

**Federation of Finnish Technology Industries
Finnish Metalworkers' Union**

**COLLECTIVE AGREEMENT IN
THE TECHNOLOGY INDUSTRIES
1 November 2016 – 31 October 2017**

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CURRENT ISSUES

The collective agreement in the technology industries was reformed with an agreement signed on 15 June 2016, in accordance with the Competitiveness Pact signed between the labour market confederations on 14 June 2016. The new collective agreement will enter into force on 1 November 2016 and remain in effect until 31 October 2017.

The collective agreement settlement does not include any changes to salaries or other terms of employment with cost effects. The only change to the actual collective agreement is limited to one sentence that has been added to clause 19.1 concerning the length of working time.

The new collective agreement reinforces local collective bargaining, for all items the unions have agreed on, i.e.

- *wage adjustment;*
- *crisis bargaining*
- *annual working time extension*

will be implemented primarily as jointly agreed in local bargaining.

This time, the new collective agreement will not be delivered as a printed version. A leaflet is available in a written format that includes

- *procedures agreed on in the collective agreement settlement and changes to terms of employment in the sector, and*
- *the wages, additional allowances and monthly compensation for the labour protection delegate and chief shop steward that were agreed on in the protocol signed on 18 June 2015 concerning wage adjustments for third year of the collective agreement signed on 23 October 2013 and entered into force on 1 November 2015 – and which are valid during the new collective agreement period.*

The new collective agreement is available in its entirety on the websites of the unions.

1

Wage adjustments

The collective agreement (signing minutes) continues the previously used contractual wage adjustments model. The collective agreement does not include a general increase in wages.

Wage adjustments in the workplace will be based on the enterprise's circumstances, in accordance with the company's wage policy. The employee will be rewarded and incentivised based on the job requirement, competence and performance.

Local negotiations on a wage settlement and its grounds will be held in November 2016, unless an extended bargaining period is agreed on. If no local wage settlement is reached, the employer may carry out wage adjustments in line with its own wage policy.

2

Survival clause

The signing minutes of the collective agreement specify a procedure according to which the employer and the chief shop steward in the workplace can in the event of the employer encountering a serious financial or sudden production crisis agree in writing on the fixed-term adjustment of the terms and conditions of employment.

The aim of adjusting the terms and conditions of employment related to wage benefits or other financial benefits separately listed in the stipulation is to prevent or restrict the impact of such a crisis and thereby safeguard the future of the enterprise and jobs. The wage paid to an employee, however, may not be less than the employee's basic wage.

The survival clause includes a detailed definition of crisis identification, communication with unions and a plan giving a comprehensive account of the actions taken and planned to revive the enterprise's finances and safeguard its operations.

The adjustments to the terms and conditions of employment with a view to helping the employer to surmount the crisis should be assessed as being necessary in view of the goals of the agreement. Furthermore, any cuts made should be in proportion to the benefits achieved. The parties are obliged to assess what effect the savings in labour costs have on the employer's financial position.

3

Annual working time extension

In ways stated in clause 19.1 of the collective agreement and in accordance with the Competitiveness Pact, the regular annual working time will as of 1 January 2017 be extended by 24 hours with no impact on earnings; this has been recorded in a separate protocol that forms an integral part of the collective agreement. The working time extension model will be agreed on locally. If no agreement is reached, the employer will extend the employees' regular working time by adding extra hours to the working hour system in the manner specified in the separate protocol.

In local bargaining on the working time extension, the following matters are taken into account:

- the work done in a workplace and forms of working time;
- improvement of productivity and competitiveness; and
- employees' individual working time needs.

A written local agreement is concluded annually by the end of November for one calendar year at a time, and notice can be given by the end of September to terminate the agreement with effect from the end of the year in question. The guidelines of the collective agreement for local bargaining also provide an opportunity to assess more generally the working time scheduling arrangements currently used and, if necessary, to agree on new working time systems that better meet diverse needs.

Local bargaining is carried out in accordance with the local negotiating procedure. The primary party bargaining with the employer, however, is the chief shop steward, if one has been elected for the workplace.

Where part-time employees are concerned, the extension to their regular working time will be agreed on between the employer and the employee, if the collective agreement includes an individual working time condition.

According to the fallback clause provisions, the employer will target the extension to working time by allocating one additional working day to the employee and by extending the shifts.

Wages are paid for the work done on account of the working time extension. To maintain the annual earnings level, compensation for weekday public holidays paid to an hourly rate employee will be cut and the working time averaging bonus in three-shift work will be reduced.

The separate protocol also includes certain exceptions to collective agreement stipulations concerning regular working hours and Sunday work for situations in which regular working hours are extended by local bargaining, in line with the provisions in the separate protocol.

The unions will set up a work group to assess the procedures associated with the working time extension and to monitor the impact of the working time extension on the enterprises' competitiveness and the number of jobs. Another task of the work group is to enhance local bargaining on the working time extension and to propose changes potentially needed in the system. The work group will submit a detailed report of the system's usefulness to the parties to the collective agreement by 31 May 2019.

FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES
FINNISH METALWORKERS' UNION

SIGNING MINUTES OF THE COLLECTIVE AGREEMENT

Date	15 June 2016	
Place	Federation of Finnish Technology Industries	
Present	Federation of Finnish Technology Industries	Finnish Metalworkers' Union
	Jorma Turunen	Riku Aalto
	Eeva-Liisa Inkeroinen	Turja Lehtonen
	Pekka Kärkkäinen	Pentti Mäkinen
	Manu Laapas	Juha Kapiainen
	Pekka Lukkari	Pasi Karttunen
	Petteri Rautaporräs	Mari Tuomaala
		Pirkko Valtanen
		Jari Aalto
		Jyrki Virtanen
		Kauno Koskela
		Arto Helenius
		Juha Pesola

1

Signing of the collective agreement

It was stated that a collective agreement in line with the negotiated settlement reached on 3 June 2016 was signed today between the unions. At the same time, it was also stated that the collective agreement signed on 23 October 2013 will cease to be in effect on 31 October 2016. The collective agreement signed now will enter into force on 1 November 2016.

This collective agreement has been signed in line with the Competitiveness Pact signed between the confederations on 14 June 2016.

2

Wage adjustments

Negotiations on the wage settlement and its grounds

The wage settlement will be negotiated locally, taking account of the financial, order book and employment situation at the enterprise or workplace, and of cost competitiveness in the market. The aim of the local negotiations is to reach a wage settlement in line with the circumstances of each enterprise or workplace. Another aim is to support incentives for wage formulation, an equitable wage structure, wage grading and the advancement of productivity in the workplace.

Local wage settlement

Matters to be agreed in a local wage settlement include the implementation, schedule and magnitude of wage adjustments. The agreement will be signed, in writing, with the chief shop steward by 30 November 2016, unless an extended bargaining period is agreed on. If no local wage settlement is reached, the employer may carry out wage adjustments in line with its own wage policy.

3

Survival clause

Financial and other difficulties, definition, communication with unions, and a plan

Agreement on adjustment of the terms and conditions of employment must be related to an event of the employer encountering a serious financial or sudden production crisis, which is jointly observed at the workplace during co-determination negotiations or in another context and whose effects – such as avoiding cutting jobs – can be prevented or limited with this measure.

To safeguard the employer's operations and jobs, the employer and the chief shop steward can notwithstanding the minimum terms and conditions of the collective agreement locally agree on the adjustment of terms of employment concerning wages or other financial benefits, as agreed on below. Other financial benefits mean a Saturday bonus, Sun-

day bonus, shift work bonuses and working conditions bonuses, and the possibility to exchange the holiday for time off. An agreement is made to apply to an enterprise or a part thereof.

The wage paid to a employee, however, may not be less than the employee's basic wage. However, the wage guarantee does not pertain to a situation where a postponement of the payment of full wages to a later date is agreed on. Any postponement of the payment date and sum of wages or another monetary item must occur within the framework of the pay security provisions.

This provision does not restrict the mutual freedom of contract between the parties to an employment contract or the employer's unilateral right to adjust the terms of employment in line with the law and legal practice.

Before any negotiations are launched at the workplace, they must be reported to the parties to the collective agreement.

The parties are entitled to assistance from the unions' experts during the definition of the employer's financial difficulties or production-related crisis. The chief shop steward and any experts consulted must keep in confidence all information concerning the employer's financial position obtained during the negotiations, in accordance with the employer's statement on the confidentiality of the information.

During negotiations on an agreement concerning the adjustment of the terms of employment at the workplace, the employer must openly explain to the chief shop steward the company's financial position and its outlook.

Also, at the start of the negotiations, the employer must present a plan giving a comprehensive account of the actions taken and planned to revive the enterprise's finances and safeguard its operations. The desired goal is best achieved when it is consistently taken into account in all of the employer's operations. During local negotiations, the parties' joint

goals and comments as well as the employer's opportunity to refund payroll expenses saved after the end of the crisis should be added to the plan.

Necessary and reasonable aspects of the deterioration of terms of employment in the agreement

Adjustments stabilising the employer's finances or production-related crisis and affecting the terms of employment concerning wage or other financial benefits must be deemed necessary, considering the goals of the agreement. Also, any wage reduction and other cuts in the terms of employment concerning financial benefits must be in proportion to the benefits reached with them. The parties are obliged to regularly assess what effect the savings in labour costs have on the employer's financial position.

Temporary nature of the measures

A local agreement is drawn up, in writing, for the fixed term during which the employer's financial position is anticipated to stabilise, but for no more than one year at a time. A fixed-term agreement can be terminated by observing a two-month period of notice, if there are no longer factual grounds for extending the agreement.

4

Signing of the appended protocol to collective agreement

It is stated that, today, a protocol observed as part of the collective agreement between the unions has been signed on the extension of the annual working time in line with the Competitiveness Pact signed between the labour market confederations in 2016, in the scope of application of the technology industries.

5

Work groups

The unions will appoint the following work groups:

Work group on education

Work group on the efficiency of employee representation

Work group on workplace-specific experiments

Work group on the representativeness of the collective agreement

Work group on the development of pay provisions

Work group on working time questions at the workplace

Work group on servicing and maintenance matters

Work group on co-determination and local negotiations

Work group on external labour and posted workers

”Work Cycle Carries” initiative

6

Examination of the minutes

It was agreed that Jorma Turunen, Eeva-Liisa Inkeroinen, Riku Aalto and Turja Lehtonen will examine these minutes.

In witness of: *Pekka Kärkkäinen*

Examined: *Jorma Turunen* *Eeva-Liisa Inkeroinen*

Riku Aalto *Turja Lehtonen*

MODIFICATION OF THE COLLECTIVE AGREEMENT IN THE TECHNOLOGY INDUSTRIES

Clause 19.1 will be modified so as to read as follows:

19.1 Length of regular working time.

Regular working time shall not exceed 8 hours of work per working 24-hour period and 40 hours in a working week.

The protocol appended to the collective agreement has been drawn up on the extension of annual working time, in the area of the agreement, according to the Competitiveness Pact signed by the labour market confederations in 2016.

VALID WAGES, ADDITIONAL ALLOWANCES AND MONTHLY COMPENSATION FOR THE LABOUR PROTECTION DELEGATE AND CHIEF SHOP STEWARD (as of 1 November 2015)

8.1.2 Classification of job requirement

Job-based hourly and monthly wages

The following job-based hourly wages shall apply when using nine job requirement categories:

Job requirement category	Job-based hourly wages cents/hour	Job-based monthly wage EUR/month	Pay scale
1	882	1537	C
2	926	1614	C
3	972	1695	C
4	1021	1779	B
5	1072	1868	B
6	1126	1962	B
7	1182	2060	A
8	1241	2163	A
9	1303	2271	A

8.1.3 Rough classification

Job-based hourly and monthly wages

The following job-based wages shall be payable by job requirement category:

Job requirement category	Job-based hourly wages cents/hour	Job-based monthly wage EUR/month	Pay scale
I	882	1537	C
II	1021	1779	B
III	1182	2060	A

8.1.4 Other locally agreed ways of determining job requirement

Job-based hourly and monthly wages

The following job-based wages shall be payable in the job requirement categories:

	Hourly wages cents/hour	Monthly wages EUR/month
lower limit	882	1537
upper limit	1303	2271

10.1 Employees under 18 years of age, students and trainees

The following hourly and monthly wages shall be paid to students and employees under 18 years of age:

	cents/hour	EUR/month
Scale 1	762	1328
Scale 2	800	1394
Scale 3	840	1464
Scale 4	882	1537

14.1 Temporary deterioration in working conditions

The additional allowance shall be not more than 57 cents an hour.

14.2 Exceptional inconvenience or difficulty

The additional allowance shall be not less than 43 cents an hour.

14.3 Shift work bonuses

The following separate shift work bonuses shall be paid for evening and night hours in shift work:

evening shift	(e.g. from 14.00 to 22.00)	115 cents/hour
night shift	(e.g. from 22.00 to 06.00)	212 cents/hour

=====

A separate Saturday bonus of 212 cents/hour shall be paid to employees in uninterrupted three-shift work and in continuous double or single shift work for each hour of regular working time worked by the employee during a Saturday working shift.

28 OPERATING REQUIREMENTS OF A LABOUR PROTECTION DELEGATE AND AGENT

28.2 Compensation for loss of earnings and monthly compensation

=====

A labour protection delegate shall be compensated for any loss of earnings arising from attending to the labour protection duties referred to above during working time, and shall unless otherwise agreed also receive the following monthly compensation:

Hours of job release in a 4-week period	Monthly compensation EUR
4 - 15 hours	74
16 - 33 "	81
34 - 55 "	88
56 - 79 "	106
80 - 95 "	126
96 - 139 "	148
140 - 159 "	173
160 hours / full job release	207

43.4 Operating conditions of a shop steward

43.4.4 Compensation for loss of earnings and monthly compensation

D. Monthly compensation

In addition to compensation for loss of earnings, a chief shop steward shall receive monthly compensation as follows:

Number of employees at the workplace	Monthly compensation EUR
10 - 19	74
20 - 49	81
50 - 99	88
100 - 149	106
150 - 199	126
200 - 249	148
250 - 399	173
400 -	207

PROTOCOL ON THE EXTENSION OF ANNUAL WORKING TIME IN THE SCOPE OF APPLICATION OF THE TECHNOLOGY INDUSTRIES OF THE COLLECTIVE AGREEMENT, ACCORDING TO THE COMPETITIVENESS PACT SIGNED BY THE LABOUR MARKET CONFEDERATIONS IN 2016

1. Purpose of the agreement

By this protocol, the undersigned unions have agreed on the extension of annual working time, as of 1 January 2017, in the scope of application of the technology industries of the collective agreement, according to the Competitiveness Pact signed by the labour market confederations.

The principle according to the Competitiveness Pact on extending annual working time with no impact on earnings for hourly employees will be implemented in the way agreed on, in detail, below, by reducing the working time averaging bonus in three-shift work and by cutting the compensation for weekday public holidays paid to all employees. Salaried employees will receive their normal monthly salary regardless of the number of working hours during the wage determination period.

2. Length of regular working time and arrangement thereof

The length of regular working time is determined and its arrangement is implemented, in addition to the collective agreement provisions, by observing the provisions of this protocol.

3. Average weekly working time

3.1. Average weekly working time in daily and two-shift work (clause 19.1.1)

Working time in normal full-time daily and two-shift work, i.e. in working weeks of 40 hours, shall be averaged to the following maximum over a calendar year:

average in 2017	36.7 hours per week
average in 2018	36.7 hours per week
average in 2019	36.7 hours per week

The average weekly working time in a calendar year is based on 12.5 days of working time average leave, and an extension of 24 hours of regular working time agreed locally.

3.2 Average weekly working time in three-shift work (clause 19.1.2)

As of 1 January 2017, the average weekly working time in discontinuous three-shift work will be increased to no more than 36.3 hours per week and in uninterrupted three-shift work to no more than 35.4 hours per week, depending on how the 24-hour extension to annual working time is implemented at the workplace.

4. Local bargaining on working time extension

As of 1 January 2017, the annual working time must be extended, in a manner agreed locally (Chapter 44 of the collective agreement), by 24 hours with no impact on earnings.

The extension of annual working time of part-time employees with no impact on earnings shall be implemented by an agreement between the employer and the employee who is a party to the employment contract. If an arrangement for part-time work is generally used at the workplace, the extension to the working time shall be implemented by way of local bargaining (Chapter 44 of the collective agreement). The working time extension is in equal proportion to the relation of part-time work with full working time.

According to Chapter 44 of the collective agreement, a local agreement is concluded between the employer and the chief shop steward in the aforementioned cases if a chief shop steward has been elected at the workplace.

Date of signing an agreement, and the duration of the agreement

An annual agreement on the extension of working time is signed, in writing, by the end of November, it shall remain in effect for one calendar year at a time and continue, after this, until further notice, unless a contracting party has terminated it, in writing, by the end of September at the latest, with effect from the end of the year in question.

Working time

Contents of the agreement

By local bargaining, working time is extended in a manner appropriate to the work and forms of work at the workplace, taking account of productivity and the development of competitiveness, and the employees' individual needs for working time.

On the basis of this stipulation, a weekday public holiday taken as regular working time shall extend the regular working time of the week in question.

Extension of working time of no local agreement is concluded

A. Daily and two-shift work

The employer shall implement the extension of annual working time by 24 hours and by a part-time employee's proportional amount in relation to full working time by allocating the employee, in addition to the working hour system used, no more than eight hours a day of regular working time for one Saturday off and otherwise no more than two hours on a working day. However, the Saturday referred to above cannot be a weekday public holiday, a Saturday on a weekday public holiday week or a day off for working time averaging. The employer must comply with the notification period concerning changes to the working hour system.

B. Three-shift work

The employer shall implement the extension of annual working time by 24 hours and by a part-time employee's proportional amount in relation to full working time by allocating the employee, in compliance with the notification period concerning changes to the working hour system, a work shift of no more than eight hours in addition to the regular working time.

Further, in addition to the working hour system used, the employer can allocate four hours of regular working time to the employee on four different occasions, immediately before or after the work shift and giving notice one day ahead. However, the employer must take account

of any strong, personal grounds the employee has against a suggested work shift extension. In such a case, the work shift extension will be postponed to a later date specifiable by the employer.

Wages paid for the extension of the working time

Wages are paid for the work done on account of the working time extension referred to here.

Salaried employees shall receive their normal monthly salary regardless of the number of working hours during the wage determination period.

To prevent any changes in the annual level of earnings for hourly rate employees, a reduction equal to the amount in wages is made to the compensation for weekly public holiday paid to the employee and, for a employee doing three-shift work, also to the working time averaging bonus paid to the employee. By local bargaining, another agreement can be made on implementing the allocation.

Start of an employment relationship in the middle of a calendar year

An employee whose employment relationship began on 15 January or later will not be included in the extension of the working time referred to in this protocol during the first calendar year of the employment relationship. That year, the employee will be paid, as compensation for weekly public holiday, wages for eight hours according to average hourly earnings and, a employee doing part-time work shall be paid proportional wages, as provided for in clauses 23.1 and 23.2 of the collective agreement. The employee shall also be paid a working time averaging bonus of 11% in discontinuous three-shift work and 14.3% in uninterrupted three-shift work of the employee's average hourly earnings determined by quarterly period.

End of an employment relationship in the middle of a calendar year

If an employee's employment relationship ends in the middle of a calendar year and the extension of working time and reduction of compensation for weekday public holiday and working time averaging bonus referred to in this protocol are applied to the employee, the employer

must, upon payment of the final salary, refund any compensation reduced in excess in relation to the wages paid for the employee's period of working time extension.

5. Working time averaging bonuses and payment thereof (clause 19.3)

Any reduction in earnings caused by averaging of weekly working hours shall be compensated by a flat rate bonus earned by the employee for every hour of regular working time worked under a form of working hours referred to in this agreement, amounting to 6.3 per cent in daily and two-shift work, 10.9 per cent in discontinuous three-shift work, and 14 per cent in uninterrupted three-shift work, of the employee's average hourly earnings determined by quarterly period.

6. Schedule of working hours (clause 19.4)

However, when agreeing upon the extension of regular working time in accordance with the provisions of this protocol, the Saturday of a weekday public holiday week can be taken as a working day.

7. Working time arrangement by local agreement (clause 19.7)

The implementation method for extending regular working time can be agreed on locally, in accordance with the provisions of this protocol.

8. Sunday work (clause 20.8)

If regular working time is extended in accordance with the provisions of this protocol, by agreeing to include a weekday public holiday as a working day, no increase for Sunday work shall be paid for the weekday public holiday in question. On such a day, work shall be done without any specific consent.

9. Compensated weekday public holidays (clause 23.1)

The wages for 8 hours, amounting to 64.6 per cent of the average hourly earnings, shall be paid to an hourly-rate employee in compensation for a weekday public holiday.

10. Monitoring the extension of working time according to the Competitiveness Pact

A work group appointed by the unions will constantly monitor the effects of the extension of working time on the development of the competitiveness of enterprises in the sector and the number of jobs, and assess the efficiency of the procedure for local bargaining according to this protocol. In addition, the work group will promote the implementation of local bargaining related to the extension of working time, taking into consideration different needs at workplaces.

The work group will make suggestions on any need to make changes to the system. Also, by 31 May 2019, the work group will submit a detailed report on the efficiency of the system.

11. Termination of the protocol

This protocol can be terminated, for the first time, with effect from 31 December 2019. Any written notice of termination must be submitted to the other party to the protocol by 30 September 2019, at the latest

After this, the protocol can be terminated annually with effect from the end of the calendar year in question, by giving notice by the end of September.

Helsinki, 15 June 2016

Federation of Finnish Technology Industries

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