

Collective agreement in the technology industries 4 January 2020 - 30 November 2021

1. Salary settlement

The salary settlement is negotiated locally.

- Negotiations genuinely at the company or workplace level.
 - knowing success factors, requirements, change pressures
 - adjusting the salary settlement according to the company's situation
 - economic situation, order backlog, employment situation
 - cost competitiveness on the markets
 - improving productivity
 - discussing the situation of the company or workplace in a transparent manner and stating the grounds
 - motivating salary formulation, fairness of salary grading

The salary settlement is negotiated locally.

- Factors contributing to local settlement
 - a common view about the situation
 - knowledge of and insight into the grounds of salary increase
 - concerns the company's management, supervisors, shop stewards and employees
 - a common view about the motivational aspect and fairness of rewarding
 - consistent action by the management, supervisors and shop stewards

Economic situation, order backlog, employment situation

- Discussing the key figures to be monitored in the company
- Economic indicators based on financial statements usually describe
 - the scope of business
 - profitability
 - liquidity
 - solvency.
- The purpose of the financial statements analysis is to identify the economic rationale for the company's future.
- The chief shop steward should have the possibility to access /become familiar with the key figures used to monitor the above aspects.
- Based on the analysis, the development of the company in relation to its objectives and compared with the situation and competitors in the industry is investigated.

Economic situation, order backlog, employment situation

- Figures accounting for trends in the order backlog and employment are forecasts for the future – some things cannot be influenced by the company, though its actions play a key role in success.
- The company's performance depends on its renewal capacity, the atmosphere in the work community, the ability to cooperate, and flexibility and quality factors.
- Every individual contributes to the success of the company. The management, supervisors and shop stewards should find ways to get everyone involved in the development of business.

Motivational aspect in rewarding

- Encourages employees to develop their competence and skills
 - know how they can personally (and as members of a group) influence their own salary
 - feedback must be received
 - open interaction with the supervisor – how to further develop competence
- Personal increases are used to reward for competence, the taking of responsibility and good performance
 - competence, taking of responsibility and good performance can only be rewarded for in companies and workplaces close to people who do the work

Motivational aspect in rewarding

- Productivity is improved when salary increases can be targeted fairly and in an encouraging manner.
- Rewarding is maintained continuously
 - company's salary policy

The salary settlement is negotiated locally.

Negotiations on salary settlement and its background.

Review of the economic situation, order backlog and employment situation of the company or workplace



- Motivational aspect in pay, salary grading, productivity improvement
- A solution that meets the needs of the workplace

Local salary settlement:

Agreeing with the chief shop steward the following aspects in relation to the pay increase:

- Implementation method
- Time
- Amount



Implementation of the local solution

Without a local salary settlement:

1 March 2020

General increase 1.3%

1 February 2021

General increase 1.4%

0.6% company or workplace specific element

Local salary settlement

- The salary settlement will be discussed with the chief shop steward and the agreement concluded by 14 February 2020 for 2020 and by 15 January 2021 for 2021 unless the extension of the bargaining period time is agreed.
- In local settlement, the implementation method, time and amount of pay increases can be agreed upon. If an agreement on any single one of the above factor is made locally, this makes it a local settlement.

Without a local salary settlement

Year 2020

- If the local salary settlement is not reached and extending the bargaining period is not agreed locally, the salary settlement will be implemented on 1 March 2020 or at the beginning of the next pay period after that at the latest
 - as a 1.3% general increase.

Without a local salary settlement

Year 2021, general increase

- If a local salary settlement is not reached and extending the bargaining period is not agreed locally, the 1.4% general increase in the salary settlement will be implemented on 1 February 2021 or at the beginning of the next pay period at the latest.

Without a local salary settlement

Workplace specific element

- If a local salary settlement is not reached and extending the bargaining period is not agreed locally, the 0.6% workplace specific element in the salary settlement
 - will be implemented after the salary adjustment of 2020, in any case on 1 February 2021 or at the beginning of the next pay period at the latest.
 - Unless otherwise agreed about the use of the element, company-specific increases will be allocated according to the unions' guidelines relation to the time rate element/personal salary elements.
 - The workplace specific element is allocated into performance-based salaries as a general increase.
 - If the salary structure is not in use, the element will be allocated as a general increase.
 - In a multi-location company, the workplace specific element will be allocated according to workplace.

Without a local salary settlement

Workplace specific element

- The chief shop steward shall be informed of the use of salary adjustments and allocation criteria by 26 February 2021 at the latest.
 - If no chief shop steward has been appointed, all employees shall be informed.

Workplace specific element, example

Average hourly earnings at the workplace at the time of allocating the element is 1500 cents/hour. There are 10 employees at the workplace.

Amount of element = 1500 cents/hour x 10 x 0.6% = 90 cents/hour

The biggest increases are directed to persons whose time rate ratio with respect to the personal salary element is smallest, based on their competence.

The increase will be graded as follows:

- | | |
|--|---------------|
| - 3 people receive a 20 cent/hour increase | 60 cents/hour |
| - 3 people receive a 10 cent/hour increase | 30 cents/hour |
| - 4 people will not receive increases based on the element | |
| Total | 90 cents/hour |

Example, continued:

Person	Personal salary element (€)	Time rate element (€)	Time rate element/ Personal salary	Increase (cents/hour)
1	0,47	0,59	1,26	0
2	0,24	0,47	1,96	0
3	0,81	1,70	2,10	0
4	1,38	1,13	0,82	10
5	1,11	1,60	1,44	0
6	0,98	0,86	0,88	10
7	1,29	0,56	0,43	20
8	0,99	0,92	0,93	10
9	1,68	0,51	0,30	20
10	1,98	0,98	0,50	20

Workplace specific element, example

Example, continued:

Person	Personal salary element	Personal salary element (€) Increase (cents/hour)	Time rate element (€)	Time rate element/Personal salary element	
1		0.47	0.59	1.26	0
2		0.24	0.47	1.96	0
3		0.81	1.70	2.10	0
4		1.38	1.13	0.82	10
5		1.11	1.60	1.44	0
6		0.98	0.86	0.88	10
7		1.29	0.56	0.43	20
8		0.99	0.92	0.93	10
9		1.68	0.51	0.30	20
10		1.98	0.98	0.50	20

Employee	TVR	Palkkaryhmä	Aikapalkka €	TKO €	HKO %	HKO €	APO €	APO/HKO
1	4	B	11,74	10,42	5	0,52	0,80	1,54
2	4	B	12,36	10,42	9	0,94	1,00	1,07
3	4	B	15,23	10,42	26	2,71	2,10	0,78
4	4	B	13,10	10,42	18	1,88	0,80	0,43
5	4	B	13,88	10,42	14	1,46	2,00	1,37
6	4	B	11,14	10,42	5	0,52	0,20	0,38
7	4	B	13,14	10,42	14	1,46	1,26	0,86
8	5	B	12,84	10,94	9	0,98	0,92	0,93
9	5	B	14,55	10,94	26	2,84	0,77	0,27
10	5	B	13,03	10,94	14	1,53	0,56	0,37
11	5	B	13,11	10,94	18	1,97	0,20	0,10
12	5	B	11,97	10,94	5	0,55	0,48	0,88
13	5	B	13,45	10,94	14	1,53	0,98	0,64
14	5	B	12,24	10,94	9	0,98	0,32	0,33
15	6	B	15,83	11,49	26	2,99	1,35	0,45
16	6	B	13,35	11,49	14	1,61	0,25	0,16
17	6	B	12,56	11,49	5	0,57	0,50	0,87
18	6	B	14,86	11,49	18	2,07	1,30	0,63
19	6	B	12,62	11,49	9	1,03	0,10	0,10
20	6	B	14,10	11,49	14	1,61	1,00	0,62
21	6	B	13,11	11,49	5	0,57	1,05	1,83
22	6	B	14,21	11,49	14	1,61	1,11	0,69
23	6	B	15,05	11,49	18	2,07	1,49	0,72
24	6	B	16,45	11,49	26	2,99	1,97	0,66
25	6	B	14,35	11,49	14	1,61	1,25	0,78

Time rate element/Personal salary element – Average 0.70

Personal increase should primarily be targeted at employees 4, 6, 9, 10, 11, 14, 15, 16 ja 19.

TVR	Job requirement category
Palkkaryhmä	Wage category
Aikapalkka €	Time pay €
TKO €	Job-specific element €
HKO %	Personal salary element %
HKO €	Personal salary element €
APO €	Time rate element €
APO/HKO	Time rate element/Personal salary element

Job-specific salaries valid on 1 March 2020

Job requirement category	hourly wages	monthly salaries
	cents/hour	EUR/month
1	912	1,590
2	958	1,670
3	1,005	1,753
4	1,056	1,841
5	1,109	1,933
6	1,164	2,029
7	1,222	2,131
8	1,283	2,237
9	1,347	2,349

Job-specific wages valid on 1 February 2021

Job requirement category	hourly wages	monthly salaries
	cents/hour	EUR/month
1	930	1,621
2	977	1,702
3	1,025	1,787
4	1,077	1,877
5	1,130	1,970
6	1,187	2,069
7	1,246	2,172
8	1,309	2,281
9	1,374	2,395

Additional allowances

- Additional allowances are as follows as of 1 March 2020:
 - Temporary change in working conditions 60 cents/hour
 - Exceptional inconvenience or difficulty 45 cents/hour
 - Shift work, evening and night work
 - Evening shift (e.g. from 14.00 to 22.00) 121 cents/hour
 - Night shift (e.g. from 22.00 to 6.00) 222 cents/hour
 - Allowance for uninterrupted and continuous shift work 222 cents/hour

Additional allowances

- Additional allowances are as follows as of 1 February 2021:
 - Temporary change in working conditions 61 cents/hour
 - Exceptional inconvenience or difficulty 46 cents/hour
 - Shift work, evening and night work
 - Evening shift (e.g. from 14.00 to 22.00) 123 cents/hour
 - Night shift (e.g. from 22.00 to 6.00) 226 cents/hour
 - Allowance for uninterrupted and continuous shift work 226 cents/hour

Average hourly earnings and monthly compensations

- The average hourly earnings are increased by the amount of the employee's salary increase, starting from the beginning of the next period of use of average hourly earnings.
- The monthly compensations of the chief shop steward and the labour protection delegate will be increased by 1.3 per cent from 1 March 2020 and by 2.0 per cent from 1 February 2021.

2. Text changes

2.1 Provisions concerning working time and annual leave

Weekly rest

- The stipulations and interpretations concerning weekly time off (formerly "weekly free time", now "weekly rest") remain unchanged.
 - The implementation of weekly rest (35 hours of continuous time off) is mainly reviewed during the calendar week. Weekly rest can be implemented by placing it between two weeks.
- The stipulation concerning work done during time off (Collective Agreement 20.10., Paragraph 1) has been clarified.
 - Where an employee is temporarily needed for work during their time off, it must be agreed in advance how the weekly rest will be organised (e.g. by averaging or delaying the start of the next week's work). If weekly rest cannot be implemented, it will be compensated for either as money or by reducing the regular working time by a corresponding amount of time.

Maximum working time

- Instead of maximum overtime, the limit for maximum annual working time shall be monitored: an average of up to 48 hours per week during the calendar year or during a 12-month period where agreed separately.
 - The previous monitoring of maximum overtime can still be used in 2020.
 - The collective agreement will only take a position to the length of the monitoring period. Detailed interpretations of the law are open (the impact of annual leave and absences due to illness).

Working time experiment

- The stipulations of Chapter 19 of the collective agreement (regular working time) may be derogated from by local agreement.
 - Only concerns day work and two-shift work.
 - The agreement does not allow derogating from the mandatory stipulations of the Working Hours Act.
- Two-phase agreement
 - A framework agreement may first be concluded between the employer and the chief shop steward.
 - The employee may then agree with their supervisor on the implementation of the framework agreement.
- The working time working group of the unions must be informed of the key content of the experiment-based agreements before the adoption of the agreement.

Working time experiment

- Experiment-based agreements must be made by 30 November 2021 and their implementation may continue until the end of 2023.
- Through agreements, regular working time can be increased (or decreased), for example, at an annual level to the average maximum amount allowed by the Working Hours Act, that is, up to 40 weekly hours (approximately 172 hours per year).
 - It is possible, for example, to agree on:
 - converting days off, as specified in the working hours system, to regular working time
 - the maximum regular daily or weekly working time without the obligation to average working time
 - the amount of averaging leave (pekkanen) or their transition practices.

Compensation criterion for additional days off under the Annual Holidays Act.

- The following compensation criterion has been agreed for the additional days off corresponding to the amendment of the Annual Holidays Act that entered into force on 1 April 2019:
 - average hourly earnings for employees paid by the hour
 - daily wage for monthly paid employees, which is obtained by dividing the monthly salary by 25
- The question is not of a salary but of a compensation which does not incur any social security expenses.
- The stipulation of the collective agreement only concerns the compensation criterion, while interpretation of the law will be followed in other respects.
 - no holiday bonus is paid for additional days off
 - the additional days off are not time comparable to time spent at work -> do not accrue the annual leave

Compensation criterion for additional days off under the Annual Holidays Act, example:

- Due to sickness absences, the employee has only gained 18 days of annual leave for the year 2020 pursuant to the Annual Holidays Act. Thus the number of additional days off is 6. The employee has the additional days off in one period from Mon to Tue. An hourly paid employee working 8 hours a day is
 - paid compensation as follows: $6 \text{ (days)} \times 8 \text{ (Hours)} \times \text{average hourly earnings}$
 - as a monthly paid employee: $6 \text{ (days)} \times \text{monthly salary}/25$.

New Working Hours Act – amendments other than those of the collective agreement

- Scope, on-call duties, work-related travel > practically unchanged
- Flexible work > not applied to employees
- Flexible working time -> daily flexibility according to the law 4 hours, maximum accumulation 60 hours. It is still possible to agree otherwise about the limits. According to the law, the maximum accumulation can be exceeded, provided that it is recovered by the end of the balancing period. This can also be agreed so that exceeding the limit is not possible.
- Remote work to be more covered by working time monitoring > in practice, not done for employees

New Working Hours Act – amendments other than those of the collective agreement

- Night work > requiring night work is also possible in cases other than shift work or through local settlement. In continuous shift work, maximum of 5 consecutive night shifts (+ 2 with the employee's consent).
- Working time bank -> possibility to apply a working time bank according to the law. Cannot be used together with the working time bank according to the collective agreement. The key difference is that regular working time cannot be a contributing factor in the working time bank complying with the law. The unions recommend a working time bank according to the collective agreement.
- Local agreements on flexible working hours and working time banks will continue unchanged. Possible changes can be agreed upon.

2.2 Self-certification for absences due to illness

- The recommendation of the collective agreement about the self-certification procedure to be agreed locally also applies to a necessary temporary leave
 - for organising the care of a child with sudden illness or
 - for looking after the child during the illness
 - for a maximum of three days
- The new stipulation in the collective agreement does not require changing the procedure already agreed upon at the workplace.
- The self-certification procedure can be taken into use at the workplace either
 - by decision of the employer
 - by agreeing on the procedure under the desired terms or
 - by agreeing on it according to the recommendations of the collective agreement.

2.3 Time management of the shop steward and labour protection delegate and monthly compensation

- When determining the regular job release of the shop steward and the labour protection delegate and the amount of the monthly compensation, temporary workers will be taken into consideration under certain conditions.
 - The average number of temporary workers having worked at the workplace must have been at least 20 persons on average during the monitoring period.
 - For example, the average number of temporary workers can be calculated by summing up the number of temporary workers at the end of each month and dividing this sum by the number of months during the monitoring period.

2.4 Training and workplace instructors related to training agreements

- Workplace learning connected with vocational training is agreed through contracts of apprenticeship or education agreements.
- Studies conducted alongside work tasks at workplaces must be implemented in a target-oriented and guided manner.
- A responsible workplace instructor must be appointed for a person studying under a training agreement to support, guide and coordinate the student's learning at the workplace

2.4 Training and workplace instructors related to training agreements

- The collective agreement contains specific principles and actual stipulations about the position of the workplace instructor;
 - the training to be arranged for the workplace instructor must be agreed upon in the training agreement, and the arranging party is responsible for its organisation
 - the workplace instructor must be given sufficient time to carry out the work – including planning and training time
 - If the actual work of a workplace instructor is interrupted due to duties related to providing guidance, the workplace instructor is paid his/her average hourly wage for the time in question, unless the provision of guidance has been taken into account otherwise in the remuneration paid to the instructor.

2.5 Termination of employment during layoff

- Compensation corresponding to the salary of a laid-off employee is determined according to average hourly earnings
 - For one month: average hourly earnings x 160

2.6 Personal salary element, grading categories

- The average of the percentages of personal salary elements must be between 12% and 18% according to grading category.
- The wage categories shall be used as grading categories.
 - Wage categories with fewer than 30 employees shall be combined with an adjacent wage category to form a single grading category.

2.7 Changing the remuneration mode

- In cases involving change of the remuneration mode, negotiations must be held between the local parties at the workplace before the change is implemented in an effort to agree on the change.
 - The terms and conditions of the agreement shall be followed in changing the locally agreement remuneration mode.
- Unions prepare separate guidelines about
 - changes in the remuneration mode
 - processing changes in co-determination
 - the impacts of changes on the employees' level of earnings.

2.8 Locally agreed remuneration system

- It is possible to locally agree on a remuneration system different from the collective agreement.
- The salary determined according to the locally agreed remuneration system must be at least Job Requirement Category1 + 5%.
 - The remuneration system must be based on the principles of equal pay.
 - Guidelines will be provided in instructions on wage structures about the principles of the local remuneration system.
- Local agreements are concluded between the employer and the chief shop steward in writing.
- When giving notice to the local remuneration system, the remuneration system set out in the collective agreement shall be reintroduced.

2.9 Vocational qualification rewards

- The vocational qualification reward will also be paid for professional or specialist qualifications in the contract sector under the collective agreement of the former technology industry for electricity workers.