

The Federation Of Finnish Technology Industries  
Federation Of Professional And Managerial Staff – YTN

# COLLECTIVE AGREEMENT FOR SENIOR SALARIED EMPLOYEES IN TECHNOLOGY INDUSTRIES 2020 – 2021



Technology Industries  
of Finland



Technology Industries of Finland  
Federation of Professional and Managerial Staff (YTN)

**COLLECTIVE AGREEMENT FOR  
SENIOR SALARIED EMPLOYEES  
IN TECHNOLOGY INDUSTRIES  
2020–2021**

# Collective Agreement for Senior Salaried Employees in Technology Industries

<b>SIGNING MINUTES OF THE COLLECTIVE AGREEMENT</b> .....	<b>3</b>
Section 1 Signing of the collective agreement.....	3
Section 2 Implementation method, time and amount of salary adjustments.....	3
Section 3 Well-being at work and maintenance of work ability.....	6
Section 4 Functionality of personnel representation.....	6
Section 5 Development of employment matters.....	7
Section 6 Travel time.....	7
Section 7 Equality and non-discrimination.....	8
Section 8 Scope of application of collective agreements.....	8
Section 9 Support measures.....	8
Section 10 Examination of the minutes.....	9
<b>COLLECTIVE AGREEMENT</b> .....	<b>10</b>
Section 1 Scope of application of the agreement.....	10
Section 2 Salaries.....	10
Section 3 Salary policy.....	10
Section 4 Working hours.....	12
Section 5 Reimbursement of travel expenses.....	14
Section 6 Travel during time off.....	14
Section 7 Holiday pay and holiday bonus.....	15
Section 8 Sick pay, maternity and paternity pay.....	15
Section 9 Salary during military reserve training.....	17
Section 10 Local bargaining.....	17
Section 11 Shop steward.....	18
Section 12 Health and safety representative.....	22
Section 13 Negotiating procedure.....	23
Section 14 Right of assembly.....	24
Section 15 Vocational training.....	24
Section 16 Binding character of the agreement.....	25
Section 17 Labour peace obligation.....	25
Section 18 Conciliation Board.....	25
Section 19 Period of validity of the agreement.....	26
<b>AGREEMENT ON PROTECTION AGAINST TERMINATION FOR SENIOR SALARIED EMPLOYEES IN TECHNOLOGY INDUSTRIES</b> .....	<b>27</b>
Section 1 Scope of application.....	27
<b>I GENERAL PROVISIONS GOVERNING TERMINATION OF EMPLOYMENT CONTRACT</b> .....	<b>27</b>
Section 2 Notice periods.....	27
Section 3 Senior salaried employee's right to re-employment leave.....	28
Section 4 Failure to observe the notice period.....	29
Section 5 Notice of termination of employment contract.....	29
Section 6 Notification of grounds for termination of employment contract.....	29

II TERMINATION OF EMPLOYMENT CONTRACT AND LAYOFF FOR REASONS PERTAINING TO THE INDIVIDUAL SENIOR SALARIED EMPLOYEE .....	30
Section 7 Grounds for termination of employment and layoff .....	30
Section 8 Terminating an employment contract .....	30
Section 9 Hearing of a senior salaried employee .....	31
III TERMINATION OF EMPLOYMENT AND LAYOFF OF SENIOR SALARIED EMPLOYEES FOR REASONS OF FINANCE, PRODUCTION OR REORGANISATION OF THE EMPLOYER'S OPERATIONS .....	31
Section 10 Negotiating procedure .....	31
Section 11 Grounds for termination of employment .....	33
Section 12 Order of staff reductions .....	33
Section 13 Re-employment of a senior salaried employee.....	33
Section 14 Layoff.....	34
IV COMPENSATION .....	37
Section 15 Compensation .....	37
Section 16 Dispute resolution procedure.....	38
Section 17 Statute of limitations .....	38
Section 18 Entry into force .....	39
<b>SURVIVAL CLAUSE.....</b>	<b>40</b>
<b>THE BOARD OF SETTLEMENT REFERRED TO IN SECTION 6 OF THE COLLECTIVE AGREEMENT FOR SENIOR SALARIED EMPLOYEES IN THE TECHNOLOGY INDUSTRIES .....</b>	<b>42</b>
<b>MINUTES ON WORKING TIME BANKS .....</b>	<b>44</b>
<b>TELECOMMUTING INSTRUCTIONS.....</b>	<b>46</b>

## **SIGNING MINUTES OF THE COLLECTIVE AGREEMENT**

Date	14 February 2020	
Place	Technology Industries of Finland, Eteläranta 10, Helsinki	
Present	<b>Technology Industries of Finland</b>	<b>Federation of Professional and Managerial Staff (YTN)</b>
	Jaakko Hirvola	Teemu Hankamäki
	Minna Helle	Samu Salo
	Jarkko Ruohoniemi	Petteri Oksa
	Johanna Laine	Hannu Takala
	Pasi Lehtinen	Tuula Aaltola
		Anna Mäki-Jokela

### **Section 1 Signing of the collective agreement**

It was noted that a collective agreement corresponding to the negotiated settlement reached on 10 February 2020 was signed today between the federations.

The changes to the contents of the agreement shall take effect on 14 February 2020, unless otherwise stipulated in the relevant section(s) of the agreement. The provisions of the agreement that expired on 31 October 2019 shall be observed until the entry into force of such changes.

### **Section 2 Implementation method, time and amount of salary adjustments**

#### **Year 2020**

#### *Negotiations on the salary settlement and its grounds*

The salary settlement will be negotiated locally, taking account of the volume of orders and the financial and employment situation at the enterprise or workplace, and its cost competitiveness in the market. In good time before the start of local negotiations, the employer shall

provide the shop steward with the required information on the volume of orders and the financial and employment situation of the enterprise or workplace and of their anticipated development. For the basis of the negotiations, it would also be appropriate to provide information on the grounds for the proposed salary settlement.

The objective of the local negotiations is to reach a salary settlement in line with the circumstances of each enterprise or workplace. Another objective is to support incentives for salary formulation, an equitable salary structure, salary grading and the advancement of productivity in the workplace.

#### *Local salary settlements*

A local salary settlement shall settle the implementation method, timing and amount of salary adjustments. The agreement shall be signed with the shop steward or, if no shop steward has been elected, with senior salaried employees in a manner jointly agreed by them. The agreement shall be made in writing by 29 February 2020, unless an extended bargaining period is agreed on.

#### *Implementation method of salary adjustments in the absence of a local salary settlement*

If no local salary settlement is reached, salaries of each senior salaried employee shall be adjusted by a general increase of 1.3% no later than on 1 March 2020 or at the start of the pay period beginning soonest thereafter.

#### *Information to be provided to the shop steward*

The shop steward is entitled, within a reasonable time after salary increases, to receive a report on the allocation of the locally agreed salary settlement or the salary settlement adopted by the employer. The report shall indicate the number of senior salaried employees, how many of them received a salary increase, the amount of average salary increase and the total amount of salary increase received by senior salaried employees (total sum of salaries of senior salaried employees before and after the salary increase).

### **Year 2021**

#### *Negotiations on the salary settlement and its grounds*

The salary settlement will be negotiated locally, taking account of the volume of orders and the financial and employment situation at the enterprise or workplace, and its cost competitiveness in the market. In good time before the start of local negotiations, the employer shall provide the shop steward with the required information on the volume of orders and the financial and employment situation of the enterprise or workplace and of their anticipated development. For the basis of

the negotiations, it would also be appropriate to provide information on the grounds for the proposed salary settlement.

The objective of the local negotiations is to reach a salary settlement in line with the circumstances of each enterprise or workplace. Another objective is to support incentives for salary formulation, an equitable salary structure, salary grading and the advancement of productivity in the workplace.

#### *Local wage settlements*

A local salary settlement shall settle the implementation method, timing and amount of salary adjustments. The agreement shall be signed with the shop steward or, if no shop steward has been elected, with senior salaried employees in a manner jointly agreed by them. The agreement shall be made in writing by 15 March 2021, unless an extended bargaining period is agreed on.

#### *Implementation method of salary adjustments in the absence of a local salary settlement*

If no local salary settlement is reached, salaries of each senior salaried employee shall be adjusted by a general increase of 1.2% no later than on 1 February 2021 or at the start of the pay period beginning soonest thereafter.

In addition, a company- or workplace-specific element, amounting to 0.8% of the total salaries of the senior salaried employees, including benefits in kind, during the previous month, shall be used to increase the salaries of the senior salaried employees on 1 February 2021 or at the start of the pay period beginning soonest thereafter. Employer shall distribute the amount by allocating personal increases to individual members of senior salaried employees.

The purpose of the company- or workplace-specific element is to support incentives for salary formulation, equitable salary structure and salary grading, the advancement of productivity in the workplace, the implementation of the employer's salary policy, and to correct possible distortions.

Senior salaried employees' expertise and performance at work will be the guiding factors affecting the distribution of personal salary increases.

#### *Information to be provided to the shop steward*

The shop steward is entitled, within a reasonable time after salary increases, to receive a report on the allocation of the locally agreed salary settlement or the salary settlement adopted by the employer. The report shall indicate the number of senior salaried employees, how many of them received a salary increase, the amount of average

salary increase and the total amount of salary increase received by senior salaried employees (total sum of salaries of senior salaried employees before and after the salary increase).

### **Section 3**

#### **Well-being at work and maintenance of work ability**

Occupational well-being activities consist of the continuous and comprehensive development of work, the work environment and the work community. The well-being of staff creates conditions for successful business. The shrinking of the working-age population highlights the importance of measures aimed at the extension of careers.

The federations encourage participation in the ongoing Work Cycle Carries -productive wellbeing - project and continue to support participating workplaces in the implementation of well-being projects.

The federations shall provide joint guidance for the organisation of training that promotes professional competence and for drawing up training plans at workplaces.

Special attention shall be paid to employees' work ability and work-related stress. Workplaces should use workplace surveys drawn up by occupational health care, as well as risk assessments and personnel plans, to reduce the incidence of illness and the resulting absences. Individual measures for the maintenance of working ability shall be designed on the basis of the above-mentioned tools where necessary. In this work, workplaces can draw on the common materials created by the labour market organisations.

#### *Promotion of work ability and functional capacity of aged employees at the workplace*

On the basis of the survey conducted by the employer, the employer and senior salaried employee aged 58 or over shall discuss measures for supporting the employee's ability to keep on working. Matters to take into consideration shall include, among others, working conditions, new technologies and tools.

### **Section 4**

#### **Functionality of personnel representation**

The federations renewed the mandate of the working group established in the previous agreement period. The task of the working group is to organise common, cross-industry training on the roles of and interaction between shop stewards and human resources. The training shall focus on discussion of the goals and

functionality of the bargaining system and on the information to be provided to shop stewards. The working group shall also, if necessary, continue reviewing and assessing the functionality and coverage of the shop steward system for improving conditions for local bargaining.

## **Section 5**

### **Development of employment matters**

The federations shall establish a working group to consider matters pertaining to the collective agreement in accordance with the principle of continuous negotiation, with a view to improving enterprise competitiveness and the working terms of senior salaried employees, and to take any measures that may be possibly required.

The working group shall also study the impact of reforms of labour legislation on the collective agreement, examine the comparison of the employment relationship issues and remuneration of senior salaried employees on international level, promote effective dispute resolution and, continuously aiming to improve friendly relations between the federations, being confident that reinforcing good negotiation relationship and cooperation between the federations are in the interests of both parties, and indicating a firm endeavour to improve mutual respect between the parties, shall continue to clarify the wordings of agreements, focusing, in particular, during the current agreement period, on improving the structure and readability of the collective agreement.

## **Section 6**

### **Travel time**

Enterprises that do not have an agreement in place for compensating travel time, or in which the matter has not been address in accordance with the directive on travelling in Section 6 of the collective agreement, shall address the matter in the manner referred to in the collective agreement during the agreement period.

The federations shall establish a working group to promote the addressing of company-specific matters relating to the compensation of travel time and the creation of agreements during the agreement period, in particular by visiting enterprises and by providing training and advice.

Potential local disagreements arising over the compensation of travel during free time shall be handled in accordance with the negotiation procedure set forth in the collective agreement.

## **Section 7**

### **Equality and non-discrimination**

The federations consider the promotion of equality between the sexes at workplaces in accordance with the Act on Equality between Women and Men to be important and, for the attainment of this objective, emphasise the significance of fulfilling the obligations and taking the measures specified by law.

In order to support the promotion of equality at workplaces, the parties shall organise joint training on drawing up equality plans and conducting pay surveys annually during the agreement period. The aim is to arrange national training events twice a year in a manner agreed upon by the parties. In addition to these events, local and company-specific training events shall be arranged if necessary.

## **Section 8**

### **Scope of application of collective agreements**

The federations shall establish a working group to investigate the matters relating to the scope of application of collective agreements for salaried employees and senior salaried employees in the technology industry. The working group shall, if possible, clarify and harmonise the guidance provided for the scope of application.

## **Section 9**

### **Support measures**

The Federation of Professional and Managerial Staff (YTN) undertakes that senior salaried employees working in the technology industry will not, during the validity of this agreement, take sympathetic action to pressure other industries into joining collective agreements.

**Section 10**  
**Examination of the minutes**

It was agreed that Jaakko Hirvola, Minna Helle, Teemu Hankamäki and Hannu Takala will examine these minutes.

In witness thereof

Jarkko Ruohoniemi

Examined

Jaakko Hirvola

Minna Helle

Teemu Hankamäki

Hannu Takala

**TECHNOLOGY INDUSTRIES OF FINLAND  
FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF (YTN)**

**COLLECTIVE AGREEMENT**

**Section 1**

**Scope of application of the agreement**

This agreement shall apply to senior salaried employees employed by member enterprises of Technology Industries of Finland. Senior salaried employee duties require knowledge and skills of a standard corresponding to a university or higher-level professional education.

This agreement shall not apply to persons belonging to or contributing to the direction of an enterprise or place of business or to comparable experts assisting in such direction, or to persons representing the enterprise in matters relating to employment with respect to senior salaried employees and who are entitled or authorised to decide on the terms and conditions of employment of senior salaried employees.

The duties of senior salaried employees differ in character from those referred to in the collective agreement for other salaried employees in the technology sector. The duties of senior salaried employees typically involve a relatively high degree of independence and responsibility. In practice, the work of a senior salaried employee in an enterprise is to assist its management, to perform supervisory duties of middle management, or to perform expert functions requiring specialised knowledge and skills. Formal educational qualifications or the lack thereof shall not, however, alone decide the issue of whether a person is a senior salaried employee. The function of a senior salaried employee is more demanding than the functions falling within the scope of the collective agreement for other salaried employees in the technology industries.

**Section 2**

**Salaries**

The salary of a senior salaried employee shall be agreed in the individual contract of employment, having regard to the demands of the position, education and vocational qualifications. Part of the overall earnings may be determined on the basis of variable salary factors defined for the individual place of work.

**Section 3**

**Salary policy**

The salary policy applicable to staff shall be determined within the enterprise. The federations recommend that salaries be graded according to the demands of the

work and that a salary policy seeking to reward job performance and to improve enterprise efficiency and profitability be based either wholly or partly on the following principles:

#### The salary policy

- should build on the business idea of an enterprise and support its implementation,
- should support development in enterprise efficiency, profitability and competitiveness,
- should be individual, allowing for the demands and responsibility of an individual's duties as well as for the competence and performance of said individual,
- should reward for individual abilities and skills such as information management, management skills, judgement, initiative, innovation and cooperative skills
- should incentivise individuals to deepen and broaden their professional skills
- should support implementation of the common objectives imposed on the community at work, and collaboration across boundaries of function and personnel group,
- should require management and supervisors to agree with their subordinates on objectives and to monitor their implementation
- should be of clear, long-term and consistent character, while allowing for flexibility when required by enterprise operating conditions or the business idea;
- should be based on criteria that are independent of gender, age and other corresponding factors not pertaining to the work.

It is a condition of a successful salary policy that there is a broad common understanding of its principles and that a senior salaried employee and a supervisor hold an annual discussion on job performance and its influence on salary and specify the future job description and its objectives.

*Minuted note:*

*The salary policy section has the character of a recommendation/procedural instructions, and deviations from it shall not to be held to constitute infringements of the kind referred to in the Collective Agreements Act.*

*The federations shall jointly seek to assist enterprises in developing their salary policies.*

## **Section 4**

### **Working hours**

The length of regular working hours shall be agreed in the employment contract and arranged according to the Finnish Working Hours Act. Regular working hours shall not exceed eight hours per working day or 40 hours per working week. Working hours may be agreed on the basis of an average.

While the maximum limits on daily and weekly working hours may be agreed locally for salaried employees falling within the scope of the Working Hours Act, working hours must average out at the agreed number over a period not exceeding one year.

When using average working hours, a schedule of working hours shall be prepared in advance covering the period over which the working hours must average out at the regular number. Averaging of working hours shall be effected over a period not exceeding one year. Longer averaging periods may be agreed on in a working time bank agreement.

Organising of flexible working hours, limits of flexibility and the maximum accumulation of hours can be agreed locally even in a manner that derogates from the Working Hours Act; however, the maximum accumulation of hours may not exceed 120 hours. The length of a monitoring period referred to in the Working Hours Act in the context of flexible workings hours, shall be six months. However, monitoring periods of up to 12 months may be agreed locally.

*Minuted note:*

*Employers may agree for individual senior salaried employees who have accumulated a surplus of working hours through a flexible working hours scheme to lower their surplus by taking paid leave. Employers should endeavour to give such leave as full days off, if the employee in question requests it. A flexible working hours agreement that is in force indefinitely may be terminated so that it ends at the end of the reference period during which the notice is given. Fixed-term agreement of more than one year may be terminated after the first four months in the same way as agreements that are in force indefinitely.*

Unless otherwise agreed locally, the salaried employees concerned shall be notified of any permanent change in the current system of working hours no later than two weeks before the change takes effect, and of any temporary change, wherever possible, no later than one week before the change takes effect and always no later than three days prior to the change.

Overtime refers to work performed on the employer's orders and with the consent of the senior salaried employee in addition to the regular working hours specified in the schedule of working hours, but not insofar as the regular working hours are shorter than an average of 8 hours per day and 40 hours per week.

The monitoring period for maximum overall working hours as specified in the Working Hours Act, shall be six months. Monitoring periods of up to 12 months may be agreed locally for technical reasons or reasons pertaining to organising work.

Overtime compensation and additional work shall be governed by the provisions of the Working Hours Act.

Compensation for additional work, overtime and work on Sundays may be agreed locally as separate fixed monthly compensation based on the estimated amount of such work.

### **Derogations from the provisions of the Working Hours Act**

#### *By local agreement*

The provisions concerning working hours laid down in section 4 of the collective agreement and individual employment contracts may be derogated from by local agreement. However, the mandatory provisions of the Working Hours Act must be observed in every case.

When devising such local arrangement, the need for the arrangement, the benefits of the arrangement for the enterprise and the needs of the parties in respect of working hours shall be discussed and the implementation method and compensation shall be agreed. If it is locally agreed that working hours can be scheduled on mid-week public holidays, Sunday bonus pursuant to the Working Hours Act shall not be payable for the work performed on a mid-week public holiday, unless otherwise agreed. The purpose of locally agreed arrangements is to advance working time arrangements that promote the profitability and competitiveness of the enterprise and support consideration of senior salaried employees' individual needs regarding working.

#### *On employer's orders*

Notwithstanding the section 4 of the collective agreement and provisions of individual employment contracts and in addition to what is agreed thereof, the employer may assign a maximum of 16 additional regular working hours per calendar year to each senior salaried employee. Such work is assigned when necessary for production-related reasons. Additional working hours may not be

scheduled on mid-week public holidays or on the Saturday of a week that includes a mid-week public holiday. A basic rate of pay on top of a monthly salary shall be paid for additional regular working hours. A senior salaried employee may refuse to work on the employer's orders under this paragraph on a case-by-case basis for proper and weighty personal reasons.

## **Section 5**

### **Reimbursement of travel expenses**

Unless otherwise agreed locally, the employer shall reimburse senior salaried employees for necessary travel expenses in accordance with the principles and rates generally governing reimbursement for expenses, daily subsistence allowances and mileage allowances.

## **Section 6**

### **Travel during time off**

Any compensation payable for travelling during time off shall be agreed locally

Compensation for travelling time may, for example, be arranged in the following manners:

1. Compensation for the time spent in travelling outside of regular working hours is agreed, as necessary, between a supervisor and a senior salaried employee. This would occur particularly in situations in which the compensation payable for travelling time pursuant to the collective agreement would be disproportionate to the salary payable.
2. Should duties involve a significant proportion of continual or regularly recurrent travelling outside of regular working hours and the senior salaried employee concerned is, on account of the character of the duties, in a position to decide on whether such travelling occurs and to determine the use of working hours, this state of affairs shall be considered in determining the salary payable to the senior salaried employee.
3. If a great deal of travelling pertains to temporary duties or to work of project character, the amount of travelling time accrued by the senior salaried employee shall be monitored. A compensation may be paid for such travelling time, for example, as a lump sum payment remitted at regular intervals.

#### *Directive on travelling:*

The local parties shall jointly investigate the compensation practices pertaining to travelling time spent by senior salaried employees (including the amount of travel, the decision-making process,

compensation practices, travel policy) and shall develop a clear compensation practice where necessary.

The foregoing examples of approaches to compensating for time spent on travel may be used in cases where no suitable compensation practices are found locally. One such approach is to adopt the foregoing examples.

Senior salaried employees and their supervisors shall be given adequate information on this matter.

Cases of dispute may be referred to the federations and to the joint board of settlement (appended to the collective agreement) for resolution in accordance with the negotiating procedure under the collective agreement.

## **Section 7**

### **Holiday pay and holiday bonus**

Where so agreed the salary for the annual holiday may be paid on the company's regular pay day.

A holiday bonus of 50 % of the annual holiday pay of the senior salaried employee shall be payable, unless otherwise agreed locally. The holiday bonus shall be paid in connection with the annual holiday pay, unless otherwise agreed locally.

If a senior salaried employee and the employer agree in writing that a holiday bonus is exchanged for corresponding paid leave, the full holiday bonus for a 24-day (four-week) holiday shall correspond to a leave of 12 weekdays (two weeks). Holiday bonus leave shall be granted to a senior salaried employee at the time determined by the employer unless the parties agree on arranging the leave. A senior salaried employee shall earn annual leave during a holiday bonus leave.

## **Section 8**

### **Sick pay, maternity and paternity pay**

If a senior salaried employee is incapacitated for work due to illness or accident and has not caused this state of affairs wilfully or through gross negligence, the senior salaried employee shall be entitled to the monthly salary including benefits in kind but excluding salary supplements while the inability continues as follows:

If the senior salaried employee has been continuously employed for a period of at least

- one month but less than one year, for four weeks
- one year but less than five years, for five weeks
- five years or longer, for three months.

A senior salaried employee who has become incapacitated for work due to illness shall be required to notify the employer without delay thereof, to advise the employer of the estimated date on which the incapacity is expected to end, and to submit an acceptable account of the incapacity on request.

Should a senior salaried employee fall ill with the same illness within 30 calendar days of the return to work, the period of employer's liability for sick pay shall be reckoned as for a single uninterrupted period of illness. Should the same illness recur in the foregoing manner, sick pay shall nevertheless be paid for not less than the waiting period referred to in chapter 8, section 7, paragraph 2 of the Finnish Health Insurance Act.

*Instructions for application:*

The question of whether an illness is the same or different shall be settled in unclear cases by applying the interpretations of the Health Insurance Act.

If a senior salaried employee has concealed an illness from the employer at the time of concluding the employment contract, the employer shall not be required to pay salary for the period of illness.

A senior salaried employee shall be granted maternity leave for the period of eligibility for maternity allowance under the Health Insurance Act. The monthly salary including benefits in kind but excluding salary supplements shall be paid for a period of three months of maternity leave, provided that the employment relationship of the senior salaried employee has lasted for a continuous period of at least six months before the estimated date of confinement.

A senior salaried employee shall be granted paternity leave for the period of eligibility for paternity allowance under the Health Insurance Act. The monthly salary including benefits in kind but excluding salary supplements shall be paid to the senior salaried employee for no longer than five working days taken off in connection with the birth of the child, provided that the employment relationship of the senior salaried employee has lasted for a continuous period of at least six months before the estimated date of confinement.

For the period during which the employer has paid the salary for maternity or paternity leave as specified above to the senior salaried employee, the employer shall be entitled to collect any statutory or agreed daily allowance or comparable benefit payable to the senior salaried employee or to recoup said amount from the senior salaried employee, however, to the extent not exceeding the amount paid by the employer.

In the event of any sudden illness of the senior salaried employee's child under ten years of age, or of another child under ten years of age living permanently in the same household with the senior salaried employee, no more than four working days of temporary paid leave shall be granted to the parent living in the same household as the child where this is essential to care for the child or to arrange such care. A parent not living in the same household as the child shall have the same entitlement. It shall be a condition of granting such paid leave that

both parents are gainfully employed or that the senior salaried employee is a single parent, and that the child's illness is certified in a manner corresponding to the certification required for illness of the senior salaried employee.

## **Section 9**

### **Salary during military reserve training**

It is recommended that enterprises pay sufficient salary to a senior salaried employee for any period of military reserve training so that reservist pay from the State and salary paid by the employer together correspond to the senior salaried employee's full salary benefits.

## **Section 10**

### **Local bargaining**

#### Objective of co-operation

Co-operation and local bargaining as an element thereof, seeks to maintain and develop enterprise productivity, competitiveness, employment, and the staff well-being at work. Local bargaining is primarily an instrument for improving operations.

The objectives of local bargaining shall be jointly defined at each workplace. In a rapidly changing operating environment objectives will have to be continually reassessed. The necessary means shall be agreed after the objectives have been clarified.

As a mode of operating, local bargaining affects the entire working community. It will require open and trust-building dialogue between the employer and the staff.

#### Regulations on local bargaining

Local bargaining is possible either between the employer and a senior salaried employee or between the employer and a shop steward of senior salaried employees. Any such agreement concluded with a shop steward shall be binding on those senior salaried employees whom the shop steward is considered to represent. The agreement may be concluded for a fixed term or for an indefinite period of time. An agreement that is in force indefinitely may be terminated at three months' notice unless some other period of notice has been agreed. Agreements shall be made in writing if either of the parties thereto so requests. Agreements concerning the entire workplace shall always be made in writing. The local agreement referred to herein shall form a part of this collective agreement. It shall continue to be applied even after this collective agreement has expired in other respects. At this time, and within one month after a new collective agreement enters into force, any local agreement concluded for a fixed term may be terminated at three months' notice.

## **Section 11**

### **Shop steward**

#### *Purpose of the shop steward system*

The purpose of the shop steward system is to create conditions to co-operation between the enterprise and senior salaried employees and to promote local bargaining and correct application of the collective agreement.

The shop steward system is also a method to improve senior salaried employees' means to influence and enterprise productivity. To act as a shop steward gives a senior salaried employee a large-scale view to understand co-operation between enterprise and employees, aspects of economy and competitiveness of the enterprise and the enterprise's HR operations. Competent shop steward is an important partner to the enterprise in negotiations and contact to senior salaried employees.

#### *Election of a shop steward*

The senior salaried employees shall be entitled to elect a shop steward, and a deputy shop steward to attend to the duties of the shop steward when the latter is prevented from doing so. When electing a shop steward, one should pay attention, among other aspects, to the capability for responsible and sustained attendance to the shop steward duties and one's ability to communicate and make difficult decisions. Additionally, one should remark candidates' ability to training and development that duty as a shop steward requires.

The area of responsibility of the shop steward, having regard to, in particular, the size, organisation and nature of the operations of the enterprise, shall be discussed with the management of the enterprise before electing the shop steward. The area of responsibility means a member organisation of Technology Industries of Finland, a logical part of the organisation in accordance with the management system or any unit that is mutually agreed. The employer shall be notified of the times at which the deputy shop steward is deputising for the shop steward.

The shop steward and deputy shop steward shall be elected from among the senior salaried employees at the workplace who belong to the scope of application of this collective agreement and to organisations that are bound by this agreement, and they shall be familiar with conditions at the workplace. All the senior salaried employees at the workplace must have an opportunity to participate in the election. Election arrangements and the election itself shall not disturb work. The time and location of the election shall be agreed on with the employer no later than 14 days before conducting the election. Responsibility for conducting the election shall primarily rest with the incumbent shop steward, a staff association of the Federation of Professional and Managerial Staff (YTN) or the senior salaried employees of the workplace concerned. The time that is necessary for the incumbent shop steward to spend on conducting the election shall count as time spent on the duties of a shop steward.

The term of office shall be at least one year. The employer shall be notified in writing of the shop steward elected at the workplace.

*Instructions for application:*

*If there is no shop steward for senior salaried employees and a need arises to quickly arrange collective co-operation, for example due to the co-operation process to reduce workforce, it is possible to organise an election so that the time and location of the election shall be negotiated with the employer under a more expedited schedule than “no later than 14 days before the election”.*

*Duties and rights of a shop steward*

The shop steward shall represent senior salaried employees in matters relating to employment relationships and issues pertaining to the application of this agreement. The shop steward shall be provided with the information and preconditions of action that are necessary to administer said matters and issues. Where required by the size of the workplace, a shop steward shall be entitled to use the normal office and other equipment of the enterprise in order to perform the duties of a shop steward. The concept of normal office equipment shall also include the computer equipment, associated software and Internet connections (e-mail) that are generally used in the enterprise. The practical arrangements shall be agreed locally. A reasonable discharge from other duties at work shall be agreed with the shop steward for the purpose of attending to the duties of a shop steward. This discharge shall be taken into account when arranging the work of a representative.

If necessary, the employer shall provide the shop steward and health and safety representative with an appropriate place to store any equipment that they need to perform their duties. The employer shall also, if possible, provide the shop steward and health and safety representative with a suitable space for conducting necessary conversations related to their duties.

The shop stewards and corresponding deputy shop stewards shall be afforded opportunities and associated benefits similar to those afforded to other shop stewards and deputy shop stewards with respect to participation in training that is jointly approved by the federations and necessary for discharging the duties of a shop steward.

During the term of office of a shop steward, the employer and the shop steward shall determine whether maintenance of the professional skills of the shop steward in respect of the previous or corresponding duties thereof requires any vocational training that is also arranged for other senior salaried employees.

*Shop steward compensation*

The employer shall pay a senior salaried employee serving as a shop steward, unless otherwise agreed locally, a separate monthly compensation that shall, between 1 March 2020 and 31 January 2012, be as follows:

Number of senior salaried employees represented	Monthly compensation (EUR)
10–100	118
101–200	165
201–400	211
400+	309

As of 1 February 2021, the monthly compensation shall be as follows:

Number of senior salaried employees represented	Monthly compensation (EUR)
10–100	120
101–200	168
201–400	215
400+	315

#### Discussion of the objectives and functionality of the bargaining system

The objectives and functionality of the bargaining system shall be regularly discussed at the workplace. The first such discussion shall take place within two months of the beginning of the term of office of the shop steward, and further discussions shall take place annually thereafter. The parties to these discussions shall be each shop steward together with the corresponding employer's representative, and where necessary, all shop stewards together. In these discussions, feedback shall be provided from both sides, which shall serve as the basis for efforts to improve co-operation still further. The objectives to be assigned to the bargaining system and the activities of shop stewards shall also be considered together, and attention shall be paid to the manner in which local conditions and the scope of local bargaining affect the statistical information to be provided to a shop steward. The need, timetable and objectives of training for the duties of a shop steward shall also be planned at this time.

#### Information to be provided to a shop steward

The employer shall ensure that the shop steward is notified at the earliest opportunity of all matters affecting directly or indirectly senior salaried employees at the workplace in question.

In the event of any uncertainties or disputes concerning the issues relating to the employment relationship of a senior salaried employee, the shop steward shall be provided with all information required for investigating the case in question. A shop steward must have a written consent by the senior salaried employee concerned to acquire the information. The written consent may be for example an e-mail message.

A shop steward shall be entitled to obtain the following details regarding the senior salaried employees belonging to the scope of this Agreement:

1. The surname and forenames of the senior salaried employee
2. The date of entry into the employer's service
3. The place of work (the organisational department)
4. The pay grade or job requirement category, if the company has such a system in use (the senior salaried employee may with a written or electronic notice prohibit the employer from giving this information to the representative)
5. The statistical heading (used in the employer federation's statistics)

These details shall be provided at annual intervals. The details under points 1-5 shall be provided in respect of new senior salaried employees at the earliest opportunity, and in any case no later than four months after the employment relationship begins.

Statistical data on salaries consisting of a workplace-specific average and a median of monthly salaries including benefits in kind shall be provided to the shop steward in writing once a year in respect of senior salaried employees belonging to the scope of this agreement. In addition, average monthly salaries including benefits in kind, shall be provided by statistical headings (e.g. by the statistical headings of the Confederation of Finnish Industries: operational management, specialists and experts).

*Instructions for application:*

*Having regard to conditions at the workplace, the shop steward may be provided with more extensive statistical information on senior salaried employees than the foregoing, for example broken down by job requirement or position in the enterprise (operational management, specialists and experts), if possible.*

These details shall be provided in writing after the payroll statistics for the workplace have been completed. A shop steward shall not be entitled to salary statistics on groups of fewer than five persons.

The shop steward shall be given an opportunity to access the salary determination and payroll accounting systems for senior salaried employees that are currently used by the enterprise within the shop steward's area of responsibility. The shop steward shall also be entitled to access the register, drawn up in accordance with the labour legislation, of emergency and overtime work and higher rates paid for such work with respect to senior salaried employees within the shop steward's area of responsibility.

As information on changes in the workforce, the shop steward shall be given at biannual intervals the numbers of fully able-bodied employees and of senior salaried employees belonging to the scope of this Agreement within organizational departments within the shop steward's area of responsibility.

The shop steward shall also be notified of senior salaried employees who have been engaged for a trial period or on fixed-term contracts. The shop steward shall

also, on request, be informed of the grounds for concluding a fixed-term employment contract.

A shop steward shall receive the foregoing information in confidence for the purpose of performing the duties of a shop steward. This information shall not be disclosed to shop stewards in other enterprises, nor otherwise disseminated.

#### Employment relationship of shop steward

A shop steward in accordance with this collective agreement shall enjoy the protection against termination under chapter 7, section 10 of the Employment Contracts Act. Compensation shall be determined in accordance with chapter 12, section 2 of the Employment Contracts Act. The foregoing protection of a shop steward against termination shall continue for a period of six months after the end of the shop steward's term of office. The foregoing provisions shall likewise apply to the deputy shop steward when deputising for the shop steward.

The status of shop steward shall continue as such, notwithstanding transfer of business if the business or part thereof retains its independence. If the shop steward's term of office ends due to a transfer of business, the shop steward shall have the aforementioned protection against layoffs and termination for six months of the end of the term of office.

The foregoing provisions on protection against termination shall also apply to a candidate for election as a shop steward at the workplace, whose candidacy has been announced to the employer in writing by a meeting of senior salaried employees following the discussion with the management of the enterprise of the election of a shop steward. Protection of candidates shall nevertheless begin no sooner than three months before the start of the term of office of the shop steward to be elected and shall expire with respect to a candidate who is not elected when the outcome of the election has been verified.

The shop steward may not, due the role of shop steward, be assigned to work at lower pay than at the time when the employee was elected to serve as shop steward.

## **Section 12**

### **Health and safety representative**

The health and safety representative shall enjoy the protection against termination and layoffs under chapter 7, section 10 of the Employment Contracts Act.

The health and safety representative shall be entitled to participate on working time in labour protection training jointly approved by the federations. Expenses and loss of earnings incurred from such training shall be reimbursed by the employer.

The employer shall pay a senior salaried employee serving as a health and safety representative, unless otherwise agreed, a separate monthly compensation that shall, between 1 March 2020 and 31 January 2012, be as follows:

Number of salaried employees represented by the health and safety representative	Monthly compensation (EUR)
5–24	66
25–50	71
51–100	79
101–200	90
201–400	101
401–600	116
600+	134

As of 1 February 2021, the monthly remuneration payment shall be as follows:

Number of salaried employees represented by the health and safety representative	Monthly compensation (EUR)
5–24	67
25–50	72
51–100	81
101–200	92
201–400	103
401–600	118
600+	137

### **Section 13**

#### **Negotiating procedure**

Issues relating to employment relationships shall, as a rule, be considered between the senior salaried employee and the supervisor thereof. If the senior salaried employee is unable to reach agreement with the supervisor concerning the terms and conditions of employment, the senior salaried employee shall be entitled to refer the matter to a manager higher in hierarchy. Should no consensus be reached, the matter may be referred to the shop steward and the employer's representative for consideration. Local negotiations shall be initiated no later than one week after such negotiations have been proposed by either of the parties. If no consensus is reached locally, or if disagreement arises over the interpretation of this agreement, a memorandum of dispute shall be prepared at the request of either of the parties no later than one week after the negotiations have ended, after which the matter may be referred for further negotiation

between the Federation of Professional and Managerial Staff – YTN and The Federation of Finnish Technology Industries.

## **Section 14**

### **Right of assembly**

Senior salaried employees as a staff group or associations affiliated to the Federation of Professional and Managerial Staff – YTN may arrange meetings at the workplace outside of working hours to discuss employment-related matters. Provided that the arrangements and procedures for the meeting are agreed in advance with the employer, the organisers of the meeting shall be entitled to invite to the meeting representatives of a federation that is a party to this collective agreement and representatives of the competent national labour and employer confederations.

## **Section 15**

### **Vocational training**

The federations stress the importance of systematically developing human resources. The employer shall, as necessary, reserve an opportunity for a senior salaried employee to take part annually in vocational training enabling maintenance and improvement of the employee's vocational skills. The need for training may be verified, for example, at performance appraisals conducted between the employer and the senior salaried employee.

In addition to regular annual working hours the employer may assign senior salaried employees a maximum of 8 hours per calendar year of training, if such training is necessary to perform the work and is of additional or complementary nature or related to the use of devices, wellbeing at work or safety, or of development occasions for boosting productivity, effectivity or quality at the workplace or in another location of the employer's choosing.

When assigning such training or development events, the senior salaried employee's personal needs regarding working time shall, where possible, be taken into account.

Time spent on such training or developing occasion shall be counted as regular working hours on top of the regular annual working hours provided for in the collective agreement. A remuneration corresponding a basic rate of pay shall be paid for time spent in such training or developing occasion. Training or developing occasion may also be organised as an all-day event. Training or developing event shall not be scheduled for mid-week public holidays.

*Minuted note:*

*It was noted that under section 16 of the Finnish Act on Co-operation within Undertakings an annual human resources plan and training*

*objectives must be prepared in co-operation negotiations in order to maintain and improve the occupational skills of salaried employees.*

*Foreseeable changes in enterprise operations of evident relevance to the structure, number or occupational skills of the workforce must be considered when preparing the plan of human resources and training objectives.*

## **Section 16**

### **Binding character of the agreement**

This collective agreement shall be binding on the signatory federations and their affiliated associations as well as employers and senior salaried employees that are or have been members of said associations during the term of the agreement.

The parties bound by the agreement shall be obliged to strictly comply with this agreement by ensuring that their affiliated associations and the employers and senior salaried employees belonging thereto do not infringe its provisions.

## **Section 17**

### **Labour peace obligation**

Industrial actions that seek to amend this agreement or any individual provision thereof shall be prohibited during the term of this agreement. The federations and their affiliated associations shall be required to ensure that their member sub-associations, employers and senior salaried employees bound by this agreement refrain from engaging in any industrial action or otherwise infringing the terms of the collective agreement.

## **Section 18**

### **Conciliation Board**

No decision may be taken concerning industrial action or other means of exerting pressure until the Conciliation Board of Technology Industries of Finland and the Federation of Professional and Managerial Staff (YTN) has had a chance to review the labour dispute in question and until a proposal made by the Conciliation Board to revise this agreement accordingly has been rejected by one of the parties.

The Conciliation Board shall submit its proposal within two weeks of the date on which the Chairman of the Conciliation Board has been notified of the labour dispute. The Conciliation Board shall not be bound by the provisions of the Finnish Arbitration Act.

Both parties shall appoint one member of the Conciliation Board, and the members shall choose the Chairman. The term of office of a member of the Conciliation Board shall be three years at a time. A person who could be disqualified under the Arbitration Act may nevertheless serve as a member of the Conciliation Board. Technology Industries of Finland and the Federation of Professional and Managerial Staff (YTN) shall each be liable for one half of the emoluments payable to the members of the Conciliation Board and for other expenses of the Conciliation board.

## **Section 19**

### **Period of validity of the agreement**

This agreement shall enter into force on 14 February 2020 and remain in force until 30 November 2021, and thereafter continue in force for an indefinite period subject to a two-month notice period for termination. The provisions of the agreement shall nevertheless remain in force upon its expiry until a proposal submitted by the aforementioned Conciliation Board is approved or rejected.

Helsinki, 14 February 2020

TECHNOLOGY INDUSTRIES OF FINLAND

*Jaakko Hirvola*

*Minna Helle*

FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF (YTN)

*Teemu Hankamäki*

*Hannu Takala*

## **AGREEMENT ON PROTECTION AGAINST TERMINATION FOR SENIOR SALARIED EMPLOYEES IN TECHNOLOGY INDUSTRIES**

### **Section 1**

#### **Scope of application**

This agreement governs the termination of an employment contract that is in force indefinitely, layoff of a senior salaried employee, cancellation of an employment contract and deeming an employment contract to be cancelled.

The agreement also governs the resignation of a senior salaried employee and the procedures to be followed when terminating an employment contract and laying off a senior salaried employee.

*Implementation regulation:*

*This agreement shall not apply to termination of employment contracts or layoffs of senior salaried employees on the following grounds*

- *a cancellation of employment contract during a trial period (chapter 1, section 4 of the Employment Contracts Act),*
- *an enterprise debt restructuring (chapter 7, section 7 of the Employment Contracts Act), or*
- *the employer's bankruptcy or death (chapter 7, section 8 of the Employment Contracts Act).*

The procedural regulations of sections 5 and 6 of this agreement shall nevertheless apply to terminating an employment contract on the foregoing grounds, and the procedure agreed in section 9 hereof shall be followed in cases of rescission of employment contract during a trial period.

This agreement shall also not apply to apprenticeships referred to in the Finnish Vocational Training Act.

## **I GENERAL PROVISIONS GOVERNING TERMINATION OF EMPLOYMENT CONTRACT**

### **Section 2**

#### **Notice periods**

Notice periods for terminating an employment contract shall be determined according to the current provisions of the Employment Contracts Act.

*Minuted note:*

*Layoff notice periods are set out in section 14 of this agreement.*

### **Section 3**

#### **Senior salaried employee's right to re-employment leave**

Unless otherwise agreed by the employer and the senior salaried employee after the employer has terminated the employment contract on grounds referred to in chapter 7, section 3 of the Employment Contracts Act, the senior salaried employee shall be entitled to leave of absence on full salary for the purpose of participating, during the employee's period of notice, in preparing the employment programme referred to in the Act on Public Employment and Business Service (916/2012), in labour political adult education, traineeship and on-the-job training under the employment programme, or in voluntary or officially sponsored job-seeking and job interviews or redeployment training.

The length of re-employment leave shall be determined on the basis of the length of the notice period as follows:

- 1) no more than a total of five working days if the notice period is no longer than one month,
- 2) no more than a total of 10 working days if the period of notice is longer than one month but no longer than four months, and
- 3) no more than a total of 20 working days if the period of notice is longer than four months.

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

Before taking re-employment leave or part thereof the senior salaried employee shall notify the employer of the leave and of the grounds for it at the earliest possible opportunity and, shall present a reliable account on the grounds for each leave if so requested.

Exercise of the re-employment leave may not substantially inconvenience the employer.

*Instructions for application:*

*"Working days" refer to working days according to the schedule of working hours. The total entitlement to re-employment leave may also be taken in parts of a working day.*

## **Section 4**

### **Failure to observe the notice period**

An employer who fails to observe the period of notice when terminating an employment contract shall compensate the senior salaried employee by paying full salary for a term corresponding to the period of notice.

Should a senior salaried employee resign without observing the notice period, the senior salaried employee shall be liable for a non-recurrent payment to the employer of a sum corresponding to the salary for the notice period in compensation for failure to observe the notice period. The employer may withhold the sum from the final salary payment payable to the senior salaried employee, having regard to the provisions of section 17 of chapter 2 of the Employment Contracts Act governing the employer's right of set-off.

If either of the parties has failed to observe only part of the notice period, the duty to pay compensation shall concern a corresponding proportion of the salary for the notice period.

## **Section 5**

### **Notice of termination of employment contract**

Notice of termination of an employment contract shall be served on the employer, the employer's representative or the senior salaried employee in person. If this is not possible, the notification may be delivered by letter or electronically. The recipient shall be deemed to have learned of such notice no later than on the seventh day following the date of dispatch thereof.

When sending a notice of termination of an employment contract by letter or electronically the grounds for termination referred to in chapter 1, section 4 and chapter 8, section 1 of the Employment Contracts Act shall be deemed to have been invoked within the agreed or prescribed period if the notice was sent by post or electronically within that period.

If, however, the senior salaried employee is on annual holiday according to law or an agreement, or on a period of leave of no less than two weeks granted in order to achieve an average number of working hours, termination of employment contract based on a notice sent by letter or electronically shall be deemed to have been served no earlier than on the day following the end of the period of holiday or leave.

## **Section 6**

### **Notification of grounds for termination of employment contract**

At the request of a senior salaried employee, the employer shall notify the employee in writing and without delay of the date on which the employment contract ends, and of the grounds for termination or cancellation that are known to the employer and constitute the basis for terminating the employment contract.

## **II TERMINATION OF EMPLOYMENT CONTRACT AND LAYOFF FOR REASONS PERTAINING TO THE INDIVIDUAL SENIOR SALARIED EMPLOYEE**

### **Section 7**

#### **Grounds for termination of employment and layoff**

##### **Grounds for termination**

The employer may not terminate an employment contract for reasons arising from a senior salaried employee or related to a senior salaried employee's person without a proper and weighty reason referred to in chapter 7, sections 1-2 of the Employment Contracts Act.

*Instructions for application:*

*Proper and weighty reasons refer to reasons depending on the individual senior salaried employee such as neglect of duties, failure to comply with orders issued by the employer within the limits of the employer's right of direction, unauthorized absence from work and obvious negligence at work.*

##### **Grounds for cancellation**

The employer may cancel an employment contract on the grounds referred to in chapter 8, section 1 of the Employment Contracts Act.

##### **Grounds for deeming an employment contract to be cancelled**

The employer shall be entitled to consider an employment contract to be cancelled in accordance with chapter 8, section 3 of the Employment Contracts Act.

##### **Layoff for reasons arising from the senior salaried employee or related to the senior salaried employee's person**

The employer may lay off a senior salaried employee for a fixed period without observing a layoff notice period when there are grounds for terminating or cancelling the employment contract.

### **Section 8**

#### **Terminating an employment contract**

The employer shall terminate an employment contract on the grounds referred to in chapter 7, sections 1-2 of the Employment Contracts Act within a reasonable time after learning of the grounds for the termination.

## **Section 9**

### **Hearing of a senior salaried employee**

Before terminating an employment contract on the grounds referred to in chapter 7, sections 1-2 of the Employment Contracts Act, or cancelling it for a reason referred to in chapter 1, section 4 or chapter 8, section 1 of said Act, the employer shall provide the senior salaried employee with an opportunity to be heard regarding the grounds for terminating the employment contract. When being heard, the senior salaried employee shall be entitled to resort to an assistant, for example, to a liaison person or colleague.

## **III TERMINATION OF EMPLOYMENT AND LAYOFF OF SENIOR SALARIED EMPLOYEES FOR REASONS OF FINANCE, PRODUCTION OR REORGANISATION OF THE EMPLOYER'S OPERATIONS**

### **Section 10**

#### **Negotiating procedure**

Should the need arise at a workplace to dismiss, temporarily lay off or reduce the regular working hours of senior salaried employees, regard shall be paid to the following regulations governing statutory co-operation procedure:

*Instructions for application:*

*The duty to negotiate applies in enterprises falling within the scope of the Act on Co-operation within Undertakings (334/2007), in force as of 1 July 2007. In accordance with the transitional provisions of this Act, the Act and also provisions of the collective agreement take effect on 1 January 2008 with respect to enterprises regularly employing no fewer than 20 but no more than 30 persons. The Act and the provisions of the collective agreement shall nevertheless take effect on 1 July 2007 in respect of situations in which an enterprise employing no fewer than 20 persons is considering the dismissal of at least ten employees.*

*The Act on Co-operation within Undertakings shall form no part of this agreement. The provisions of this section shall supplement said Act and supplant the corresponding clauses of the Act.*

Notwithstanding the provisions of sections 45 and 51 of the Act on Co-operation within Undertakings, the duty of cooperation shall be deemed discharged when the matter has been considered in co-operation procedures on the basis of available information provided in advance in the manner agreed below, following submission of a written negotiation proposal.

*Minute note:*

*The information to be appended to the negotiation proposal is prescribed in section 47 of the Act on Co-operation within Undertakings.*

## **1 Grounds of finance, production or reorganisation of the employer's operations**

- a) If the negotiations concern a measure that will evidently lead to a reduction in regular working hours, layoff or dismissal of fewer than ten persons, or to a layoff of no fewer than ten persons for no longer than 90 days, the employer's duty to negotiate shall be considered fulfilled, unless otherwise agreed, when negotiations on the matter have continued for a period of 14 days following submission of the negotiation proposal.
- b) If the negotiations concern a measure that will evidently lead to a reduction in regular working hours, dismissal or layoff for longer than 90 days of no fewer than ten persons, the employer's duty to negotiate shall be considered fulfilled, unless otherwise agreed, when negotiations on the matter have continued for a period of six weeks following submission of the negotiation proposal.

In an enterprise that regularly employs at least 20 persons but fewer than 30 persons, the employer's duty to negotiate in accordance with this provision shall, unless otherwise agreed, be considered fulfilled when negotiations on the matter have continued for a period of 14 days following submission of the negotiation proposal (effective as of 1 January 2008).

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

After having made a negotiating proposal regarding the employer's intention to dismiss no fewer than ten persons on financial or productional, the employer shall, at the commencement of the co-operation negotiations, provide the representative of senior salaried employees with a proposal for a plan of action to promote employment. In preparing the plan of action the employer shall without delay together with the employment authorities investigate the public employment services supporting employment.

Pursuant to paragraph 2 of section 49 of the Act on Co-operation within Undertakings, the plan of action must indicate the intended timetable for the co-operation negotiations, the procedures to be followed therein, and the planned principles of action to be applied during the notice period when using the services referred to in the Act on Public Employment and Business Service (1295/2002) and to advance applying for work and education.

If the employer is considering the dismissal of fewer than ten persons, the employer must, in the course of co-operation negotiations, present the principles of action according to which, during the notice period, the employer supports the

senior salaried employees' independently applying for other work or education, and their employment through the services referred to in the Act on the Public Employment and Business Service.

### **3 Enterprise debt restructuring**

Negotiations conducted due to an enterprise debt restructuring shall comply with the provisions stipulated thereupon.

#### **Section 11 Grounds for termination of employment**

The grounds for termination of employment shall comply with the provisions of chapter 7, sections 1 and 3 of the Employment Contracts Act (financial or production-related reasons or reasons arising from reorganisation of the employer's operations).

*Minuted note:*

*It is the view of the federations that the duty of the employer to offer work or to provide training shall primarily apply to work available in the same working district to which the senior salaried employee may be feasibly and reasonably redeployed.*

#### **Section 12 Order of staff reductions**

Dismissals and layoffs for reasons not pertaining to the senior salaried employee shall, where possible, adhere to a rule whereby the last individuals to be dismissed or laid off shall be the senior salaried employees who are vital to the operations of the enterprise and necessary for specialised functions, and those working for the same employer who have lost part of their working capacity, and in addition to this rule attention shall also be paid to length of employment and to the number of dependants of the senior salaried employee in question.

#### **Section 13 Re-employment of a senior salaried employee**

An agreement may be concluded between the employer and a senior salaried employee to set aside the re-employment provision referred to in chapter 6, section 6 of the Employment Contracts Act. This agreement shall be concluded separately in writing at the time of dismissal or termination of employment contract and shall allow for the measures taken by the employer to promote re-employment of the senior salaried employee.

## **Section 14 Layoff**

### **1 Grounds for layoff**

The grounds for layoff shall comply with those stipulated in chapter 5, section 2, points 1-3 of the Employment Contracts Act.

*Minuted note:*

*It is the view of the federations that the duty of the employer to offer work or to provide training shall primarily apply to work available in the same working district to which the senior salaried employee may be feasibly and reasonably redeployed.*

#### **a) Temporary reduction in work**

If a temporary reduction has occurred in the work or in the employer's conditions to offer work, a senior salaried employee may be laid off for a period corresponding to that of the temporary scarcity of work, or for an indefinite period.

*Instructions for application:*

*A reduction in work may be considered to be temporary when its estimated duration does not exceed 90 calendar days.*

#### **b) Non-temporary reduction in work**

If it is estimated that the work will be reduced for a period of more than 90 calendar days, a senior salaried employee may be laid off for a fixed period or indefinitely.

### **2 Reduced working hours**

The procedures governing layoff shall also be observed in any transition to reduced daily or weekly working hours corresponding to layoff.

### **3 Layoff notice period**

Unless otherwise agreed in connection with the laying off, the layoff notice period shall be 14 days if the employment has continued for no longer than one year, and one month if the employment has continued for more than one year.

There shall be no duty to provide an advance explanation of a layoff.

## **4 Local agreements**

Other arrangements for layoff and the layoff notice period may be settled by local agreement pursuant to the collective agreement.

## **5 Postponement and suspension of layoff**

### a) Postponement of layoff

If the employer secures temporary work during the layoff notice period, the beginning of the layoff may be postponed. The beginning of the layoff may be postponed only once without observing a new layoff notice period and only for the duration of temporary work.

### b) Suspension of layoff

The employer may secure temporary work after the layoff has already begun. The employer and the senior salaried employee shall agree on any interruption of the layoff if the intention is to continue the layoff immediately after the work has been performed with no new layoff notice. Any such agreement should be concluded before the work begins. At the same time the estimated duration of the temporary work must be investigated.

## **6 Termination of employment of a senior salaried employee during layoff and employer's obligation to pay compensation in certain situations**

### **Cancellation of employment contract by a senior salaried employee**

A senior salaried employee who has been laid off shall be entitled to cancel the employment contract without observing a notice period except during the last seven days of the layoff if the employee in question has already learnt when the layoff is due to end.

### **Termination of employment contract by the employer**

#### *Conditions for compensation*

A senior salaried employee who has been laid off shall be entitled, pursuant to chapter 5, section 7, paragraph 2 of the Employment Contracts Act, to compensation for damages arising from the loss of salary for the notice period if the employer terminates the employment contract so that the employment ends during a layoff.

### *Limitation of liability for compensation*

Any salary that may have been earned by the senior salaried employee elsewhere during the notice period shall reduce the liability of the employer to compensate the employee.

Deduction of salary that the senior salaried employee has wilfully refrained from earning shall arise only exceptionally, for example when the employer would have arranged work for the senior salaried employee for the notice period or part thereof.

The salary for the layoff notice period shall not be deducted from the compensation.

### *Reckoning of compensation*

The compensation shall be reckoned on the same grounds as stipulated below in this agreement in the paragraph on resignation of a senior salaried employee.

### *Payment of compensation*

Compensation shall be paid by salary payment period unless the senior salaried employee is working elsewhere during the notice period.

If the senior salaried employee is working elsewhere during the notice period, the employer shall pay any difference between the compensation for the salary for the notice period and the salary earned elsewhere at the end of the employment relationship, provided that at this time the senior salaried employee submits to the employer an account of the salary earned elsewhere during the notice period.

## **Resignation of a senior salaried employee**

A senior salaried employee who has been laid off, and who resigns pursuant to chapter 5, section 7, paragraph 3 of the Employment Contracts Act after the layoff has continued without interruption for a period of no less than 200 days, shall be entitled to compensation amounting to the salary for the prescribed notice period that the employer must observe. Unless otherwise agreed, the compensation shall be paid no later than one week after the employment relationship has ended.

### *Annual holiday compensation for the notice period*

A senior salaried employee shall be entitled to holiday compensation for the notice period in accordance with the Annual Holidays Act regardless of the party terminating the employment contract.

*Minuted note:*

*Notwithstanding the end of the employment the parties to the employment relationship may agree on a fixed-term employment contract for the notice period or part thereof.*

*In such cases the salary received by the senior salaried employee shall be deducted from the compensation corresponding to the salary for the notice period.*

## **IV COMPENSATION**

### **Section 15 Compensation**

#### **Infringement of grounds**

The employer's liability to pay compensation for terminating an employment contract or laying off an employee in a manner contrary to the grounds specified in this agreement shall be determined as follows:

*Termination of employment contract (sections 7 and 11)*

Compensation is determined according to chapter 12, section 2 of the Employment Contracts Act.

*Cancellation of employment contract and deeming an employment contract to be cancelled (section 7)*

Damage resulting from the loss of notice period shall be compensated according to section 4, paragraph 1 of this agreement.

Should no entitlement exist even for terminating the employment contract by dismissal, in addition to the foregoing the compensation payable shall be determined according to chapter 12, section 2 of the Employment Contracts Act.

*Layoff of a senior salaried employee (section 7 and section 14, paragraph 1)*

Compensation for damages shall be determined according to chapter 12, section 1 of the Employment Contracts Act.

#### **Single compensation principle**

The employer may not be adjudged liable for the compensation referred to in this section in addition to or instead of compensation determined pursuant to the Employment Contracts Act.

## **Breach of procedural regulations**

An employer may not be ordered to pay a compensatory fine pursuant to section 7 of the Collective Agreements Act for failure to comply with the procedural regulations of this agreement.

Failure to comply with procedural stipulations shall be considered as an increasing factor when determining the amount of compensation to be awarded for unjustified termination of an employment contract or layoff.

## **Relationship between compensation and compensatory fines**

In addition to the compensation awarded to a senior salaried employee pursuant to this section, the employer may not be ordered to pay a compensatory fine pursuant to section 7 of the Collective Agreements Act, insofar as the matter concerns a breach of obligations that are based on the collective agreement, but are essentially the same as those for which compensation under the agreement has been ordered payable.

## **Section 16**

### **Dispute resolution procedure**

Should a senior salaried employee consider that the employment contract of said employee has been terminated or that said employee has been laid off without the grounds laid down in the agreement, the dispute may be submitted for settlement in accordance with the negotiation procedure referred to in the collective agreement.

Should no settlement be achieved in a dispute concerning termination of employment contract or layoff falling within the scope of this agreement, the matter may be referred to the Labour Court for a ruling in accordance with the order prescribed in section 11, paragraph 2 of the Labour Court Act.

## **Section 17**

### **Statute of limitations**

After the termination of an employment relationship, entitlement to compensation pursuant to section 15 of this agreement shall lapse if no claim has been lodged in court within two years of the end of the employment relationship.

## **Section 18**

### **Entry into force**

This agreement shall enter into force on 1 July 2007 and shall supplant the agreement on protection against dismissal concluded on 21 June 2005 and applied as part of the collective agreement.

Helsinki, 2 July 2007

TECHNOLOGY INDUSTRIES OF  
FINLAND

FEDERATION OF PROFESSIONAL  
AND MANAGERIAL STAFF (YTN)

*Martti Mäenpää*

*Risto Alanko*

*Sture Fjäder*

*Pertti Porokari*

## **SURVIVAL CLAUSE**

To safeguard the employer's businesses and jobs, the employer and the shop steward can, also by way of derogation from the minimum terms and conditions of the collective agreement, agree locally on the adjustment of terms of employment concerning financial benefits, as agreed upon below. Such agreements shall apply to the company or an autonomous part thereof. The agreement cannot lower the salary of a senior salaried employee.

The parties can agree to pay one quarter of the salary at a later date. In this case, the part paid on the due date must constitute at least three quarters of the person's monthly salary. The deferred portion of the salary must be paid within two months of the due date.

This provision shall 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 accordance with the law and legal practice.

### *Financial difficulties and identification thereof, communication to the federations and a plan*

Agreement on the adjustment of 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-operation negotiations or in another context and whose effects – such as avoiding cutting jobs – can be prevented or limited with this measure.

In the negotiations, the parties are entitled to assistance from the federations' experts with regard to the identification of the employer's financial difficulties or production-related crisis. The 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. (cf. Act on Co-operation within Undertakings, section 57).

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

At the start of the negotiations, the employer also 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. Shared goals and statements (e.g. potential refraining from dismissals for the duration of the agreement or potential later compensation for cuts) can also be added to the plan during the local negotiations.

During negotiations on an agreement concerning the adjustment of the terms of employment at the workplace, the employer must openly explain to the other negotiating party the enterprise's financial position and its outlook.

*Necessity and reasonableness of deterioration of terms of employment forming the object of the agreement*

Adjustments stabilising the employer's finances or production-related crisis and affecting the terms of employment concerning salary or other financial benefits must be deemed necessary, considering the goals of the agreement. Such adjustments must also be proportionate to the benefits to be obtained. The parties shall regularly assess what effect the savings in labour costs have on the employer's financial position.

*Temporary nature of the measures*

A local agreement shall be made in writing for the fixed term during which the employer's financial position is anticipated to stabilise, and in any case for no more than one year at a time. A fixed-term agreement can be terminated by observing a two-month notice period, if either party considers that there are no longer factual grounds for extending the agreement.

If the enterprise is declared bankrupt or enters liquidation or debt restructuring during the validity period of the agreement, this agreement will automatically expire on that date unless the parties specifically agree to maintain it in force in accordance with the original agreement. In such cases, it is also possible to agree on new measures for safeguarding the employer's businesses and jobs.

## ***MINUTES***

# **THE BOARD OF SETTLEMENT REFERRED TO IN SECTION 6 OF THE COLLECTIVE AGREEMENT FOR SENIOR SALARIED EMPLOYEES IN THE TECHNOLOGY INDUSTRIES**

## **Section 1**

The undersigned federations hereby agree that the board of settlement referred to in section 6 of the collective agreement shall be subject to the provisions set out in these minutes.

## **Section 2**

The undersigned federations shall each nominate to the board of settlement one member and the necessary number of deputies for said member. The members of the board of settlement shall be appointed for a two-year term of office.

To chair the board of settlement, the members of the board shall elect a person, who shall be familiar with industrial relations and impartial. If the members are unable to agree on the chairperson, the chairperson shall be selected by the National Conciliator.

## **Section 3**

A party hereto seeking to refer a matter to the board of settlement for resolution shall notify the opposing party thereof in writing and shall submit a copy of the notification to the chairperson of the board of settlement within 30 days of the date on which it becomes evident that the organisations are unable to settle the matter.

The board of settlement shall convene at the invitation of the chairperson to consider and resolve the matter without undue delay and in any case not later than within two weeks after the dispute was referred to the board of settlement, unless otherwise agreed by the federations, not later than two weeks after the date on which the dispute was referred to the board for settlement.

The board of settlement shall form a quorum when attended by the chairperson and by the members nominated by both organisations.

## **Section 4**

The undersigned federations shall defray the expenses incurred by the members that they have nominated, and each shall defray one half of the expenses incurred by the chairperson of the board of settlement.

## **Section 5**

Except where otherwise stipulated in this agreement, consideration of a dispute submitted to the board of settlement shall be governed in applicable respects by the provisions of the Arbitration Act (967/1992).

A person who could be disqualified under section 9 of the Arbitration Act may nevertheless serve as a member of the board of settlement.

## **Section 6**

A decision of the board of settlement shall be final and not open to appeal.

Helsinki, 15 March 2005

TECHNOLOGY INDUSTRIES OF FINLAND

*Martti Mäenpää*

*Risto Alanko*

FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF (YTN)

*Matti Viljanen*

*Heikki Kauppi*

## **MINUTES ON WORKING TIME BANKS**

### **1. Concept and purpose**

Working time bank refers to an arrangement for combining work and time off adopted in an enterprise or at a workplace, involving an agreement to save, use or combine various elements in the long term.

*Minuted Note:*

*The working time bank agreement shall supplant the time and other limitations governing the granting of agreed elements of a working time bank, unless otherwise agreed.*

The purpose of a working time bank is to support enterprise productivity, competitiveness, and consideration of senior salaried employees' individual needs regarding working time.

### **2. Adoption of working time bank**

The adoption and details of a working time bank system shall be agreed between the employer and the shop steward in writing. The agreement on adoption of a working time bank shall specify at least

1. whom the agreement covers,
2. the elements comprising the working time bank,
3. the maximum regular daily and weekly working hours,
4. the limits for saving and using a working time balance within which regular working hours may vary over the longer period of time,
5. the length of the averaging period for working hours, and
6. the impact of incapacity to work on the use of working time bank leave.

*Instructions for application:*

*It is recommended to agree about, as elements of working time bank, such elements that are compatible with the collective agreement and the Working Hours Act, or compatible with the collective agreement and the Annual Holidays Act and associating time off, and by agreeing on which the purpose of working time bank can be effectively fulfilled. Such elements include, among others, the elements of the Working Hours Act, leaves to reduce working time, saved leaves (carried-over holidays) annual holidays, the time off in exchange of holiday bonus or part thereof, as well as incentives, bonuses or profit commissions.*

The agreement shall also record the principles governing the organisation of regular daily and/or weekly working hours, and the notification and other procedures involved in arranging working hours.

The timing of leave for a working day or longer period shall be agreed between the employer and the employee.

### **3. Use of a working time bank**

The saving and using limits of a working time bank may be agreed freely. Average regular weekly working hours may nevertheless not exceed the limits prescribed in the Working Hours Act when agreeing on an averaging period exceeding one year.

Leaves granted in whole working days shall be counted as time equivalent to time at work when reckoning the length of annual holiday.

### **4. The end of employment**

Balances in the working time bank shall be evened out to a +/- 0 balance before the employment ends. Any balance of time or monies nevertheless remaining in the working time bank at the end of employment shall be paid in connection with the final salary payment as agreed locally. All borrowed time and monetary balances shall be withheld from the final salary payment.

*Minuted note:*

*No negative working time bank balance that is owed at the time of terminating the employment shall be withheld from the final salary payment if the employment contract of an employee has been terminated for reasons due to the employer and the employee has been discharged from further duties of work for the entire notice period.*

### **5. Termination of the working time bank agreement**

The notice period for termination of a working time bank agreement shall be six months, unless otherwise agreed locally. Working time balances shall be evened out to a +/- 0 balance during the notice period. Any outstanding balance of time or monies that has not been evened out to a +/- 0 balance during the notice period shall be paid or reclaimed in the same way as at the end of employment unless otherwise agreed locally.

Appendix (not part of the collective agreement)

## **TELECOMMUTING INSTRUCTIONS**

### **Purpose**

The Federation of Finnish Technology Industries and Federation of Professional Managerial Staff – YTN have drafted these instructions with the objective of creating a safe framework for agreeing on telecommuting and providing guidance on the use of telecommuting to satisfy all parties.

The federations encourage enterprises to implement modern, productivity-improving work time patterns. These patterns include working time arrangements that enable telecommuting.

Telecommuting provides an opportunity to improve productivity at work and the quality of working life, combine work and family life, promote working capacity, increase flexibility in the location of workplaces and homes, and reduce the cost of travelling to and from work, along with reducing the time spent on travelling to and from work.

### **Definition**

In this context, telecommuting refers to working outside the actual place of work agreed in the employment contract. For instance, telecommuting can take place at a senior salaried employee's home, on a trip related to work or training and in other, mutually agreed places.

Telecommuting shall be undertaken within the framework provided by the applicable legislation, collective agreement and corporate rules. The workload and objectives of a telecommuting employee shall be the same as those of the senior salaried employees carrying out similar tasks in the employer's premises.

### **Telecommuting agreement and determination of terms of employment**

The senior salaried employee and the employer shall conclude a written agreement on telecommuting. The agreement shall indicate the work to be carried out by telecommuting and the terms and duration of telecommuting. The agreement may be temporary or valid until further notice. In the telecommuting agreement, the parties agree on what grounds and under which notice periods the employer or the senior salaried employee may terminate telecommuting. In the case of termination of telecommuting, the senior salaried employee shall return to the regular workplace, unless otherwise agreed.

In cases of telecommuting, the federations recommend that measures be taken to prevent the isolation of the telecommuting employee from the rest of the

working community by providing the employee with a regular opportunity to meet his or her colleagues and access to communication within the enterprise. Considering the circumstances, the employer shall aim to place telecommuting employees in an equal position with other employees.

The federations recommend that monitoring of working hours is primarily arranged so that the system used for monitoring of working hours for the foregoing telecommuting employees be the same as that used for other senior salaried employees in the enterprise.

