issue on which a memorandum of disputes, as referred to in paragraph 8, is compiled. The memorandum shall be prepared and signed in two copies, one for each party.
8. If a dispute cannot be resolved in local negotiations within the enterprise, the matter can, by request of either local party, be referred to unions for resolving. In this case, the parties shall prepare in the first instance a memorandum of disputes, together, in which the cause of the dispute shall be recorded alongside the views, with justification provided, of both parties on the matter. The unions recommend that the template drawn up by the unions to be used in preparation of the memorandum of disputes. The memorandum shall be prepared in two copies, one for each union. The shop steward and employer's representative sign the common memorandum. The parties concerned submit the memorandum to the unions. If one of the negotiating parties will not participate in the preparation of the common memorandum of disputes within reasonable time, the other party alone can refer the matter to the unions for resolving.
9. Any disputes concerning the collective agreement, upon negotiation in compliance with this negotiation procedure by the unions without reaching agreement, can be submitted to the labour court for resolution.

### **27 § COLLECTION OF MEMBERSHIP FEES**

1. If authorised by the employee, the employer shall collect the membership fees of the signatory trade unions in connection with salary payment and provide the employee with a certificate of the withheld amount for taxation purposes at the end of the year.
2. The employer shall pay the accumulated membership fees in to a bank account of the trade union in question in accordance with instructions provided.

### **28 § GROUP LIFE ASSURANCE**

The employer shall pay for group life assurance for employees as agreed upon between the central organisations.

### **29 § MEETINGS AT WORKPLACES**

A member organisation of YTN and a registered affiliated association of the Association of IT Sector Employees, as well as its local branch or a similar organisation, shall be entitled to arrange meetings associated with employment matters at the workplace outside working hours in a place designated by the employer with the following preconditions:

1. The arrangement of such a meeting shall be agreed upon in advance with the employer.
2. The organisers have the right to invite representatives of their union to the meeting.
3. Announcements by the signatory trade unions and their affiliated associations may be posted on a notice board at the workplace.

### **30 § CURRENTLY VALID BENEFITS**

If an employee has been entitled to benefits better than those required under this agreement (such as shorter working hours), or if such benefits

are not defined at all in this agreement, any such benefits shall remain valid unless agreed otherwise in accordance with the procedure specified in Section 25 of this agreement or unless the local arrangement in question leads to a result at least equally beneficial to the employee.

### **31 § DUTY TO MAINTAIN INDUSTRIAL PEACE**

Industrial action associated with this agreement or any of its individual provisions is forbidden.

### **32 § VALIDITY OF THE AGREEMENT**

This agreement shall be valid from 9 November 2011 to 31 October 2013, after which date it shall continue until further notice, served two months in advance.

### **ESPECIAL GROUNDS FOR TERMINATION**

#### **Significant deviation in economical development**

In case that employer and employee central organisations jointly estimate that the economical development significantly deviates from the development foreseen at the moment of signing this agreement, the federations shall negotiate and agree about the effects of deviation to salary increases or to the period of this collective agreement.

Unless the effects of deviation in economical development has been agreed according the above mentioned manner, either party may give written notice, not later than 31 August 2012, to terminate this agreement on 31 October 2012. The written notice shall be given also to the conciliator general.

*Signed in Helsinki this 16 November 2011*

*THE FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES*

*Jorma Turunen          Risto Alanko*

*FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF – YTN*

*Heikki Kauppi          Jani Huhtamella*

*ASSOCIATION OF IT SECTOR EMPLOYEES*

*Pertti Porokari          Juha Reinisalo*

# APPENDIX 1

## AGREEMENT ON LOCAL AGREEMENTS

### 1 §

Deviations from the provisions of a valid collective agreement can be agreed upon locally in accordance with this agreement.

A local agreement can be concluded within the limits prescribed by legislation and the collective agreement. No local agreement may fundamentally supersede the entire collective agreement or an essential part of it, such as the salary or working hours scheme. Furthermore, in cases of financial and production-related problems, minimum terms and conditions for salaries and other economic benefits can be agreed upon in accordance with a protocol attached to this agreement.

### 2 §

The parties to negotiations and agreements can include an employer bound by the collective agreement or its representative, as well as a shop steward or, where one does not exist, the employees and a registered enterprise-specific employees' association. Furthermore, the parties to the collective agreement can agree on local exceptions to the collective labour agreement.

### 3 §

A proposal for a local agreement must state the provision of the collective agreement to which an exception shall be made and provide grounds for deviation from the collective agreement. In order to be valid, a local agreement must be made in writing and state the parties it applies to, the relevant section of the collective agreement, and the contents that have been agreed upon. The agreement can be valid for a fixed period or until further notice. In the latter case, the agreement can be terminated with three months' notice. If the agreed arrangement is bound to a certain time period, the arrangement shall, however, continue to the end of that period.

### 4 §

The local agreement will become valid at the agreed time. However, the parties to the collective agreement have the right to contest a local

agreement on the basis of Section 1(2) of this agreement. In this case, the parties to the collective agreement have the right to amend the local agreement or overturn it. The amended local agreement shall become valid

at the time agreed upon by the parties to the collective agreement. The parties to the collective agreement must be notified of any local agreement in accordance with this agreement, without delay.

### **5 §**

This agreement is valid as part of the collective agreement between the signatory organisations and will expire upon the expiry of the collective agreement without separate termination. However, any valid local agreement shall continue in accordance with what has been agreed upon.

### **6 §**

Any disputes concerning the interpretation of this agreement and the interpretation of local agreements based on this agreement shall be resolved in a similar way to disputes concerning the collective agreement.

*Helsinki, 16 November 2011*

*THE FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES  
FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF – YTN  
ASSOCIATION OF IT SECTOR EMPLOYEES*

## APPENDIX 2

### PROTOCOL ON LOCAL AGREEMENTS IN EXCEPTIONAL SITUATIONS

- 1 §** The signatory organisations agree that local agreements on deviation from the minimum terms and conditions concerning pay and other economic benefits in the collective labour and salary agreement signed by the organisations can be concluded as specified in this agreement.
- 2 §** An agreement in accordance with this protocol can be concluded with regard to an enterprise or a part of it, with the contracting parties being an employer bound by the collective agreement and a shop steward or, where one does not exist, the employees and a registered enterprise-specific employees' association.
- 3 §** A precondition for concluding an agreement referred to in Section 1 above is the existence of the grounds referred to in Chapter 7, Section 3 of the Employment Contracts Act – i.e., financial or production-related grounds for termination, or reason arising from reorganisation of operations. When negotiating an agreement referred to in this protocol, the employer shall comply with the Co-operation Act with regard to the provision of information required for the negotiations. If necessary, the parties may use consultants.
- 4 §** An agreement in accordance with this protocol shall be concluded for a limited period, no more than one year.
- 5 §** A precondition for a local agreement in accordance with this protocol is that the parties to the collective agreement be notified of such an agreement. The agreement may be subject to review by the parties to the collective agreement.
- 6 §** Otherwise, the agreements between the parties to the collective agreement regarding local agreements shall apply.

*Helsinki, 16 November 2011*

*THE FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES  
FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF – YTN  
ASSOCIATION OF IT SECTOR EMPLOYEES*

# APPENDIX 3

## SHOP STEWARD AGREEMENT

### 1 § SCOPE OF THE AGREEMENT

This agreement applies to the members of the Federation of Finnish Technology Industries and their employees.

### 2 § THE SHOP STEWARD

1. In this agreement, shop steward refers to a shop steward and deputy shop steward elected by organised employees bound by the collective agreement.
2. The shop steward of an enterprise shall be elected by organised employees of the enterprise who are members of signatory trade unions or their registered affiliated association and who fall within the scope of the collective agreement.
3. Employees may elect a site-specific shop steward for an independent unit in which there is an employer representative who determines the terms and conditions of employment and hires and dismisses employees. The matter shall be reviewed with the employer representative before the election.
4. When appropriate from the standpoint of local negotiations and the shop steward system, it can be locally agreed that several shop stewards as referred to in this agreement be elected for the independent regional or functional units of a large or regionally diversified enterprise. If annual meetings for shop stewards have been arranged within an enterprise, the former practice shall continue.
5. If there are several shop stewards in an enterprise, a chief shop steward can be elected.
6. A deputy shop steward can be elected to serve as the substitute of the shop steward when he or she is prevented from attending, assuming the rights and obligations of a shop steward for this time.

7. A shop steward must be an employee of the enterprise in question who falls within the scope of the collective agreement, is a member of a signatory trade union or its registered affiliated association, and is familiar with the conditions of the workplace in question.
8. When the operations of an enterprise or a functional unit thereof are fundamentally reduced or enlarged, or in the case of business transfer, merger, divestment, or comparable substantial change, the shop steward organisation shall be renewed to correspond to the changed situation in accordance with the principles of this agreement. The employer's representative and the shop steward shall together review the shop steward's position in the new organisation. The shop steward shall retain his or her position in a business transfer if the business or part of it retains its independence.

### **3 § ELECTION OF THE SHOP STEWARD**

1. The election of a shop steward can be carried out in the workplace, and all employees organised in the signatory trade unions or their registered affiliated association must have the opportunity to participate in the election. However, the arrangements and execution of the election must not disturb work. The times and places of elections arranged in the workplace must be agreed upon with the employer at least 14 days before holding of an election. Holding an election is mainly the responsibility of the shop steward or, when he or she is prevented, the deputy shop steward if there is one. The election can also be arranged by means of an electronic voting. The necessary time spent by these persons on holding the election shall be considered time spent on shop steward's duties.
2. The employees responsible for the arrangements of a shop steward's election shall, with the same notice, inform both signatory trade unions as well as the employer about the election as soon as the planning of such an election begins – however, no later than 14 days before the election is carried out.
3. The shop steward, and any deputy shop steward elected, will gain the position of shop steward or deputy shop steward as referred to in this agreement once the local branch or a signatory trade union has informed

the employer in writing of the name of the shop steward elected. The employer shall be informed in writing of the resigning of a shop steward or deputy shop steward.

### **4 § DISCUSSION ON CO-OPERATION AND TARGETS**

The goals and functionality of the negotiation system shall be discussed regularly in the workplace. Such a discussion must be conducted for the first time within two months of the beginning of a new shop steward's term of office, and annually thereafter. The parties to the discussion are the shop steward and employer's representative. Both parties give feedback at the discussion, on the basis of which the parties strive to improve co-operation further. Moreover, the parties deliberate together on the goals set for the negotiation system and shop steward's activities, and how the development of co-operation is monitored. Furthermore, the times of submitting information to the shop steward under the provisions of Section 7 shall be reviewed at the discussion, in the course of planning for the need for education related to the shop steward's duties, the schedules, and objectives thereof.

### **5 § SHOP STEWARD'S EMPLOYMENT**

1. Unless otherwise specified in this agreement, a shop steward is in the same position as other employees with regard to his or her employment with the employer. The shop steward is obliged to personally comply with the general terms and conditions of employment, working hours, the orders of the management, and the regulations of the workplace.
2. The shop steward's opportunities to develop and advance in his or her profession must not be impaired because of his or her duties as a steward.

The shop steward's pay development must correspond to the general pay development within the enterprise.

During the period after the shop steward's duties have come to an end, the shop steward shall be provided with further or supplementary training in addition to work that enables the shop steward to return to his or her previous duties or to duties with similar competence requirements.

3. An employee acting as a shop steward may not, during the term of office or because of it, be transferred to duties with a salary lower than that which he or she had when being elected as shop steward. He or she may not be transferred to duties with lower status if the employer is able to offer other work corresponding to his or her professional skills. He or she may not be dismissed because of his or her shop steward's duties.
4. If the enterprise's labour force is reduced or laid off for financial or production-related reasons, this must be done in an order that makes the shop steward the last employee subject to such measures. Deviation from this provision is permitted if the shop steward cannot be offered work corresponding to his or her profession or qualifications. If a shop steward considers him- or herself to have been dismissed or laid off in violation of the above provisions, he or she is entitled to demand that the matter be resolved between the organisations.
5. A shop steward's contract of employment cannot be terminated for a reason created by the shop steward without the consent of the majority of employees required by Chapter 7, Section 10(1) of the Employment Contracts Act. Such consent shall be investigated by the organisations having signed the collective agreement.
6. The employment contract of a shop steward may not be cancelled by virtue of Chapter 8, Section 1(1) of the Employment Contracts Act on the grounds that he or she has violated the regulations of Chapter 3, Section 1 of the Employment Contracts Act.
7. In assessment of the grounds for cancellation of a shop steward's contract of employment, the shop steward must not be placed in a disadvantageous position when compared with other employees.
8. The provisions on the protection of employment stipulated above shall also apply to a shop steward candidate, of whose name the local branch or a signatory trade union has notified the employer in writing (protection of the candidate). Such protection begins, at the earliest, two months prior to the beginning of the term of office of the shop steward to be elected and ends for others than the elected shop steward after the result of the election is declared.
9. The provisions on the protection of employment shall apply to an employ-

ee who has served as a chief shop steward or shop steward within the enterprise for six months following the termination of his or her shop steward duties (post-protection).

10. The shop steward shall be notified of any termination of employment at least one month before the beginning of the term of notice in accordance with the collective labour agreement. The reason for dismissal must be indicated on the notification of termination of employment provided to the shop steward. If the term of the shop steward ends due to a termination of his/her employment, the employer shall inform the deputy shop steward, or if there is none, the local branch or, if there is none, both signatory trade unions.
11. If a shop steward's contract of employment has been discontinued in violation of this agreement, the employer is obliged to pay compensation to the shop steward equalling at least six and at most 30 months' salary. The compensation must be determined in accordance with the grounds provided in Chapter 12, Section 2 of the Employment Contracts Act. The fact that the shop steward's rights under this agreement have been violated must be taken into consideration as a factor increasing the compensation. 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 must be taken into consideration as a particularly weighty factor in determining the amount of compensation.
12. If the dispute applies to the discontinuation of the employment of a shop steward as referred to in this agreement, local negotiations and negotiations between the unions must be initiated and carried out immediately after the grounds for discontinuation are contested.
13. A shop steward may not be pressured or dismissed from work on account of his or her duties.

### **6 § SHOP STEWARD'S DUTIES**

1. The shop steward's duties also include efforts to maintain and develop negotiation activities and co-operation between the enterprise and its staff.

2. The main duty of a shop steward is to act as the representative of employees bound by the collective agreement. As regards questions concerning interpretation of the collective agreement, the shop steward represents all employees in cases where the matter in question applies to all employees covered by the collective agreement, or some of them as a group.

Shop steward's duties include, for instance, the following (the list is not exhaustive):

- To represent all employees collectively in relation to matters concerning the interpretation of the collective agreement and its application, and matters concerning local agreements.
- To represent all employees collectively in relation to matters defined in the Act on Co-operation.
- To develop co-operation at the workplace jointly with the employer.
- To represent and assist organised employees who are bound by the collective agreement in handling their employment matters.

## **7 § SHOP STEWARD'S RIGHT TO INFORMATION**

1. In the event of any lack of clarity or disagreement about employees' salaries or other matters related to employment, the shop steward must be provided with all information pertaining to the resolution of the issue subject to disagreement.
2. The employer provides the shop steward, in writing or in another way to be agreed upon, the following information on the enterprise's employees:

The following information is to be provided once a year:

- A list of employees (first name and last name, task category and competence classification, and starting date of employment).
- The average salary in each task category and competence classification if a task category and competence classification includes at least five people.

The following information is to be provided twice a year:

- Numbers of the enterprise’s full- and part-time employees. This also applies to staff separately invited to work or other temporary staff who have worked during the half-year period.

The following information is to be provided four times a year:

- The name, task category, competence classification, and starting date of employment for new employees, and details on dismissed and laid-off employees. In cases of fixed-term employment, the agreed duration of the employment contract shall be indicated.
3. Upon his or her request, the shop steward shall be provided with a report on the information collected in connection with recruitment.
  4. The shop steward has the same right as the shop steward referred to in the legislation to study reports on emergency work, Sunday work, over-time work, and the increased wages paid for these.
  5. If several shop stewards have been elected within the enterprise on the basis of Section 2 above, the employer and the shop stewards shall mutually agree on the principles applicable to the distribution of information between shop stewards. However, the chief shop steward is entitled to all information.
  6. The shop steward must maintain the confidentiality of information received in the course of his or her duties on the basis of the above.

**8 § THE SHOP STEWARD’S EXEMPTION FROM WORK**

1. A shop steward is entitled to use sufficient time for shop steward duties, on the average, as follows:

Number of employees	Exemption, % of working hours
Less than 100	10 %
101-300	20 %
301-600	30 %
Over 600	40 %

The implementation of exemption from work can be agreed upon in more detail at enterprise-specific level.

The use of a chief shop steward's time is subject to local agreement.

If the shop steward's sphere of authority covers several locations of a regionally decentralised company, special attention shall be paid to the amount of exemption for the shop steward so as to facilitate the appropriate management of shop steward's duties. The implementation of exemption from work can be agreed upon in more detail enterprise-specifically, in deviation from the table above.

2. The employer and the shop steward shall mutually agree on whether the exemption from work is granted as a temporary or recurring exemption. The prerequisites for operation of the enterprise must be taken into consideration, as well as the need to attend properly to the shop steward's duties. If necessary, work arrangements shall be managed accordingly (via designation of a substitute, for example).

## 9 § SHOP STEWARD'S COMPENSATION AND COMPENSATION FOR LOSS OF INCOME

1. The shop steward is entitled to compensation for attending to the duties of shop steward as follows:

Number of employees	Compensation until 31 December 2011, €/Month	Compensation from 1 January 2012, €/Month
5-100	59	62
101-300	107	112
301-600	150	158
Over 600	171	180

Compensation for the chief shop steward is subject to separate agreement.

2. Shop steward's compensation will not be paid whenever the shop steward is prevented from attending to his or her duties because of an annual

holiday or illness, or for another, comparable reason. The matter can be agreed on in more detail locally.

3. The employer shall compensate for any income lost by the shop steward during working hours while either engaged in local negotiations with the employer's representative or working on other duties agreed on with the employer.
4. If a shop steward carries out duties as agreed with the employer outside his or her regular working hours, overtime compensation will be paid for time spent this way or a local agreement will be concluded on some other type of additional compensation.

If necessary, the parties to the collective agreement may agree on the grounds and the amount of compensation.

5. If a shop steward needs to travel in order to carry out duties agreed on with the employer and is ordered to travel by the employer, he or she shall receive compensation for travel expenses in accordance with the scheme applied throughout the enterprise in question.

### **10 § SHOP STEWARD'S STORAGE AND OFFICE SPACE**

1. A shop steward is entitled to storage space for the documents and office supplies needed in his or her duties. A shop steward specific to an enterprise or a regional business unit is entitled to use appropriate office space that can be given over to the shop steward's use for shop steward duties free of charge if such a room is under the employer's control. The shop steward is entitled to use the employer's standard office facilities (including email) for his or her shop steward duties.

### **11 § TRAINING FOR SHOP STEWARDS**

1. The unions consider it desirable that a shop steward be provided with the opportunity, insofar as possible, to participate in training that is likely to increase his or her competencies in shop steward's duties.
2. Participation in training has been agreed upon in the training agreement valid between the unions (Appendix 4).

## 12 § VALIDITY OF THE AGREEMENT

1. This agreement becomes valid on 16 November 2011 as part of the collective agreement.
2. Any union that wishes to amend this agreement must provide the other party with a written proposal thereof, after which the matter will be added to the agenda for negotiation between the unions.

*Helsinki, 16 November 2011*

*THE FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES*

*Jorma Turunen*

*Risto Alanko*

*FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF – YTN*

*Heikki Kauppi*

*Jani Huhtamella*

*ASSOCIATION OF IT SECTOR EMPLOYEES*

*Pertti Porokari*

*Juha Reinisalo*

## APPENDIX 4

### TRAINING AGREEMENT

#### 1 § TRAINING WORKGROUP

A training workgroup with two representatives designated by each party is established for the implementation of the trade union training referred to in the agreement.

The training workgroup approves courses for one calendar year at a time. Courses can also be approved mid-year if necessary.

Before the decision is taken to accept a course, the training workgroup shall be provided with a report on the syllabus, time, place, target group, and participants, as well as any other information requested by the training workgroup. A precondition for the approval of a course is a jointly identified training requirement. The training workgroup is entitled to monitor teaching in courses it has approved.

The unions shall provide information on the courses approved by the training workgroup for the following year no later than two months before the beginning of the first course.

#### 2 § PROFESSIONAL ADVANCED TRAINING, SUPPLEMENTARY TRAINING, AND RETRAINING

The employer will enable the employee to participate, when necessary, in annual training to maintain and develop his or her professional skills. The training needs of the employee can be assessed, for instance, in development discussions between the employer and the employee.

When the employer provides an employee with professional training or sends an employee to training events associated with his or her profession, the costs of the training and the loss of earnings for regular working hours shall be subject to compensation. If training takes place outside working hours, the time spent shall not be considered working hours but the employee will be compensated for any direct costs.

### 3 § JOINT TRAINING

The purpose of joint training in the workplace is to promote the implementation of, among other elements, legislative specifications on co-operation, occupational safety, occupational health care, and equality in the workplace. Joint training will be delivered and agreed on through the workplace-specific co-operation body or, if no such body exists, between the employer and the shop steward (or, if there is none, employers).

Basic courses in occupational safety co-operation, and advanced courses that are necessary as regards co-operation in occupational safety, constitute joint training as referred to here.

Participation in training is compensated for in accordance with the training provisions referred to in Section 2.

### 4 § TRADE UNION TRAINING

#### 1. Preservation of employment and notification times

Without interrupting his or her term of employment, an employee shall have the opportunity to participate in a course approved by the training workgroup and lasting no more than one month if the need for training has been jointly identified by the employer and employee and participation in the course can take place without causing any substantial problems to the enterprise.

Should such training leave be refused, the shop steward shall be notified no later than 10 days before the beginning of the course as to why granting the leave would cause substantial problems.

Notification of the intention to participate in a course must be provided as early as possible. If the course lasts no more than one week, notification must be provided at least three weeks before the beginning of the course. If the course is longer, notification must be provided at least six weeks before the beginning of the course.

Training concerning occupational safety and health should be directed particularly at occupational safety and health representatives.

### 2. Compensation

The shop steward, deputy shop steward, occupational safety and health representative, and members of the occupational safety committee may participate in courses approved by the training workgroup and referred to in the previous paragraph, without salary reductions. However, loss of earnings is not compensated for periods longer than one month for shop stewards or two weeks for others. A precondition for the compensation for loss of earnings is that the course in question be related to the participant's co-operation tasks in the enterprise.

In addition to shop stewards, compensation for loss of earnings will also be paid to chairpersons of registered affiliated associations of the union or local branches if they work in an enterprise with at least 100 employees and the registered affiliated association or local branch has at least 20 members.

A local agreement can be made on compensation for time spent in training with regular pay if a shop steward participates in training for shop stewards outside regular working hours. The amount and content of training are subject to separate agreement between the unions. The training must constitute an alternative to training held during regular working hours.

## 5 § SOCIAL BENEFITS

Participation in a trade union training event referred to in Section 4 will not cause any decrease in annual holiday, pension, or comparable benefits.

## 6 § PERIOD OF VALIDITY

This agreement becomes valid on 16 November 2011 as part of the collective agreement.

*Helsinki, 16 November 2011*

*THE FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES  
FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF – YTN  
ASSOCIATION OF IT SECTOR EMPLOYEES*

## LIITE 5

### REDUCTION OF REGULAR WORKING HOURS WITH REGARD TO DAYTIME WORK EIGHT HOURS PER DAY

According to Section 8(2) of the collective agreement, regular working hours can be extended to a maximum of eight hours per day and a maximum of 40 hours per week by means of a local agreement.

If a local agreement is concluded that stipulates regular working hours of eight hours per day, the agreement must indicate whether it applies to the entire enterprise or to designated units or employees only, and when eight-hour working days will be realised.

When the number of regular daily working hours in daytime work is agreed to be eight, the working hours are reduced to an average of 37.5 hours per week as described below.

#### **Eight-hour workdays in daytime work**

When the number of daily regular working hours is eight, the employee accumulates one additional paid day off for each 15 days worked.

Under this agreement, paid sick leave days in accordance with Section 18 of the collective agreement in force, as well as days of temporary absence in accordance with Section 21, are considered days worked.

#### **Reduction leave**

The reduction leave accumulated as specified above will be granted as whole days unless otherwise agreed. With regard to the accumulation of annual holiday, accumulated days off are equal to days worked.

Accumulated days off must be granted by the end of the April following the calendar year in which they were accumulated. Notification of reduction leave must be given at least two weeks before it is granted. Illness or other absences will not cause any changes to the granting of hour-reduction leave indicated in the roster.

If the employment relationship ends and the employee has not been

granted the accumulated hour-reduction leave referred to hereinabove, it shall be compensated for in a single payment as employment ends. If employment ends and the employee has been granted more reduction leave than he or she has accumulated by the time employment ends, the employer is entitled to deduct an amount corresponding to the amount of pay for the excess leave from the employee's severance pay, notwithstanding the defrayment restrictions referred to in Chapter 2, Section 17 of the Employment Contracts Act.

### **Working during reduction leave**

When an employee works during his or her free time in accordance with the reduction leave referred to hereinabove, this is considered additional work and compensated for with a 50% increase in wages. Work in excess of eight hours per day is considered overtime and compensated for by a 100% increase in wages.

# APPENDIX 6

## WORKING HOUR RESERVE IN IT SERVICE SECTOR

### 1. STARTING POINT AND PURPOSE OF THE SCHEME

#### **Working hour reserve scheme in the IT Service Sector**

In order to promote employees' capability to work, a local agreement on a working hour reserve scheme can be concluded as specified below. The agreement on a working hour reserve and annual changes will be affected by the enterprise's human resources, the labour situation, and special needs related to each working community.

### 2. ACCUMULATING THE BALANCE FOR THE WORKING HOUR RESERVE

Basic rates and increases paid for overtime work can be transferred to the working hour reserve. The employee must agree upon this procedure in advance with his or her supervisor when agreeing on overtime work.

The working hours banked in a working hour reserve scheme shall be compensated for as full days off.

The employee has the right to accrue a maximum of 15 banked working days at any one time.

### 3. FREE TIME AGAINST THE ACCUMULATED WORKING HOUR RESERVE

The employee shall propose a schedule for taking days off against the accumulated reserve no later than three months before the start of any such leave. No later than two months before the proposed beginning of such leave, the employer must notify the employee as to whether it accepts the proposal. If the employer rejects the proposal, it must draw up its own proposal for the related leave schedule, and an agreement shall be concluded on the basis of this.

In order to maintain employees' capability to work, the unions recommend that days off granted on the basis of the working hours reserve be taken as uninterrupted periods of at least five working days.

The employer does not have the right to change the time of agreed leave unless there are especially weighty reasons to deny the leave at the time in question, associated with the enterprise's operations and the employee's duties. In this case, the employer must inform the employee of when the leave can be taken.

If the accumulated leave cannot be taken within two calendar years of its accumulation, it will be compensated for in monetary terms.

Any accumulated leave not taken before termination of employment shall be paid in money.

# APPENDIX 7

## AGREEMENT ON PROTECTION AGAINST DISMISSAL IN THE IT SERVICE SECTOR

### 1 § SCOPE OF APPLICATION

This agreement applies to termination of contracts of employment valid until further notice, laying off of employees, and cancellations or annulments of employment contracts. The agreement also governs resignation and the procedure that must be followed when a contract of employment is terminated and an employee is laid off.

***Instructions for application:***

*The agreement does not apply to the termination of an employment contract or laying off of an employee if the grounds applicable are:*

- *Termination of a contract of employment that is undertaken during the trial period (Employment Contracts Act, Chapter 1, Section 4)*
- *Reorganisation of a company (Employment Contracts Act, Chapter 7, Section 7)*
- *Bankruptcy or death of the employer (Employment Contracts Act, Chapter 7, Section 8)*

In termination of a contract of employment on the basis of the above-mentioned grounds, the procedural regulations in sections 5 and 6 of this agreement will nevertheless be complied with. In the case of termination during a trial period, the procedure mentioned in Section 11 of this agreement will also apply. In addition, the agreement does not apply to apprenticeship contracts as specified in the legislation governing vocational training.

### I GENERAL RULES CONCERNING THE TERMINATION OF A CONTRACT OF EMPLOYMENT

## 2 § TERMINATION PERIODS

When terminating an employee's contract of employment, the employer must abide by the following termination periods, unless longer termination periods have been agreed upon or other arrangements are agreed upon at the time of the termination:

Employment has continued uninterrupted for	Notice period
Maximum of one year	2 weeks
More than a year but a maximum of four years	1 month
More than four years but a maximum of eight years	2 months
More than eight years but a maximum of 12 years	4 months
Over 12 years	6 months

When terminating a contract of employment, the employee must abide by the following termination periods, unless longer termination periods have been agreed upon, or other arrangements are agreed at the time of the termination:

Employment has continued uninterrupted for	Notice period
Maximum of five years	2 weeks
Over five years	1 month

This rule concerning notice periods applies to new employment contracts that begin after 1 January 2008.

## 3 § THE EMPLOYEE'S RIGHT TO EMPLOYMENT LEAVE

Unless otherwise agreed by the employer and employee at the time of the former terminating the latter's contract of employment on the basis of Chapter 7, Section 3 of the Employment Contracts Act, the employee is entitled to leave with full pay in order to, during his or her period of notice, participate in the drawing up of an employment programme as referred to in the Act on the Public Employment Service (1295/2002), in labour market training; in practical training and on-the-job learning pursuant to it; or, at his or her own initiative or at the initiative of the author-

ities, in job-seeking and in a job interview, or in reassignment coaching.

The length of the employment leave is defined according to the length of the notice period as follows:

- 1) A maximum of five working days in all, provided that the notice period is one month at most;
- 2) A maximum of 10 working days, provided that the notice period is longer than one month but a maximum of four months;
- 3) A maximum of 20 working days in all, provided that the notice period is over four months.

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

Prior to taking the employment leave or some of it, the employee must notify the employer of it and the grounds for the leave, as early as possible, and, if requested to do so, present reliable proof of the grounds for each taking of leave.

The employee's employment leave may not cause any significant inconvenience to the employer.

## **4 § NON-COMPLIANCE WITH THE STATUTORY NOTICE PERIOD**

An employer who fails to comply with the statutory notice period is obliged to pay the employee his or her full salary and annual leave entitlement for the notice period as compensation.

An employee who resigns without complying with the statutory notice period is obliged to pay his/her employer a lump sum equal to the value of the employee's salary during the notice period. The employer is entitled to withhold this sum from the final salary paid to the employee at the end of his or her employment.

The employer must, however, abide by the provisions laid down in Chapter 2, Section 17 of the Employment Contracts Act governing the limitation of the setting off period.

If either party fails to satisfy part of the notice period, the requirement to compensate for the related damages will be based on the corresponding portion of the notice period.

### **5 § NOTICE OF THE TERMINATION OF AN EMPLOYMENT CONTRACT**

Notice of the termination of an employment contract must be delivered to the employer or its representative or to the employee in person. If this is not possible, the notice may be delivered by letter or electronic means. The recipient is considered to have been informed of such notice no later than on the seventh day after sending.

When delivering the termination notice by letter or electronic means, it can be considered to have been received within the agreed or stipulated time as specified in Chapter 1, Section 4 and Chapter 8, Section 1 of the Employment Contracts Act, if the notice was handed to the post office or sent electronically within that time period.

If the employee is on his or her annual leave, as specified by the appropriate legislation or the employee's employment contract, notice can be considered to have been delivered, at the earliest, on the day following the employee's return to work.

### **6 § NOTIFYING THE OTHER PARTY OF THE GROUNDS ON WHICH THE CONTRACT OF EMPLOYMENT IS TERMINATED**

The employer must, by request of the employee, notify the employee without delay and in writing of the termination date of the employment contract, and of the reasons that have led to the contract of employment being terminated or dissolved.

### **7 § THE EMPLOYER'S OBLIGATION TO NOTIFY THE EMPLOYMENT OFFICE**

Provisions regarding the employer's responsibility to notify the labour administration of the termination of an employee's employment contract on the basis of economic or production-related factors are laid

down in Chapter 9, Section 3a of the Employment Contracts Act.

## **8 § THE EMPLOYER'S REQUIREMENT TO NOTIFY THE EMPLOYEE ABOUT THE EMPLOYMENT PROGRAMME AND THE EMPLOYMENT SUBSIDIES**

Provisions regarding the employer's responsibility to notify an employee being dismissed on the basis of economic or production-related factors of the employment programme and employment subsidy are laid down in Chapter 9, Section 3b of the Employment Contracts Act.

## **II TERMINATION OF A CONTRACT OF EMPLOYMENT AND THE EMPLOYEE'S DISMISSAL FOR A REASON CONNECTED WITH HIS OR HER ACTIONS OR PERSON**

### **9 § GROUNDS FOR TERMINATING AN EMPLOYMENT CONTRACT AND LAYING OFF AN EMPLOYEE**

#### **Grounds for dismissal**

An employer may not terminate an employee's employment contract for reasons connected with the employee or his or her person, unless the reasons are proper and weighty, as explained in Chapter 7, sections 1–2 of the Employment Contracts Act.

#### ***Instructions for application:***

*Proper and weighty reasons include reasons dependent on the employee him- or herself, such as negligence of the obligation to work, violation of orders issued by the employer within his or her right to supervise work, unwarranted absences from work, and obvious negligence at work.*

#### **Grounds for cancelling an employment contract**

The employer has the right to cancel an employment contract on the grounds referred to in Chapter 8, Section 1 of the Employment Contracts Act.

#### **Grounds for treating an employment contract as cancelled**

The employer has the right to process an employment contract as cancelled on the grounds explained in Chapter 8, Section 3 of the Employment Contracts Act.

### **Laying off an employee for a reason connected with the employee's actions or his or her person**

An employer can lay off an employee for a fixed period without honouring the period of notice concerning layoffs on the same grounds that apply to the termination or cancellation of an employment contract.

## **10 § DELIVERING NOTICE OF TERMINATION**

The employer must deliver any notice of termination to the employee on the grounds referred to in Chapter 7, sections 1–2 of the Employment Contracts Act, within reasonable time from the reason for dismissal coming to the employer's attention.

## **11 § HEARING THE EMPLOYEE**

Before the employer terminates the employee's employment contract on the grounds referred to in Chapter 7, sections 1–2 of the Employment Contracts Act, or cancels it on the grounds referred to in Chapter 1, Section 4 or Chapter 8, Section 1 of the same act, the employer must allow the employee to be heard about the reasons for his or her dismissal. The employee has the right to assistance at the hearing from, for instance, a shop steward or a colleague.

## **III CANCELLING A CONTRACT OF EMPLOYMENT AND LAYING OFF AN EMPLOYEE FOR ECONOMIC OR PRODUCTION-RELATED REASONS OR BECAUSE OF REORGANISATION OF THE EMPLOYER'S BUSINESS**

## **12 § NEGOTIATION PROCEDURE**

If a need emerges at a workplace to dismiss or lay off employees or to reduce their working hours, the statutory co-operation procedure must take into consideration the following legal stipulations:

### ***Instructions for application:***

*The responsibility to negotiate concerns companies that fall within the scope of the Act on Co-operation within Undertakings (334/2007) as it entered into force on 1 July 2007. According to the transitional provisions*

*in the act, companies that regularly employ at least 20 but no more than 30 employees became governed by the law and its transitional provisions as of 1 January 2008. The Act on Co-operation does not constitute a part of this contract.*

*The Act on Co-operation does not constitute a part of this contract. The regulations of this clause complement that act and replace the corresponding clauses therein.*

Unlike sections 45 and 51 of the Act on Co-operation, the co-operation obligation is considered to have been met when the case is handled in accordance with the co-operation procedure, following the negotiation proposal and on the basis of the pertinent facts, agreed on beforehand, as described below.

**Entry on the record:**

*Provisions on the information to be attached to the negotiation proposal are laid down in Section 47 of the Act on Co-operation.*

**1 Economic and production-related reasons and reasons resulting from the reorganisation of the employer's business**

- a) If the focus of the negotiations is a measure that will probably lead to fewer than 10 employees being shifted to part-time work, being laid off, or being dismissed, or to laying off of at least 10 people for a minimum of 90 days, the employer's negotiating obligation is considered to have been met, unless otherwise agreed, when the case has been under negotiation for 14 days since the negotiation proposal was made.
- b) If the focus of the negotiations is a measure that will probably lead to a minimum of 10 employees being shifted to part-time work, being laid off, or being dismissed, or to laying off for over 90 days, the employer's negotiation obligation is considered to have been met, unless otherwise agreed, when the case has been under negotiation for six weeks since the negotiation proposal was made.

In a company whose employees regularly number at least 20 but fewer than 30, the employer's negotiating obligation under this regulation is considered to have been met, unless otherwise agreed, when the case has been under negotiation for 14 days since the negotiation proposal was made (effective as of 1 January 2008).

When the company is facing restructuring proceedings, as referred to in the Restructuring of Enterprises Act (471/1993), the employer's ne-

negotiating obligation is considered to have been met, unless otherwise agreed, when the case has been in negotiation for 14 days since the negotiation proposal was made.

### **2 Plan of action and operating principles**

If the employer has issued a negotiation proposal with the intention of laying off at least 10 people for economic or production-related reasons, it must submit a proposal to the employees' representative at the start of the co-operation negotiations concerning a plan of action to promote the employment prospects of employees. Whilst preparing the plan of action, the employer and employment authorities must, without delay, jointly examine the availability of public employment services in support of employment.

In accordance with Section 49, Subsection 2 of the Act on Co-operation, the plan of action must include the planned schedule for the co-operation negotiations, the methods to be used in negotiations, and the planned operating principles to be followed during the termination period, during use of services as referred to in the Act on the Public Employment Service (1295/2002), and in order to promote job-seeking and training.

If the dismissals considered by the employer relate to fewer than 10 employees, the employer must, in the co-operation negotiations, present the operating principles by which, during the notice period, the employees' search for jobs or training at their own initiative is supported, alongside their opportunities of finding employment through services as referred to in the Act on the Public Employment Service.

## **13 § GROUNDS FOR TERMINATION OF EMPLOYMENT**

The grounds for termination of employment comply with those described in Chapter 7, sections 1 and 3 of the Employment Contracts Act (economic, production-related, or resulting from the reorganisation of the employer's business).

*Entry on the record:*

*The unions consider the employer's responsibility for offering work and*

*training to apply first and foremost to work that is available in the employee's own employment district, and in which he or she can expediently and appropriately be placed.*

## **14 § STEPS TAKEN TO REDUCE THE NUMBER OF WORKERS**

When terminating or laying off an employee, the employer must, insofar as is possible, abide by the rule according to which key personnel and employees in critical positions within the company are dismissed or laid off last. This rule also applies to employees who have lost part of their working ability whilst working for this particular employer. In addition to this rule, the duration of employment within the company should be considered, alongside the employee's family responsibilities.

## **15 § STEPS TAKEN TO REDUCE THE NUMBER OF WORKERS**

Exceptions to the procedure for reinstating an employee as referred to in Chapter 6, Section 6 of the Employment Contracts Act, can be made by mutual agreement between the employer and the employee. Such an agreement is made in writing at the time of terminating or ending the employee's employment contract, taking account of the employer's measures to promote the reassignment of the employee. The employee has the right to agreement, and to use an assistant as provided in Section 11.

## **16 § LAYOFFS**

### **1 Grounds for laying off an employee**

The grounds for laying off an employee comply with the provisions laid down in Chapter 5, Section 2, subsections 1–3 of the Employment Contracts Act.

*Entry on the record:*

*The unions consider the employer's responsibility for offering work and training to apply first and foremost to work that is available in the employee's own employment district, and in which he or she can expediently and appropriately be placed.*

a) *Temporary reduction of work*

If the availability of work or the employer's preconditions for offering work have been temporarily affected, the employee can be laid off for the duration of the temporary shortage of work, or until further notice.

*Instructions for application:*

*The shortage of work can be considered temporary if it is estimated to last no longer than 90 calendar days.*

b) *A more permanent reduction in work load*

If the reduction in work load is estimated to last for more than 90 calendar days, the employee can be laid off temporarily or for the time being.

### **2 Reduced working hours**

The procedures regarding layoffs shall also apply for adoption of a shorter working day or week.

### **3 Notice period for layoffs**

A notice period of a minimum of 14 days applies to layoffs.

There is no requirement to provide a preliminary account in the case of layoffs.

### **4 Local agreements**

Other arrangements can be made with respect to layoffs, their grounds, and applicable notice periods by local agreement in compliance with Section 29 of the collective agreement.

### **5 Postponement and discontinuation of a layoff**

a) *Postponement of layoff*

If the employer receives a temporary work assignment during the notice period for being laid off, the start of the layoff can be postponed. Without setting of a new notice period, the start of the layoff can be postponed only once, and only for the duration of the temporary work assignment.

b) *Discontinuation of layoff*

The employer may receive a temporary work assignment after the start of the layoff. The employer and employee must jointly agree on the discontinuation of the layoff, if the intention is to continue the layoff without a new notice period after the work has been completed. The agree-

ment should be made before the work begins. The estimated duration of the temporary work assignment should be established at the same time.

## **6 Other work during layoff periods**

The employee may take on other work during the period of layoff.

## **7 Termination of a laid-off employee's employment contract and the employer's liability for compensation in certain circumstances**

### **The employee terminates his or her employment contract**

The laid-off employee has the right to terminate his or her employment contract regardless of the notice period, but not during the last seven days of the layoff if the end date of the layoff is already known to the employee.

### **The employer terminates the contract of employment**

#### *Preconditions for compensation*

Under Chapter 5, Section 7, Subsection 2 of the Employment Contracts Act, a laid-off employee has the right to receive compensation for the loss of salary during the notice period if the employer terminates his or her contract of employment during the period of layoff.

#### *Limitations to liability for compensation*

The employer's liability to compensate the employee is limited by the amount of salary he or she earns elsewhere during the period of layoff.

The deduction of salary that the employee has not earned on purpose will only be possible in exceptional circumstances – for instance, if the employer would have organised work for the employee for the duration of the period of layoff, or part thereof.

No deduction is made for the salary paid during the notice period of the layoff.

#### *Payment of compensation*

The compensation is paid by pay period, unless the employee is employed elsewhere during the notice period.

If the employee works elsewhere during the notice period, the employer pays him or her the difference between the salary for the period of notice and the salary earned elsewhere, provided that, at the end of employ-

ment, the employee provides the employer with a clear explanation of the salary earned elsewhere.

### RESIGNATION OF AN EMPLOYEE

A laid-off employee who resigns on the grounds laid down in Chapter 5, Section 7, Subsection 3 of the Employment Contracts Act, when the layoff has continued uninterrupted for a minimum of 200 days, is entitled to receive his or her salary as compensation for the notice period defined for the employer to comply with. The compensation is paid on the next regular pay day following the end of the employment contract, unless otherwise agreed.

*Entry on the record:*

*Despite the end of employment, the parties may agree on a temporary employment contract for the duration of the notice period, or part thereof.*

*In this case, the salary payable for the work will be deducted from the compensation payable for the notice period.*

## IV COMPENSATION

### 17 § COMPENSATION

#### **Violation of requirements concerning grounds for termination**

The employer's liability to compensate for terminating an employment contract or laying off an employee in a manner contrary to the grounds set forth in this agreement is defined as follows:

*Termination of the employment contract (Sections 9 and 13)*

The compensation is defined by Chapter 12, Section 2 of the Employment Contracts Act.

*Termination and annulment of the employment contract (Section 9)*

Any damage suffered because of the loss of the notice period must be compensated for in accordance with Section 4, paragraph 1 of this agreement.

If there was no justification for termination of the employment contract even through dismissal, further compensation will be payable in accor-

dance with Chapter 12, Section 2 of the Employment Contracts Act.

*Laying off an employee (Section 9 and paragraph 1 k of Section 15)*

The compensation for damage is defined in accordance with Chapter 12, Section 1 of the Employment Contracts Act.

### **The principle of single compensation**

The employer cannot be compelled to pay compensation under this clause in addition to compensation under the Employment Contracts Act, nor in place thereof.

### **Violation of procedural rules**

A compensatory fine, as referred to in Section 7 of the Collective Agreements Act, cannot be imposed on the employer for failure to comply with the procedural rules specified in this agreement.

When determining the amount of compensation imposed for terminating an employment contract without proper justification, and layoff, failure to comply with procedural rules will be taken into account as an aggravating factor.

### **Compensation in relation to a compensatory fine**

In addition to compensation imposed on the employer to be paid to the employee as referred to in this paragraph, a compensatory fine cannot be imposed on the employer as referred to in Section 7 of the Employment Contracts Act, insofar as the case involves the violation of responsibilities that are based on the collective agreement but are in fact responsibilities for which compensation in accordance with the agreement has already been imposed.

## **18 § DEALING WITH SITUATIONS OF CONFLICT**

If the employee considers his or her employment contract to have been terminated or he or she has been laid off without justification in compliance with the agreement, the dispute can be referred to be resolved in compliance with the negotiation procedure agreed on in Section 31 of the collective agreement.

## **19 § PERIOD FOR APPEAL**

Unless a dispute involving the dismissal or layoff of an employee, covered by this agreement, results in reconciliation, the case may be referred to an industrial tribunal in accordance with Section 11, Subsection 2 of the Industrial Tribunals Act.

When the employee's employment with a company ends, his or her right to compensation under Section 16 of this agreement will expire, unless litigation begins within two years of the end of the employment contract.

## **20 § ENTRY INTO FORCE**

This agreement becomes valid on 16 November 2011 as part of the collective agreement.

*Helsinki, 16 November 2011*

*THE FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES  
FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF – YTN  
ASSOCIATION OF IT SECTOR EMPLOYEES*

## LIITE 8

### UNIONS' RECOMMENDATION ON THE PREDICTION OF CHANGES AND CHANGE SECURITY

#### 1. THE INTENTION OF THE RECOMMENDATION

At enterprises and in workplaces, the Co-operation Act is often considered a set of norms and standards full of formal requirements related only to situations involving dismissals for financial or production-related reasons. However, the actual purpose of the Co-operation Act is to promote genuine co-operation between an enterprise and its employees. Even though some necessary formal requirements are in place, many of them can be agreed upon differently.

The signatory parties issue this joint recommendation in order to form a genuine basis for co-operation. This is not a set of new regulations but a new recommendation that concerns the prediction of needs for change in an organisation's labour as early as possible. At the same time, the intention is to generate best practices in undertaking the appropriate co-operation negotiations related to the reduction in personnel.

Successful co-operation between the employer and employees leads to an end result that benefits both parties. Co-operation helps employees better understand the pressures for change related to the company and their own work, and the employer, in turn, receives information on the employees' attitudes towards pressures for change. It is not unusual for different kinds of co-operation situations to emerge quickly and without warning, in business life. However, the element of surprise should not lead to poorly managed processes. Poorly executed co-operation will, at worst, lead to a feeling of insecurity and, through it, weaker performance at work and decreasing productivity.

#### 2. PREDICTING IMPACTS ON PERSONNEL

The parties to this collective agreement have made a recommendation on predicting impacts on personnel, which is an appendix to the collective agreement for the IT Service Sector. It is recommended that the em-

ployer's representative and the shop steward or other employees' representative meet regularly to consider how the business is progressing and what impacts possible personnel changes may entail.

Early co-operation between the employees and the enterprise is sensible because the employees may have constructive ideas for developing the company's business activities. It is reasonable to listen to and acknowledge such ideas in the evaluation of the impacts of situations of change on personnel.

This recommendation is intended to ensure that changes are negotiated openly, but with full confidentiality. Ideally, a common view can be attained on where the changes in business activities would potentially lead the company. If the discussions produce a clear trend for change that may necessitate quantitative or qualitative pressures for change with regard to personnel, open and timely negotiations will give staff the time and opportunity to prepare themselves for the forthcoming changes. Employees will find it easier to understand the reasons for change and its consequences when they are given the related news in an open and honest fashion. This also diminishes any later conflicts resulting from the situation.

### **3. CONFIDENTIALITY OF INFORMATION AND TRADE SECRETS**

Company secrets, both trade and professional, that emerge during even the most casual of predictions constitute confidential information. In addition to any secrecy clauses of the employment contract, confidentiality is based on the secrecy norms of the shop steward agreement. If the prediction is performed according to the procedure as laid down in the Act on Co-operation, the employees' representatives are bound by the confidentiality clause in Section 57 of the Act on Co-operation. If the company considers any information to be confidential, it is worth pointing this out in good time. Special rules apply to listed companies as regards the confidentiality of data and the obligation to publish information that may affect the company's share prices in a substantial way. In certain circumstances, rules concerning insiders may also be applied to the representatives of employees in listed companies.

#### 4. CO-OPERATION NEGOTIATIONS ON POSSIBLE IMPACTS ON PERSONNEL

The Act on Co-operation proceeds from the fact that all significant changes affecting personnel must be dealt with through a procedure that complies with the law. The act specifies that an effort must be made to identify whether a measure under consideration will have substantial impacts on personnel, at present or in future.

Not all measures planned by the employer that affect the personnel will result in the need to implement staff cuts. In such cases, it is enough to discuss the matter prior to any decisions, in accordance with Chapter 6 of the Act on Co-operation – i.e., without adhering to a minimum period of negotiation. Hence one round of negotiations may suffice. However, the grounds, impacts, alternatives, and schedule of personnel impacts of a measure planned by the employer must always be reviewed.

In terms of time, by law, negotiations must be initiated whenever the company is considering a business solution that involves or may involve impacts on personnel as referred to in the Act on making of any decision.

*Example:* The company is considering a change in its service provision, which, within a couple of years, will in all likelihood lead the company to transfer its X business to another location in order to centralise its services, and partially end its Y business in the former location. The Act on Co-operation stipulates that a company must start negotiating when it first considers undertaking the above-mentioned measures (before making any decision), although possible impacts on personnel will only be confirmed and emerge later.

As concerns schedule, the Act on Co-operation requires that companies begin negotiating before production-related decisions are made. As regards the Act on Co-operation, it is safest for enterprises to initiate and conduct appropriate co-operation negotiations when the case is in the preparatory stages. This reduces the risk of the legality of the co-operation negotiations being disputed afterwards.

## **5. CONDUCTING APPROPRIATE CO-OPERATION NEGOTIATIONS OVER IMPACTS ON PERSONNEL**

The grounds for the planned measures and the available options are discussed in co-operation negotiations. In planning of dismissals or layoffs, the grounds for a dismissal or layoff must be examined as referred to in the Employment Contracts Act and alternatives sought for the planned measures.

In planning of staff reductions, the co-operation negotiations begin by dealing with the grounds for dismissal – i.e., the reduction in work or deterioration of the economic situation. The negotiations will consider the reduction in work, establish its reasons, and estimate the reduction in quantitative terms. No real picture of the reduction in work can be established unless information is available, for instance, on the number of employees recruited, the number of temporary employees, and the duration of each period of employment in various positions, as well as on the sub-contracting of work in terms of the reduced work or the use of other types of outside labour.

If the dismissal is to be carried out for economic reasons, the co-operation negotiations should begin by examining the reasons for the deterioration in the economic situation. In practice, changes in the economic situation can be proved, for instance, with the aid of an up-to-date financial report, or with actual sales and cost figures and forecasts of future performance.

When the negotiations have dealt with production-related and economic reasons for the measures planned, the negotiations must assess how many employees will be affected by the decreasing work load or worsening economic situation. At this stage, it is usually relatively clear who among the employees will be the target of the planned measures. Before any dismissals, the possibilities for reassignment and retraining opportunities for each employee must be assessed. This will be almost impossible unless it is known who will be affected by the planned measures.

Examining the reassignment opportunities of any persons facing dismissal or layoff is a prerequisite for there to be grounds of dismissal; i.e., it constitutes the reason for negotiations under the Act on Co-operation. Offering the person facing dismissal or layoff employment in a vacan-

cy within the company or one of its subsidiaries is a key issue to be dealt with after the grounds for the dismissal have been established. Employees facing unemployment must be offered work if vacancies exist within the company that match the employees' particular professional skills.

If a person cannot be reassigned to other duties, the possibility of training each employee facing dismissal for tasks that the company can offer is considered, provided that this can be done appropriately and reasonably. In order to have legal grounds for dismissing an employee, the employer must investigate the possibility of retraining.

Retraining of employees facing dismissal for other types of work involves a wider social angle, and it is therefore useful to invite the local Centre for Economic Development, Transport and the Environment and the Labour Administration to participate in planning of training. In several example cases, the training has been funded in part with the help of these authorities, which benefits the companies organising the training. The labour administration also organises corresponding training in situations where no dismissals are being planned.

When the grounds for the planned measures have been established and the possibility of re-employing and training the affected employees has been examined, the co-operation negotiations should consider each party's thoughts on how the desired end result could be achieved by alternative methods. In the information technology sector, there are example cases in which, where economic grounds for redundancy have existed, alternative ways of saving have been suggested by the employer or the employees' representatives. Being viable, these suggestions have at best led to a smaller number of dismissals at the end of the negotiations.

During negotiations, it is also useful to pay attention to how staff are notified of any planned measures. If the employer's and employees' representatives so agree, a good way of notifying staff of the measures is to issue a joint staff notice, prepared by the employer and the shop steward or other employees' representative.

## **6. OTHER OBLIGATIONS UNDER THE ACT ON CO-OPERATION WITH REGARD TO NEGOTIATIONS ON PERSONNEL OR TRAINING ISSUES**

The Act on Co-operation requires companies within its scope to prepare

an annual personnel and training plan. The act requires that any such plans be confirmed through the co-operation procedure before the start of a new financial year. If the company has a co-operation council comprising representatives of the employer and the employees, it can negotiate on these issues.

Once a year, the personnel plan should record issues that have an apparent impact on the structure, quantity, or quality of the company's personnel. A good personnel plan is a document that results from open discussions between the company and its employees, updated whenever necessary. The staff must be notified of the content of the plan and any changes thereto. A useful way of informing staff of personnel and training plans is for the employer and employees' representative to issue a joint notice.

The training plan, like the personnel plan, must be discussed through the co-operation procedure at least once a year, before the end of the financial year. The training plan must include the general training needs of the staff created by the personnel plan, and the plan for implementing training. The training plan is a useful tool in making predictions, as training can often influence, in advance, any need for reductions in personnel, and, on the other hand, to meet the employer's staffing needs.

The Act on Co-operation requires the employer to give the employees' representatives details of the company's financial position immediately upon the approval of the financial statements. Furthermore, the employer must inform employees' representatives at least twice a year of the development prospects of the company's production, employment situation, profitability, and cost structure. The obligations under the act apply to the content of communications and their frequency, but the methods of communication are fairly free and up to choice.

### **7. INFORMING EMPLOYEES OF STAFF CUTS**

Sometimes, at the beginning of the negotiations or during them, the employees' representatives suggest to the employer that, in their opinion, the latter has not given them sufficient information for dealing with the issue under discussion. There is no comprehensive list or a list of minimum requirements applicable, as each situation is unique. However, the following is a list of the most common questions that emerge. With re-

spect to this issue, the main requirement is for the employer to supply any information that will be used as grounds for staff reductions.

- Which work will be reduced and why
- By how much the work is estimated to be reduced
- The time scale that the reduction will take place on
- Any fixed-term employment contracts
- Whether employees have recently been recruited for the positions now facing reduction, either just before the negotiations or during them
- Any other information connected with changes to production or the associated reduction in personnel
- Grounds for reorganisation of work, if this is cited as the basis for terminations
- Grounds for cost savings, if they are cited as the basis for dismissals
- The financial report for the last full financial year
- Changes in the economic situation between the last full financial year and the start of the negotiations
- Information on how it is planned that the work and its redistribution will take place if dismissals and layoffs become necessary
- Other essential information related to the economic situation

## **8. BEST PRACTICES FOR IMPLEMENTING CO-OPERATION IN SITUATIONS REQUIRING REDUCTIONS OF PERSONNEL**

### **8.1 Training of supervisors**

Co-operation between supervisors and other staff is a prerequisite for successful co-operation within the company. For this reason, the skills and capabilities of supervisors must be maintained and developed even in these respects. Supervisors' capability to cope with situations of change is greatly enhanced by giving them training, guidance, information, and other types of support.

These capabilities can be increased, for instance, by:

- Training supervisors to cope with change (the psychological impacts of change, management of dismissal situations)
- Increasing their basic knowledge of the relevant legislation (e.g., the Act on Co-operation)

The supervisors whose unit/team is directly influenced by the changes must be kept up-to-date throughout the entire process. The supervisors must be highly familiar with the operating models created by their companies and the available support (such as training, HR options, and occupational health care support).

### 8.2 Description of the process

The co-operation process may be described as follows:

Preparation/prediction > Negotiations > Measures

As part of the overall management and development of the co-operation process, an evaluation can be included concerning the implementation of each stage. The end result of the process can also be reported, as far as possible (for instance, noting whether alternatives were found for the dismissals)

### 8.3 Supporting the employees

The employees are best supported by being given timely and sufficient information at all stages of the process. Training for change may be necessary, for instance, in situations where the threat of forthcoming dismissal negotiations emerges but has not yet been realised.

The employer's concern for the company's key personnel / critical resources is also of utmost importance. An undefined threat or an unnecessarily prolonged process may lead to key personnel seeking employment elsewhere.

During the process, support can be provided by traditional occupational health services, as well as external and internal job-seeking training and special information aimed at particular target groups.

Support given by supervisors, personal communications, and discussions are all important.

Shop stewards and other employees' representatives may have a key role in supporting and guiding employees facing dismissal. As concerns reassignment and training opportunities, it is recommended that the responsibilities, roles, and tasks of each person within the company have been agreed, defined, and properly instructed in (for the member of staff facing reassignment, the current supervisor, the recruiting supervisor, and the HR administration). Clear rules must be in place to govern how the former unit can support the new recruiting unit in order to ensure the smooth reassignment of employees.

#### **8.4 Participation of management in co-operation negotiations**

Experience shows that the active participation of management is important in ensuring the success of the process. Personnel find this positive, and it helps in making of difficult decisions.

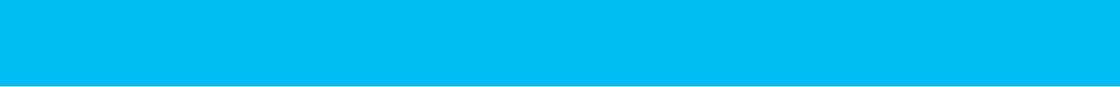
#### **8.5 Closing negotiations**

The schedule and progress of the negotiation process can be agreed upon between the company and its employees. There are situations in which a schedule shorter than that specified by law may be sufficient. At other times, however, more time may be needed. Careful preparation helps the process to be undertaken in the shortest time, but expeditiously. An extended negotiation process is not good for the company's working atmosphere and employees' morale.

An ideal situation would be to reach an understanding on the grounds for the staff reductions and the available alternatives as early in the negotiations as possible. This is not always possible; sometimes the parties disagree throughout the negotiations. This is not in itself a sign of a failure in negotiations. The important thing is to ensure that the parties consider the issues to have been dealt with as comprehensively as possible.

*Co-operation procedure*





# TELECOMMUTING AGREEMENT (appendix to employment contract)

[This agreement template is applicable to telecommuting by an employee with an employment contract falling within the scope of the IT Service Sector's collective agreement. The template is not suitable unchanged if an employee is hired directly for telecommuting only.]

The Company Ltd, as employer, and the employee agree on telecommuting on the following terms. Moreover, the employee agrees to comply with the company's instructions for data security arrangements [if necessary, to be appended to the telecommuting employment contract].

Employee:	
Volume of telecommuting:	<p>On average, ___ days per week of telecommuting related to work.</p> <p><input type="checkbox"/> Telecommuting days are the following weekdays: _____</p> <p><input type="checkbox"/> Telecommuting days are to be agreed on in advance with the supervisor as follows: _____</p> <p>_____</p> <p>In addition to the agreement above, the employee is obliged to come to the workplace when necessary on account of work arrangements.</p>
Primary telecommuting location:	
Work to be performed as telecommuting:	<p><input type="checkbox"/> Tasks in compliance with the employment contract</p> <p><input type="checkbox"/> The following tasks: _____</p> <p>_____</p> <p><input type="checkbox"/> In addition to the above-mentioned, other tasks assigned by the employer</p>
Duration of telecommuting (specify time):	<p><input type="checkbox"/> Until further notice, as from _____</p> <p><input type="checkbox"/> For a fixed term, until _____</p>
Termination of telecommuting:	<p>The employer and/or employee can, should he or she so wish, terminate telecommuting by providing notice to this effect in writing no later than ___ months in advance (termination period).</p> <p>If the need to terminate the telecommuting contract is due to the employee's negligence as concerns telecommuting or compliance with data security instructions, the employer can, for a valid reason, terminate the telecommuting agreement without a period of notice.</p> <p>Notification of terminating telecommuting does not entail termination of the employment contract. Instead, as the telecommuting agreement ends, the employee returns to work at the company location specified in his or her employment contract.</p>
Working hours:	<p>The starting point is that the provisions of the collective agreement applicable for regular working hours shall apply to telecommuting. If the employer decides on the scheduling of the employee's working hours and is able to supervise working hours during the day, the provisions of the collective agreement applicable to additional work and overtime shall apply to telecommuting. However, the employer and employee shall always agree in advance in writing on additional work and overtime.</p>

<p>Other terms and conditions:</p>	<p>Telecommuting will not affect pay, fringe benefits, the entitlement to annual holiday and holiday bonus, the right to sick pay, medical examinations, temporary absence, or family leave.</p> <p>The employee's obligation to work is the same as for work on the employer's premises. Reporting is carried out in the manner agreed on with the supervisor.</p> <p>In addition to the normal confidentiality obligation, the employee must pay particular attention to ensuring the data security of material stored at the telecommuting location.</p> <p>Travel expenses and daily allowances will not be paid for travel between the telecommuting location and the workplace location specified in the employment contract.</p> <p>If the tax authorities define telecommunications connections for remote work as a taxable benefit, the taxable value will be added automatically to the employee's pay. Introduction of connections or giving them up will not affect monetary salary.</p> <p>The employer will acquire the equipment and tools required for telecommuting, and deliver them to the employee. The employer is responsible for the maintenance of and insurance for them, and the costs incurred by them in compliance with the instructions valid at the company.</p> <p>If, during telecommuting, the employee does not have access to a telephone paid for by the employer, the employer will compensate the employee for the use of private telephones for business matters. The actual costs incurred will be compensated for. If required, the employee must present a reliable account of the costs.</p>
<p>In addition, the following is agreed:</p>	

Date and location

\_\_\_\_\_  
Employee

\_\_\_\_\_  
Employer/supervisor

## ACCUMULATED LEAVE AGREEMENT

This agreement has been prepared in two identical copies, one for the employer and one for the employee.

Parties	Employer's representative
	Employee

Background	Starting date of employment:	Accumulated leave plan
	Right to annual holiday          days/year	<input type="checkbox"/> preliminary <input type="checkbox"/> fixed

	planned				actual
	Annual holiday days	Holiday bonus	Other agreed days	Total	
1st year					
2nd year					
3rd year					
4th year					
5th year					
<b>Actual total</b> :					

Accumulated leave will be saved during the years \_\_\_\_\_ - \_\_\_\_\_. Total: \_\_\_\_\_  
 With regard to years with no plan for accumulated leave, the parties must prepare one each year by 2 May. The plan can be amended by agreement for compelling reasons, in which case the change must be jointly noted well in advance.

**Use of accumulated leave:**  
 Leave agreed to be taken between \_\_\_\_\_.  
 The employer keeps separate records of accumulated leave.  
 If the term of employment ends before the accumulated leave is taken, the unused leave will be compensated for.

Date and signatures	Place	Date
Employer representative's signature		Employee's signature

# CONTRACT OF EMPLOYMENT

IT Service Sector

1. PARTIES TO THE EMPLOYMENT CONTRACT	Employer	Place of business or domicile
	Employee	Personal identity code
	The above-mentioned employee commits him- or herself to work subordinate to the management and supervision of the employer on the following terms and conditions:	
2. VALIDITY OF EMPLOYMENT CONTRACT	Date of starting employment:	
	The employment contract is valid	
	<input type="checkbox"/> Until further notice	
	<input type="checkbox"/> For a fixed period until	or approximately until
	Grounds for a fixed-term contract:	
3. TRIAL PERIOD	Employment valid until further notice is subject to a trial period of months from the start date of employment (no more than 4 months), during which either party may cancel this contract with immediate effect.	
	If the duration of a fixed-term contract is less than 8 months, the trial period can be no more than ½ of the duration of the contract.	
	Trial period:	Last day of trial period:
4. WORKING HOURS	The employment is	
	<input type="checkbox"/> full-time	
	<input type="checkbox"/> part-time, with average working hours of	hours per week
	The employee agrees to carry out Sunday work and additional work as necessary, subject to compensation in accordance with legislation and the collective agreement.	
5. DUTIES AND PLACE OF WORK	(Description of duties or primary duties at beginning of employment relationship)	
6. SALARY AND PAYMENT PERIOD	Salary at start of employment	Payment period
	Competence classification at the start of the employment:	Level 1 <input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3 <input type="checkbox"/> Level 3A <input type="checkbox"/>
7. TERM OF NOTICE	<input type="checkbox"/> As per collective agreement <input type="checkbox"/> Other (longer):	
8. COLLECTIVE AGREEMENT	The employment relationship is subject to the collective agreement binding on the employer which, at the beginning of the employment, is the IT Service Sector Collective Agreement.	
9. OTHER TERMS AND CONDITIONS	(Use a separate attachment if necessary)	
10. DATE AND SIGNATURES	This contract has been prepared in two identical copies, one for each party.	
	Place	Date
	Employer's signature	Employee's signature

Copying prohibited







