



# Collective agreement

## of the IT service sector

*1 November 2017 – 31 October 2020*



**Teknologiateollisuus**



**Tietoala**



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# Collective Agreement

IT Service Sector

*1 November 2017 – 31 October 2020*

*Federation of Finnish Technology Industries  
Federation of Professional and Managerial Staff – YTN  
Association of IT sector employees*

Keyword Index .....	4
Signing minutes of the collective agreement .....	7
<b>1 GENERAL REGULATIONS</b>	
1 § Scope of the agreement.....	13
2 § Agreements and recommendations between unions and central organisations .....	13
3 § Management and distribution of work and freedom of association .....	13
<b>2 EMPLOYMENT</b>	
4 § Start of employment .....	14
5 § Termination of employment.....	14
<b>3 SALARIES</b>	
6 § Salaries.....	14
7 § Trainees and summer employees .....	19
<b>4 WORKING HOURS</b>	
8 § Regular working hours in daytime work .....	19
9 § Regular working hours in shiftwork .....	22
10 § Shift supplements .....	23
11 § Supplement for evening and night work .....	24
12 § Additional work, overtime and Sunday work.....	24
13 § Weekly free time.....	25
14 § Standby .....	25
15 § Telephone call compensation .....	25
16 § Call-out .....	26
<b>5 TRAVEL REGULATIONS</b>	
17 § Travel expenses, daily allowance and travel time compensation .....	27
<b>6 ABSENCES AND SOCIAL REGULATIONS</b>	
18 § Employee’s illness.....	30
19 § Family leave .....	31
20 § Medical examinations.....	32
21 § Temporary absence .....	34
<b>7 ANNUAL HOLIDAY AND HOLIDAY BONUS</b>	
22 § Annual holiday .....	35
23 § Holiday bonus .....	36

**OTHER REGULATIONS**

24 § Shop steward and occupational safety and health representative .....	36
25 § Local agreements .....	37
26 § Negotiation procedure .....	38
27 § Collection of membership fees .....	39
28 § Group life assurance .....	39
29 § Meetings at workplaces .....	39
30 § Currently valid benefits.....	40
31 § Duty to maintain industrial peace .....	40
32 § Validity of the agreement .....	40
Protocol on local agreements in exceptional situations .....	41
Shop steward agreement .....	42
Training agreement.....	50
Reduction of regular working hours in daytime work of eight hours per day.....	53
Working hour reserve in the IT service sector .....	53
Agreement on protection against dismissal in the IT service sector .....	57
Unions' recommendation on the prediction of changes and change security .....	69
Telecommuting instructions.....	77
Accumulated leave agreement.....	83

Absence.....	30
Birthdays .....	34
Child's illness.....	34
Day of removal .....	34
Family leave.....	31
Funerals .....	34
Illness .....	30, 34
Medical examinations .....	32
Military refresher courses.....	34
Weddings .....	34
Additional work.....	24
Adoption .....	31
Annual holiday .....	35
Holiday bonus .....	36
Birthdays .....	34
Call-out.....	26
Call-out pay.....	26
Child care leave .....	31
Christmas.....	20
Daily allowance .....	27
Day of removal .....	34
Death.....	34, 57
Dental problems .....	33
Employment leave .....	58
Employment programme .....	58, 60
Evening and night work .....	24
Supplement for evening and night work.....	24
Family leave.....	31
Family member .....	34
Freedom of association .....	13
Funerals .....	34
Holiday bonus .....	35, 36
Hourly wages divisor.....	15
Illness .....	30, 34
Layoffs .....	64
Local agreements.....	37
Maternity leave .....	31
Meal break.....	21, 23
Memorandum of disputes.....	39
Medical certificate.....	30

Medical examinations .....	32
Military refresher courses .....	34
Minimum salaries .....	17, 18
Negotiation procedure .....	38
Occupational health and safety representative .....	36, 51
Overtime .....	24
Paternity leave .....	31
Positions of trust .....	45
Pregnancy .....	33
Refreshment break .....	20
Reserve training .....	34
Resolution of disputes .....	38
Rest period .....	21, 23
Salary .....	14
Hourly wages divisor .....	15
Summer employees .....	19
Trainees .....	19
Workplace-specific salary scheme .....	15
Shift work .....	22
Interrupted three-shift system .....	22
Regular working hours in shift work .....	22
Shift supplements .....	23
Two-shift system .....	22
Uninterrupted three-shift system .....	22
Shop steward .....	36, 42
Compensation for loss of earnings .....	48
Election of a shop steward .....	43
Exemption from work .....	47
Job security .....	44
Shop steward's duties .....	45
The shop steward's right to obtain information .....	46
Standby .....	25
Standby compensation .....	25
Summer employees .....	19
Sunday work .....	24, 47
Supplement for evening and night work .....	24
Telecommuting .....	77
Telephone call compensation .....	25
Travel expenses .....	27
Travel regulations .....	27

Daily allowance .....	27
International travel.....	29
Leisure-time travel .....	29
Travel expenses .....	27
Training provided by trade unions .....	49
Termination.....	58
Employment leave .....	58
Employment programme .....	60
Financial or production-related reason.....	63
Order in which workforce is reduced .....	64
Protection against termination .....	57
Related to the person .....	61
Termination period .....	58
Trainees .....	19
Vocational training.....	19, 57
Weddings.....	34
Weekly free time .....	25
Working hours.....	19
Additional work.....	24
Evening work .....	24
Night work .....	24
Overtime .....	24
Regular working hours in daytime work.....	19
Regular working hours in shift work.....	22
Rest period .....	21, 23
Standby.....	25
Standby compensation.....	25
Sunday work.....	24
Supplement for evening and night work.....	24
Working hours reduction leave .....	53
Working hour reserve .....	55
X-ray examination.....	32



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

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

Date 15 November 2017

Venue Teknologiateollisuus ry, Eteläranta 10, Helsinki

Attending

**Federation of Finnish Technology Industries:** Jorma Turunen,  
Eeva-Liisa Inkeroinen, Jarkko Ruohoniemi, Aapo Heikurainen

**Federation of Professional and Managerial Staff – YTN:** Heikki Kauppi,  
Samu Salo, Tapani Wahlberg, Björn Wiemers, Minna Anttonen, Noora Yli-Huumo

**Association of IT sector employees:** Jyrki Kopperi, Juha Reinisalo,  
Eeva Salmi, Mika Thynell

### **1 § SIGNING OF COLLECTIVE AGREEMENT**

It was noted that on the day of this meeting, the federations had signed a collective agreement and appendices thereto reflecting the negotiation result of 1 November 2017. The collective agreement now signed will take effect on 1 November 2017.

The agreed modifications shall take effect as of 1 November 2017, unless otherwise agreed with respect to the entry into force of the agreement clause concerned.

## 2 § SALARY ADJUSTMENTS

### *Adjustment of salaries*

#### **2017**

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

Salary settlements will be negotiated locally, taking account of the circumstances of the enterprises or workplaces, such as their financial situation, volume of orders, labour market situation and cost competitiveness in the sector. In good time before the commencement of local bargaining, the employer will provide the shop steward with all necessary information regarding the financial situation, volume of orders and labour market situation of the enterprise or workplace, along with projection data on foreseeable future development. As a basis for the negotiations, it would also be appropriate to provide information on the background of the proposed salary settlement.

The aim of local bargaining is to find a salary settlement that suits the circumstances and needs of each enterprise or workplace. Another aim is to support incentives for salary formulation, fair salary structures and gradable salaries, along with improved productivity in the workplace.

##### **Local salary settlement**

Issues to be agreed upon in local salary settlements include the manner, timing and scale of salary adjustments. The agreement shall be concluded with the shop steward or, where no shop steward has been elected, with a staff representative elected by the employees expressly for this purpose, or concluded jointly with all of the employees in the workplace. The agreement shall be concluded in writing no later than on 15 December 2017, unless a continuation of the handling time is agreed.

##### **Method of implementing salary adjustments without local salary settlements**

If no local settlement is achieved, salaries will be raised as of 1 January 2018, or as from the start of the next pay period beginning thereafter, in a general rise of 1.1%.

In addition, as of 1 January 2018, or as from the start of the next pay period beginning thereafter, the employee's salaries shall be increased by using an enterprise- or workplace-specific element, which amounts to 0,5 % of the preceding months employee payroll.

The aim of local bargaining is to support incentives for salary formulation, fair salary structures and gradable salaries, along with improved productivity in the workplace, to adjust any potential distortion as well as support the implementation of the employer's salary policy. Expertise and work performance of employees must be the guiding factor for distributing personal salary increases.

The employer allocates a personal increase to each employee from the element. The staff shall be informed of the use and the principle of distribution of the element and the shop steward shall be explained the basis of determination and amount of the element before its use.

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

The shop steward is entitled, within a reasonable time following salary increases and no later than on 31 March 2018, to a report on the allocation of the local salary settlement or the salary settlement implemented by the employer. The report must include the number of employees, the number of employees receiving an increase based on the local settlement, the scale of the average salary increase and its median and the total number of salary increases.

## **2018**

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

Salary settlements will be negotiated locally, taking account of the circumstances of the enterprises or workplaces, such as their financial situation, volume of orders, labour market situation and cost competitiveness in the sector. In good time before the commencement of local bargaining, the employer will provide the shop steward with all necessary information regarding the financial situation, volume of orders and labour market situation of the enterprise or workplace, along with projection data on foreseeable future development. As a basis for the negotiations, it would also be appropriate to provide information on the background of the proposed salary settlement.

The aim of local bargaining is to find a salary settlement that suits the circumstances and needs of each enterprise or workplace. Another aim is to support incentives for salary formulation, fair salary structures and gradable salaries, along with improved productivity in the workplace.

### **Local salary settlement**

Issues to be agreed upon in local salary settlements include the manner, timing and scale of salary adjustments. The agreement shall be concluded with the shop steward or, where no shop steward has been elected, with a staff representative elected by the employees expressly for this purpose, or concluded jointly with all of the employees in the workplace. The agreement shall be concluded in writing no later than on 14 December 2018, unless a continuation of the handling time is agreed.

### **Method of implementing salary adjustments without local salary settlements**

If no local settlement is achieved, salaries will be raised as of 1 January 2019, or as from the start of the next pay period beginning thereafter, in a general rise of 0.9%.

In addition, as of 1 January 2019, or as from the start of the next pay period beginning thereafter, the employee's salaries shall be increased by using

an enterprise- or workplace-specific element, which amounts to 0,7 % of the preceding months employee payroll.

The aim of local bargaining is to support incentives for salary formulation, fair salary structures and gradable salaries, along with improved productivity in the workplace, to adjust any potential distortion as well as support the implementation of the employer's salary policy. Expertise and work performance of employees must be the guiding factor for distributing personal salary increases. The employer allocates a personal increase to each employee from the element. The staff shall be informed of the use and the principle of distribution of the element and the shop steward shall be explained the basis of determination and amount of the element before its use.

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

The shop steward is entitled, within a reasonable time following salary increases and no later than on 31 March 2019, to a report on the allocation of the local salary settlement or the salary settlement implemented by the employer. The report must include the number of employees, the number of employees receiving an increase based on the local settlement, the scale of the average salary increase and its median and the total number of salary increases.

### **Salary increases on 01 January 2020**

From April to May of the spring of 2019, the parties will review the general economic situation, the development of employment, export and competitiveness, and the factors influencing them in the technology industry and in Finland. As the basis of assessment, the parties will negotiate, by 31 May 2019, the level and structure of the wage increases starting 01 January 2020 or at the beginning of the subsequent pay period. Known changes to the working time extension, dating back to the Competitiveness Pact of 2016, shall be taken into consideration in conjunction with the wage settlement.

If agreement on the amount of the wage increase to be implemented on 01 January 2020 is not reached during May 2019, either party can terminate this agreement to end on 31 October 2019. The other party and the National Conciliator shall be notified of the termination in writing by 31 May 2019.

## **3 § WELL-BEING AT WORK AND MAINTENANCE OF WORKING CAPACITY**

Well-being at work requires the continual and comprehensive development of work, the working environment and the working community. Employee well-being creates better conditions for successful business operations. The reduction in the working age population highlights the importance of measures taken to extend working careers.

Trade unions encourage workplaces to take part in the Work Cycle Carries project currently under way, and continue to support participants in the implementation of projects designed to improve well-being.

Together, the unions provide guidelines for organising training aimed at improving employees' vocational skills and for devising training programmes for workplaces.

Special attention will be paid to employee working capacity and workloads. In order to reduce illness and related absences, and to maintain the working capacity of employees, workplaces should utilise the surveys conducted by occupational health services, and the risk analyses and personnel plans prepared. As and when required, these can then be used to make plans for individual measures to maintain working capacity. For this purpose, workplaces can make use of the shared material compiled by the labour market organisations.

**Promoting the working and operating capacity of the elderly in the workplace**

Based on the employer's analysis, the employer and any 58-year-old employees will hold a discussion on measures to support the elderly employee in continuing to work.

## **4 § DEVELOPMENT GROUP**

The unions shall consider sectoral issues in industry-specific dialogue, based on the principle of continual collective bargaining. Such issues include questions of productivity and industry competitiveness, and, in particular, collective agreement regulations regarding the use of working time under exceptional circumstances and clarification of the collective agreement with special regard to working time regulations.

The group will review the use of working hour reserves in the industry and, if necessary, promote the implementation of working hour reserves in compliance with the collective agreement.

## **5 § DEVELOPMENT OF STAFF REPRESENTATION**

The unions will extend the mandate of the working group appointed in the previous agreement period. The working group is tasked with organising cross-sectoral training on the role of staff representatives. In addition, the working group will continue, where necessary, to analyse and assess the scope and effectiveness of the staff representation system to create better conditions for local settlement.

## 6 § EQUALITY

The unions value the promotion of gender equality in workplaces in accordance with the Equality Act. To achieve this, the unions emphasise the significance of implementing the duties and measures stipulated in the act. During the agreement period, the working group appointed by the unions shall, on a general level, discuss the position of employees returning to work from parental leave and questions related to returning to work from parental leave. In addition, the working group shall consider ways to support the parenthood of fathers working in the industry and to share periods of parental leave more equally.

In order to support the promotion of equality in workplaces, the unions shall explore the possibility of organising shared training on how to devise an equality plan and implement a salary survey.

## 7 § INDUSTRIAL PEACE

The unions note that provisions recorded earlier regarding industrial peace shall remain unchanged.

## 8 § INSPECTION OF THE MINUTES

It was agreed that Jorma Turunen, Eeva-Liisa Inkeroinen, Heikki Kauppi, Tapani Wahlberg, Jyrki Kopperi and Juha Reinisalo would inspect these minutes.

### **In fidem**

### **Minutes inspected by**

Jorma Turunen

Eeva-Liisa Inkeroinen

Heikki Kauppi

Tapani Wahlberg

Jyrki Kopperi

Juha Reinisalo

# COLLECTIVE AGREEMENT FOR THE IT SERVICE SECTOR

## 1 GENERAL REGULATIONS

### 1 § SCOPE OF THE AGREEMENT

1. This collective agreement lays down the terms of employment for employees working for IT service sector companies.
2. In this collective agreement, IT service sector companies refer to companies primarily engaged in the provision of IT services such as IT processing services, services performed by employees, software products and total system deliveries. Companies may also engage in sales, maintenance and installation.
3. This agreement does not apply to the company management or persons who represent the employer in negotiations over terms of employment for employees covered by this agreement.

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

The agreements appended to this collective agreement shall be complied with as part of this collective agreement.

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

### 3 § MANAGEMENT AND DISTRIBUTION OF WORK AND FREEDOM OF ASSOCIATION

1. The employer has the right to manage and distribute work.
2. Freedom of association is mutually inviolable.

## **2 EMPLOYMENT**

### **4 § START OF EMPLOYMENT**

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

### **5 § TERMINATION OF EMPLOYMENT**

The unions have signed an agreement over protection against arbitrary dismissal for the IT Service Sector. The agreement is included as an appendix to this collective agreement (Appendix 6).

## **3 SALARIES**

### **6 § SALARIES**

1. The employee's salary is generally determined as a monthly salary. The salary of a part-time employee is determined in accordance with the ratio of agreed working hours to full working hours. Other arrangements regarding wages and salaries can also be made with temporary employees.
2. The employee's salary is determined in accordance with the competence classifications of the collective agreement, unless there is a local agreement on the use of a workplace-specific scheme.

If a workplace-specific scheme system is introduced, a written agreement shall be made following negotiations. The salary is based on the competence levels of the task and the employee's qualifications or other key factors regarding the operations of the enterprise.

*Instructions for application:*

*The salary scheme may be one created within the enterprise, commercial or other equivalent scheme.*

Salaries based on a workplace-specific salary scheme must be graded appropriately in accordance with the set criteria and must amount to at least the minimum wages of competence classification levels 1 to 3A.



*Instructions for application:*

*The graduation may be based on smaller steps than those set out in the collective agreement and exceed level 3A.*

3. In the task category scheme, the employee's salary is determined by the task categories and corresponding competence levels, along with personal grounds for salary determination.

As of 1 January 2018 or from the beginning of the next salary payment period thereafter, the task categories, general indicators of competence levels, and minimum salaries for different competence classes shall be those specified in the following table.

Personal grounds for salary determination include the employee's performance, professional skills, the goals set for the work with regard to results and quality, and personal qualifications and competences. The intention behind grading salaries on personal grounds is to encourage and reward the person for good performance and the development of professional skills.

4. If the competence level of the employee's task or other grounds for salary determination change permanently, the grounds for salary determination shall be reviewed and necessary adjustments made to the salary. When the grounds for salary determination change, the employee shall be informed about this in writing.

The employer shall inform the employee yearly about his or her task category and competence level either in a development discussion or in another appropriate way. They may also be written on the pay slip.

5. If a workplace-specific salary scheme is in place in the company, the shop steward shall, on request, be provided with information about the general description, the competence level of the task and the criteria for assessing employee performance or about the titles the scheme is based on, or other grouping schemes. In the event of any disagreement about salaries, the shop steward must be provided with all information pertaining to the resolution of the issue subject to disagreement.
6. The maximum hourly wages divisor for employees on a monthly salary is 158.
7. If a performance-based pay scheme is introduced at the workplace, the employer must consult the employees to whom the scheme applies and provide a report on the content and objectives of the scheme.

**SALARY LEVEL INDICATORS**

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

## MINIMUM SALARIES, 1 January 2018

TASK CATEGORY	Level 1	Level 2	Level 3	Level 3A
<b>Sales</b> Such as sales consultants, sales secretaries and managers	2008	2840	3707	3891
<b>Marketing and communications</b> Such as experts in marketing and communications	2090	2539	3537	3712
<b>Customer service and support</b> Such as contact persons, trainers, advisers	2149	2717	3285	3446
<b>Design/Development</b> Such as programming, data processing, application and system design, and specialist tasks	2211	2883	3619	3798
<b>Project/System responsibility</b> Such as responsibility for projects and system entities	2693	3235	3707	3891
<b>Network and telecommunications</b> Such as online services and telecommunications	2211	2986	3619	3798
<b>Operating and hardware services</b> Operators, operating engineers, operating system specialists	1969	2477	3344	3511
<b>Hardware and software maintenance</b> Service and maintenance tasks, software specialist tasks	1992	2581	3155	3309
<b>Administration</b> Accounting and human resources	1582	2077	2500	2622

## MINIMUM SALARIES, 1 January 2019

TASK CATEGORY	Level 1	Level 2	Level 3	Level 3A
<b>Sales</b> Such as sales consultants, sales secretaries and managers	2040	2885	3766	3953
<b>Marketing and communications</b> Such as experts in marketing and communications	2123	2580	3594	3771
<b>Customer service and support</b> Such as contact persons, trainers, advisers	2183	2760	3338	3501
<b>Design/Development</b> Such as programming, data processing, application and system design, and specialist tasks	2246	2929	3677	3859
<b>Project/System responsibility</b> Such as responsibility for projects and system entities	2736	3287	3766	3953
<b>Network and telecommunications</b> Such as online services and telecommunications	2246	3034	3677	3859
<b>Operating and hardware services</b> Operators, operating engineers, operating system specialists	2001	2517	3398	3567
<b>Hardware and software maintenance</b> Service and maintenance tasks, software specialist tasks	2024	2622	3205	3362
<b>Administration</b> Accounting and human resources	1607	2110	2540	2664

## 7 § TRAINEES AND SUMMER EMPLOYEES

1. The maximum traineeship is 12 months and can be applied only once in the sector to which this agreement applies.
2. Salary paid during the traineeship is at least 85% of the salary specified for the task in question. Relevant vocational training should shorten the traineeship, if the employee is hired for a position matching such training. This provision does not apply to traineeships included in a qualification or a degree programme.

Other arrangements concerning salary can be made with employees with an employment contract who do not have the experience required for the job, where the qualification or degree programme includes one or more traineeships.

3. The salary for a summer employee with no vocational training or relevant work experience is 75% of the minimum wage for the task in question.
4. Employees completing an apprenticeship shall be paid a minimum of 75% of the wage specified for the task in question in the first year, and at least 85% thereafter.

## 4 WORKING HOURS

### 8 § REGULAR WORKING HOURS IN DAYTIME WORK

1. Regular working hours in daytime work are no more than 7.5 hours a day and no more than 37.5 hours a week.
2. In a local agreement, the maximum regular working hours may be set at 8 hours a day and 40 hours a week, in which case the weekly working hours will be reduced to approximately 37.5 hours as indicated in Appendix 4.
3. Daily working hours are between 8 and 17, unless there are justified grounds for other arrangements.
4. Working week starts on a Monday. A work day is a calendar day unless locally agreed otherwise.
5. As a rule, Saturdays and Sundays are days off. If, for service provision reasons, it is necessary to make Saturday a work day, local arrangements can be made to give another day off, preferably Monday.
6. Employees are entitled to a lunch break of 1/2–1 hours, during which they may leave the workplace. The lunch break is not included in the working hours.

7. Two refreshment breaks per day are included in the working hours.
8. Holidays that reduce the regular weekly working hours, if they fall on a day other than Saturday, are:
  - New Year's Day
  - Epiphany
  - Good Friday
  - Easter Monday
  - May Day
  - Ascension Day
  - Midsummer Eve
  - Christmas Eve
  - Christmas Day
  - Boxing Day
9. The provisions of the Act on the celebration of the Independence Day as a national festival and public holiday (388/1937) shall apply to Independence Day.
10. If fixed working hours are applied, local arrangements can be made regarding average regular working hours. Average working hours do not increase the total number of working hours; it is simply a system for allocating working hours according to a predetermined schedule. If average working hours are applied, local arrangements can be made regarding the maximum daily and weekly working hours. Locally agreed daily regular working hours may not exceed 10 hours.

If average working hours are applied, a plan to balance out working hours (working hours scheme) must be prepared in advance for a period during which the regular working hours will reach the agreed average. This balancing period should be no longer than 12 weeks, unless a longer time is necessary for a justified reason. If working hours are not balanced during this time, salary will be paid for any excess hours in line with overtime pay policy.

Unless otherwise agreed locally, any changes in the working hours scheme must be notified to the employees concerned one week before the implementation of the changes.

*Instructions for application:*

*The average working hours system is suitable for tasks with fixed working hours and with varying working hour needs at different times of the week or month. For instance, if longer hours are necessary at the beginning of the week due to service implementation, employees can work shorter hours at the end of the week, or have a day off.*

11. Flexible working hours arrangement may be introduced subject to the employee's consent or the local agreement. Daily working hours may be shortened/extended by 3 hours, and the maximum balance is +/- 40 hours.
12. A shop steward or registered company-specific employee association, or, in the absence of the above, the employees together with the employer will decide, by the end of November, on ways of extending the employees' annual

working hours by 24 hours without affecting their income level. This agreement shall be made in writing and will enter into force no earlier than on 1 January 2017. The agreement is effective for one calendar year at a time until further notice, unless either contracting party gives written notice, no later than by the end of September, to terminate the agreement at the end of the year.

Working hours are extended by local agreement in a manner most suitable for work carried out at the workplace and the working hours systems applied. There are several ways to agree on working hours extension: accounting for the extension in flexible working hours or working hour reserve, extending regular working hours by no more than two hours a day, extending regular weekly working hours by turning some holidays into work days, or other concrete measures.

For part-time or seasonal employees, working hours extension will be proportional to their regular working hours. Working hours extension does not apply to employees with no specified minimum working hours.

If no local agreement is reached, the employer may increase the employee's regular working hours by two hours, subject to one week's notice. If an extension of daily working hours requires the employee's consent, and the employee refuses, working hours may be assigned on the employee's scheduled day off. In this case, working hours may not exceed the employee's regular daily working hours. Regular working hours may not be extended by more than 12 hours in every 6 months.

If a mid-week public holiday is included in regular working hours in accordance with this section 12, no employee consent is required for working on the said public holiday and no remuneration for Sunday work specified in Section 33 (2) of the Working Hours Act will be paid. The working hours extension implemented under this provision extends the regular working hours of the week in question. Any mid-week public holiday or Saturday included in regular working hours on the basis of this provision will reduce the regular working hours of the week in question. An extension in monthly working hours will not affect the monthly salary.

13. An exception to the provisions of this section can be made by local agreement, as referred to in section 25 of the collective agreement, as follows:
  - a. Maximum regular daily and weekly working hours (section 8 (2))
  - b. Start of a work day (section 8 (4))
  - c. Regular working hours on Saturdays (section 8 (5))
  - d. Rest periods (meal break) and refreshment breaks during a work day (section 8 (6 and 7))

- e. When agreeing on average working hours, maximum regular daily and weekly working hours and the balancing period (10)
- f. Maximum flexible hours (section 8 (11)) with balance not exceeding +120 hours.
- g. Method of extending regular working hours (section 8 (12))

### **9 § REGULAR WORKING HOURS IN SHIFT WORK**

#### **1. Two-shift system**

Regular working hours consist of no more than eight hours a day and no more than 48 hours a week, the weekly working hours in a period of no longer than eight weeks coming to approximately 37.5 hours.

#### **2. Interrupted three-shift system**

Regular working hours consist of no more than eight hours a day and no more than 48 hours a week, the weekly working hours in a period of no longer than eight weeks coming to approximately 37 hours.

#### **3. Uninterrupted three-shift system**

An uninterrupted three-shift system means that work is carried out in three shifts for a total of 24 hours a day and seven days a week. The terms of and switchover to an uninterrupted three-shift system, and the extension of annual working hours by 24 hours without this affecting the income level, shall be agreed on locally.

#### **Provisions regarding a two-shift system and an uninterrupted three-shift system**

- 4. Working week starts on a Monday.
- 5. Sunday is not included in regular working hours, and regular weekly working hours are based on a five-day week.
- 6. Regular working hours during a week with a mid-week public holiday are reduced by the hours worked on the holiday.
- 7. To balance the working hours to levels specified in points 1 and 2, employees are given time off. This time off must be given in full shifts, unless locally agreed otherwise. An average shift work supplement is paid for this time off.
- 8. If work is organised into regularly changing shifts of longer than seven hours, the employee is entitled to a half an hour rest break, which is included in working hours.
- 9. A shift plan is prepared in advance in consultation with employees and communicated to employees no later than one month before the start of a cycle.



Temporary deviations are allowed if these are necessary for the company's operations. Any changes should be communicated to employees a week in advance. If changes in the shift affect the employee's day off, the normal hourly salary will be paid in compensation unless the employee was informed of the change at least a week in advance.

10. If the employee's working hours system changes or employment contract ends, the employee is entitled to free time or a monetary compensation for any days off earned but not taken.
11. The provisions of section 8(12) shall apply to the extension of regular working hours by 24 hours.
12. An exception to the provisions of this section can be made by local agreement, as referred to in section 25 of the collective agreement, as follows:
  - a. When agreeing on maximum regular daily and weekly working hours and the balancing period (section 9 (1, 2 and 3))
  - b. Scheduling of regular working hours and the start of a work day and work week (4 and 5)
  - c. Provision of time off to balance working hours in other than full shifts (7)
  - d. Rest periods (meal break) during a work day (section 9 (8))
  - e. Compensation for time off not taken due to changes in working hours schedule and system, or end of employment contract (section 9: 9 and 10).

**10 § SHIFT SUPPLEMENTS**

1. Shift supplements shall be paid for work done during regular working hours performed on evening and night shifts.

	Evening shift supplement from 1 January 2018, €/hour
monthly salary under 2083 €	4,29
monthly salary over 2083 €	4,52

2. The night shift supplement is twice the evening shift supplement.
3. An employee performing shift work shall be paid a shift supplement with no increase as overtime compensation. The supplement is based on the shift during which the employee works overtime.

### 11 § SUPPLEMENT FOR EVENING AND NIGHT WORK

1. Whenever work is not considered shift work or overtime work and the employee has to perform it between 6 pm and 10 pm, this will be considered evening work; correspondingly, work performed between 10 pm and 6 am will be considered night work.
2. Evening work shall be compensated for by a supplement equal to that paid for evening shifts, and night work shall be compensated for by a supplement equal to that paid for night shifts.

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

1. Additional work refers to work performed at the employer's request and with the employee's consent between agreed regular working hours and the longest regular working hours permitted by law (8 hours a day and 40 hours a week).

Therefore, additional work can only be performed by employees whose regular working hours do not exceed 8 hours a day and 40 hours a week.

2. Normal hourly salary is paid for additional hours worked. If additional work is performed between maximum regular working hours referred to in the collective agreement (7.5 hours a day and 37.5 hours a week) and the longest regular working hours permitted by law (8 hours a day and 40 hours a week), a 50% increase on the salary shall be paid.
3. Overtime refers to work performed at the employer's request and with the employee's consent exceeding the longest regular working hours permitted by law (8 hours a day and 40 hours a week).
4. Daily overtime shall be compensated for by a salary increase of 50% for the first two hours and 100% for any subsequent hours.
5. Weekly overtime shall be compensated for by a salary increase of 50% for the first eight hours and 100% for any subsequent hours.
6. Overtime on a Sunday, a religious holiday, May Day and Independence Day, and on New Year's Eve after 5:00 pm entitles to a Sunday work compensation specified in Section 33 of the Working Hours Act unless otherwise provided for in section 8 (12) or section 9 (11) regarding the extension of working hours. If this work is also considered additional work or overtime, increased salary in accordance with points 4 and 5 above shall be paid.
7. If the work performed by an employee continues past the work day (24 hrs), this work is, for the calculation of additional and overtime compensation, considered work performed on the previous work day until the employee's regular working hours begin normally. These hours will not be taken into account as the

latter work day's regular working hours.

8. Subject to the employee's consent, additional work, overtime and Sunday work can be compensated with free time. This free time must be arranged within two months of the work performance if the employee so requests.
9. Overtime arrangements can be locally agreed on, and may involve overtime of no more than 250 hours in a 12-month period instead of the 4-month period referred to in the Working Hours Act. The same 12-month period shall apply if the company has agreed on 80 hours of additional overtime.

### **13 § WEEKLY FREE TIME**

1. Working hour arrangements must permit employees to have uninterrupted free time of 35 hours once a week, preferably in connection with Sunday. Weekly free time can be arranged to form an average of 35 hours during a 14-day period. However, the minimum free time requirement is 24 hours a week.
2. If an employee is temporarily needed at work during his/her free time, the employee must be compensated for the lost weekly free time by reducing his/her regular working hours by the number of hours spent at work during free time. This working hours reduction must be arranged no later than within three months from the work performance unless otherwise agreed. Subject to the employee's consent, weekly free time not taken can be compensated with normal hourly salary.

### **14 § STANDBY**

1. If the employee is, under his or her employment contract, required to remain at home or otherwise on standby and available to be called into work when necessary, the employee will be paid half the normal hourly salary for the time spent on standby.
2. The standby time is not included in working hours, and every effort is made to arrange continuous standby periods.
3. The standby period is interrupted when the employee is called to work.
4. Standby compensation is paid for a minimum of four hours.
5. Other standby arrangements can be agreed on locally.

### **15 § TELEPHONE CALL COMPENSATION**

1. For phone calls made at times other than the employee's standby or working hours and with which the employee gives work-related instructions or orders, the employee will be paid a normal hourly salary for one hour.

*Instructions for application:*

*It is recommended that the employer and employee discuss the principles applicable to answering phone calls outside working hours or standby, and the nature of the instructions for which compensation is paid.*

2. Normal hourly pay for two hours is paid for phone calls between 9:00 pm and 6:00 am and on Sundays, religious holidays, Independence Day and May Day.
3. Other telephone call compensation arrangements can be agreed on locally.

### **16 § CALL-OUT**

1. Call-out means work for which the employee is called back after regular working hours and after having left the workplace.
2. At least one hour's salary and a call-out pay shall be paid as follows:

#### **I Daytime work (i.e. other than shift work)**

- a) If the employee was called after regular working hours or on the employee's day off but before 10:00 pm, compensation amounting to 2 hours' salary is paid.
- b) If the employee was called between 10:00 pm and 6:00 am, compensation amounting to 4 hours' salary is paid.

#### **II Shift work**

- a) Morning shift  
Call-out pay is paid to employees on morning shift, as stated above for day-time work.
  - b) Evening and night shift  
If the employee was called after 9 hours from the end of regular working hours, compensation amounting to 4 hours' salary is paid.
  - c) If the employee was called after 9 hours from the end of regular working hours but at least one hour before the start of the next regular work day, compensation amounting to 2 hours' salary is paid.
3. Call-out pay referred to in point 2 I a) is also paid if an employee is called to work between 10:00 pm and 6:00 am the same day during a regular shift.
  4. If the work in cases I b) and II b) above represent daily overtime, the overtime compensation is +100%.
  5. Other call-out arrangements can be agreed on locally.

# 5 TRAVEL REGULATIONS

## 17 § TRAVEL EXPENSES, DAILY ALLOWANCE AND TRAVEL TIME COMPENSATION

### 1. General regulations

- 1.1. The employee is under an obligation to undertake travel required by work-related tasks. The regulations in this article regarding compensation for travel expenses (paragraphs 1 to 6) are also applicable to travelling to training sessions when instructed to do so by the employer. Travel must be undertaken in an appropriate manner so as not to consume more time or incur more costs than is absolutely necessary to complete the task.
- 1.2. The journey is considered to start once the employee sets out on the journey from the workplace, or if specifically agreed, from his or her home before the regular working hours. The journey is considered to end once the employee returns to the workplace, unless he or she returns straight home after regular working hours, which is when the journey is considered to end. Days applicable for a daily allowance are calculated from the start of the journey to the end of the journey. Regulations regarding travel-time pay do not affect the calculation of travel days.
- 1.3. The employer shall compensate for all necessary expenses incurred by work-related travel, including accommodation costs, travel tickets, luggage expenses and, when travel takes place overnight, the cost of tickets for a sleeping-car.

If necessary, compensation for travel expenses and other travel-related details must be clarified together with the employer before travel.

### 2. Daily allowance

The daily allowance is payable when the place of work is more than 40 kilometres away (using a normal route) from the employee's regular workplace or home, depending on where the travel begins. In addition, the place of work must be a minimum of 15 kilometres away from both the employee's regular workplace and home. Daily allowance is payable for each day of travel as follows:

1. A full daily allowance is payable for work-related travel of more than 10 hours.
2. A half-day allowance is payable for work-related travel of more than 6 hours but no more than 10 hours.
3. When a full day of travel is followed by less than a full day, a half-day allowance is payable for the latter if the full day is exceeded by at least two hours and no more than 6 hours. A full daily allowance is payable if the time exceeds 6 hours.

The amount of daily allowance shall be the amount issued tax-exempt by the tax administration every year.

### 3. Meal allowance

If no daily allowance is payable for work-related travel and the assignment prevents the employee from having a meal at the facility provided by the employer or at home, and no equivalent facilities exist near the place of work, a meal allowance is payable to the employee.

The amount of meal allowance shall be the amount issued tax-exempt by the tax administration every year.

### 4. Accommodation expenses

Accommodation expenses shall be reimbursed by covering the accommodation costs or by paying a night travel allowance as follows:

If the employee is not provided with accommodation, the employer shall reimburse accommodation costs incurred during work-related travel as indicated in the approved supporting documents.

Night travel allowance is payable for travel days entitling to daily allowance in cases where the employee is not provided with free accommodation, no accommodation expenses have been reimbursed, or no sleeper-car tickets were available. However, night travel allowance is not payable if the employee has, without cause, refused accommodation reserved by the employer.

The amount of night travel allowance shall be the amount issued tax-exempt by the tax administration every year.

### 5. Allowance for using the employee's own car

If the use of the employee's own car has been agreed on, an allowance is payable for the amount issued tax-exempt by the tax administration every year.

If due to a call-out or overtime the employee is required to come to or leave the workplace during a time when no regular transport services are running, or if the employee is called to work so urgently that it would be impossible to reach the workplace in time by public transport, the employee shall receive a travel allowance or compensation for the use of his/her own vehicle.

### 6. Agreeing otherwise

Other agreements regarding reimbursement and compensation for expenses incurred during work-related travel can be made locally. Other local agreements are possible in accordance with section 25 of the collective agreement.

These regulations regarding travel allowances will take effect on 1 November 2013. All valid allowance policies in place in the enterprise before 1 November 2013 shall remain in force, unless otherwise agreed in accordance with this section.

## 7. Travel-time compensation

When an employee is required by the employer to travel during his or her free time in accordance with the working hours scheme, the time spent travelling will be compensated for with basic salary not exceeding eight hours for a working day and 16 hours for a day off. Travel time shall be calculated in full 30-minute periods. Travel time is not considered working hours. This benefit can also be implemented by concluding a local agreement on separate, fixed monthly compensation.

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

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

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

- a) compensation for leisure-time travel has been taken into consideration in the terms and conditions of employment and this has been stated in the conclusion of a contract of employment with the employee or later; such compensation can constitute, for example, a salary higher than the salary otherwise required for the competence classification of the task, or
- b) the employee is able to independently decide on the scheduling of his or her working hours and his or her duties do not determine the times of starting or ending travel.

*Instructions for application:*

*The employer should pay special attention to the manner in which compensation for travel is considered in the terms and conditions of employment if the amount of travel changes considerably during employment.*

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

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

Other agreements regarding compensation for travel time in terms of work-related travel can be made locally. Prior to negotiating an agreement, it would be appropriate to define the extent and impact of leisure-time travel, including international travel, and potential compensation procedures. Other agreements are possible in accordance with section 25 of the collective agreement. Adequate information must be provided for employees and their supervisors concerning local agreements.

# 6 ABSENCES AND SOCIAL REGULATIONS

## 18 § EMPLOYEE'S ILLNESS

### 1. Preconditions

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

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

### 2. Duty to declare and medical certificate

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

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

### 3. Salary payment

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

- under three years – for four weeks
- three years or more but under five years – for five weeks
- five years or more but under 10 years – for six weeks
- at least 10 years – for eight weeks

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



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

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

## 19 § FAMILY LEAVE

1. Special maternity leave, maternity leave, paternity, adoption and parental leave, and child-care leave shall be determined on the basis of the Employment Contracts Act and Sickness Insurance Act.
2. The employer will pay three months' salary to a female employee in connection with statutory maternity leave. The precondition is that the employee has been employed for an uninterrupted period of at least five months before the estimated date of childbirth.
3. The employer shall pay salary and benefits to a male employee for the working days included in a period of six ordinary weekdays of paternity leave. The salary for paternity leave shall only be paid for the first period of paternity leave. The precondition is that the employee has been employed for an uninterrupted period of at least five months before the estimated date of childbirth.

4. The employer shall be entitled to collect any statutory or agreed daily allowance or comparable benefit payable to the employee, or to recoup the said amount from the employee, for the period during which the employer has paid the salary of maternity or paternity leave referred to above to the employee, to the extent that the sum so collected or recouped does not exceed the sum paid in salary.
5. An employee who has adopted a child younger than school age is entitled to unpaid adoption leave of three months.

### 20 § MEDICAL EXAMINATIONS

1. The employer's duty to arrange occupational health care is based on the provisions of the Occupational Health Care Act. In addition to statutory occupational health care, employees working in shifts will be provided with the opportunity to have a medical examination once a year.

#### 2. **Preconditions for salary payment**

Salary for regular working hours will not be reduced in the following cases, provided that the examinations have been arranged in a manner that prevents unnecessary loss of working hours, that it has not proved possible to arrange the examinations outside working hours, and that the employer has been notified of them in advance.

##### *a. Other than statutory examinations*

In order to diagnose an illness, the employee attends:

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

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

The employee attends a medical examination due to a previously diagnosed illness.

This applies to the following cases:

- An illness becomes fundamentally worse and the employee has to attend a medical examination.
- A chronic illness requires a medical examination by a specialist in the field concerned, in order to determine the appropriate medical treatment.

- A specialist's examination is necessary in order to determine treatment in connection with which an order to acquire a medical appliance such as eye-glasses is issued.
  - A medical examination is necessary in order to determine treatment for any other previously diagnosed illness, if the service cannot be obtained outside working hours.
  - Incapacity for work caused by necessary treatment for cancer.
- b. The period for treating an acute dental condition if*
- the dental condition causes incapacity for work,
  - the dental condition requires treatment on the same day or during the same shift, and
  - the dentist's certificate proves incapacity for work and the urgency of the treatment.
- c. Pregnancy*
- When the employee attends an examination related to the payment of maternity allowance.
- d. Statutory check-ups and examinations*

When the employee attends:

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

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

### 21 § TEMPORARY ABSENCE

#### **Illness**

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

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

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

#### **Death and funeral**

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

#### **Weddings and birthdays**

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

#### **Day of removal**

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

#### **Conscription and military refresher courses**

7. An employee liable for military service answering a call-up shall not lose any of his or her income.

8. If an employee participates in military refresher courses for reservists, the difference between his or her salary and reservist's pay shall be paid to him or her for the days of participation.

**Public service**

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

## 7 ANNUAL HOLIDAY AND HOLIDAY BONUS

### 22 § ANNUAL HOLIDAY

1. The employee's annual holiday is determined in accordance with the Annual Holidays Act.
2. Annual holiday pay shall be paid to an employee on the regular pay day unless otherwise agreed locally.

*Instructions for application:*

*On each pay day, holiday pay shall be paid for the part of the annual holiday that coincides with that salary payment period.*

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

### 23 § HOLIDAY BONUS

1. An employee shall be paid 50% of the salary for his or her statutory annual holiday as a holiday bonus in connection with the payment of holiday pay, unless otherwise agreed locally about the timing of the holiday bonus.
2. When the annual holiday is split, holiday bonus shall be paid in connection with the holiday pay paid out before each instance of holiday unless otherwise agreed locally.
3. The precondition for receiving a holiday bonus is that the employee begins his or her holiday at the reported or agreed time.
4. If an employer gives an employee notice for reasons not attributable to the employee such that the term of employment will end during the holiday season, holiday bonus shall be paid on the basis of the holiday compensation determined on the basis of the completed holiday credit year.
5. Holiday bonus shall be paid on the holiday pay and holiday compensation of retiring employees.
6. Holiday bonus shall be paid to an employee completing his or her national service once the employee has returned to work.
7. If a shop steward and the employer jointly determine that grounds for the termination of employment on the basis of Chapter 7, Section 3 of the Employment Contracts Act exist in the enterprise because of its financial situation, an agreement can be made with regard to partial or total non-payment of holiday bonus. Such an agreement can only be concluded for one holiday year at a time. In connection with the agreement, the employer must clarify the principles for applying the cost savings arising from the non-payment of holiday bonus.

## OTHER REGULATIONS

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

1. The shop steward agreement (Appendix 2) lays down provisions concerning shop stewards, the position and duties of shop stewards, the shop steward's employment security, and the compensation to be paid to the shop steward.
2. The occupational safety and health representative shall enjoy the preferential employment security provided in Chapter 7, Section 10 of the Employment Contracts Act.

3. An employee acting as occupational safety and health representative may not, during the term of office or because of it, be transferred to duties with a salary lower than that which he or she had when being elected as occupational safety and health representative. The occupational safety and health representative's opportunities to develop and advance in his or her profession must not be impaired because of his or her duties as occupational safety and health representative.
4. If the duties as occupational safety and health representative are impeded by the actual work of the representative, he or she shall be arranged other work, taking into account the circumstances of the enterprise or its part as well as the professional skills of the representative. Arrangements of this kind may not cause reductions in earning.
5. While the vice delegate is acting as the occupational safety and health representative he or she has the same rights and obligations as the occupational safety and health representative.
6. An employer who has terminated an employment contract of an occupational safety and health representative in breach of this agreement must pay compensation in accordance with the Employment Contracts Act instead of compensatory penalties.
7. The occupational safety and health representative's participation in training has been agreed upon in the training agreement valid between the unions (Appendix 3).
8. Occupational safety and health representatives are entitled to the following compensation:

Number of employees represented	Compensation from 1 January 2018, €/month
20-100	38
101-400	63
over 400	73

## 25 § LOCAL AGREEMENTS

1. Local agreements deviating from this collective agreement may be concluded as provided for in this section. An agreement thereby concluded is considered a local agreement.
2. Local agreements may be concluded, within the limits of the collective agreement, regarding sections of this collective agreement for which local agreement is mentioned as an alternative.

3. Local agreements may be negotiated between employers observing this collective agreement and/or their representative, and a shop steward or registered company-specific employee association or, in the absence of an elected shop steward, the employees.
4. A decision to conclude a local agreement is made by, and the parties to the agreement include, employers observing this collective agreement and/or their authorised representative, and a shop steward or registered company-specific employee association or, in the absence of an elected shop steward, the employees. In addition, parties to the collective agreement may agree on local exceptions to the collective agreement.
5. Local agreements must be made in writing, and they must indicate the parties affected, the section of the collective agreement in question, and the exceptions made. The agreement may be temporary or valid until further notice. In the latter case, termination of the agreement subject to three months' notice must be permitted, unless a shorter notice period has been agreed on. If the agreed arrangement is tied to a specific period, it will continue until the end of such a period.
6. A local agreement shall enter into force at the time specified in the agreement.
7. Any differences arising from the interpretation of the local agreement shall be settled in the same way as differences arising from the collective agreement.

### **26 § NEGOTIATION PROCEDURE**

1. Disputes concerning the interpretation of the collective agreement or terms of employment will be resolved in compliance with the negotiation procedure described below.
2. Disputes shall primarily be resolved through negotiations at the workplace.
3. In matters related to performing work and the related technical issues, employees must immediately turn to the management.
4. Disputes concerning salaries and other terms and conditions of employment must be resolved locally between the employer or its representative and a shop steward, or the employee in question.
5. Disputes concerning the interpretation of the collective agreement shall be resolved between the employer or its representative and the shop steward, if a shop steward has been elected for the enterprise.
6. Local negotiations should be initiated and carried out without undue delay. Negotiations must be initiated no later than within one week of the issuing of the negotiation proposal.



7. A memorandum must be drawn up on local negotiations if either of the parties requests this. However, a memorandum need not be drawn up on an issue on which a memorandum of disputes, as referred to in paragraph 8, is compiled. The memorandum shall be prepared and signed in two copies, one for each party.
8. If a dispute cannot be resolved in local negotiations within the enterprise, the matter can, by request of either local party, be referred to unions for resolving. In this case, the parties shall, as a matter of priority, prepare a memorandum of disputes, in which the cause of the dispute shall be recorded alongside the views, with justification provided, of both parties on the matter. The unions recommend that the template drawn up by the unions to be used in preparation of the memorandum of disputes. The memorandum shall be prepared in two copies, one for each union. The shop steward and employer's representative sign the joint memorandum. The parties concerned submit the memorandum to the unions. If one of the negotiating parties will not participate in the preparation of the joint memorandum of disputes within a reasonable time, the other party alone can refer the matter to the unions for resolution.
9. Any disputes concerning the collective agreement, negotiated in compliance with this negotiation procedure by the unions without reaching agreement, can be submitted to the labour court for resolution.

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

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

## **28 § GROUP LIFE ASSURANCE**

The employer shall pay for group life assurance for employees.

## **29 § MEETINGS AT WORKPLACES**

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

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

### **30 § CURRENTLY VALID BENEFITS**

If an employee has been entitled to benefits better than those required under this agreement (such as shorter working hours), or if such benefits are not defined at all in this agreement, any such benefits shall remain valid unless agreed otherwise in accordance with the procedure specified in section 26 of this agreement or unless the local arrangement in question leads to a result at least equally beneficial to the employee.

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

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

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

This agreement shall be valid from 1 November 2017 to 31 October 2020, after which date it shall continue to be valid until further notice, subject to two months' notice.

*Signed in Helsinki this 15 November 2017*

*FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES*

*Jorma Turunen                      Eeva-Liisa Inkeroinen*

*FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF - YTN*

*Heikki Kauppi                      Tapani Wahlberg*

*ASSOCIATION OF IT SECTOR EMPLOYEES*

*Jyrki Kopperi                      Juha Reinisalo*

# APPENDIX 1

## PROTOCOL ON LOCAL AGREEMENTS IN EXCEPTIONAL SITUATIONS

### 1 §

The signatory organisations agree that local agreements on deviation from the minimum terms and conditions concerning pay and other economic benefits in the collective labour and salary agreement signed by the organisations can be concluded as specified in this agreement.

### 2 §

An agreement in accordance with this protocol can be concluded with regard to an enterprise or a part of it, with the contracting parties being an employer bound by the collective agreement and a shop steward or, where one does not exist, the employees and a registered enterprise-specific employees' association.

### 3 §

A precondition for concluding an agreement referred to in section 1 above is the existence of the grounds referred to in Chapter 7, Section 3 of the Employment Contracts Act – i.e., financial or production-related grounds for termination, or reasons arising from the reorganisation of operations. When negotiating an agreement referred to in this protocol, the employer shall comply with the Co-operation Act with regard to the provision of information required for the negotiations. If necessary, the parties may use consultants.

### 4 §

An agreement in accordance with this protocol shall be concluded for a limited period, no more than one year.

### 5 §

A precondition for a local agreement in accordance with this protocol is that the parties to the collective agreement be notified of such an agreement. The agreement may be subject to review by the parties to the collective agreement.

### 6 §

Otherwise, the agreements between the parties to the collective agreement regarding local agreements shall apply.

*Helsinki, 16 November 2011*

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

# APPENDIX 2

## SHOP STEWARD AGREEMENT

### 1 § SCOPE OF THE AGREEMENT

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

### 2 § SHOP STEWARD

1. In this agreement, shop steward refers to a shop steward and deputy shop steward elected by organised employees bound by the collective agreement.
2. The shop steward of an enterprise shall be elected by organised employees of the enterprise who are members of signatory trade unions or their registered affiliated association and who fall within the scope of the collective agreement.
3. Employees may elect a site-specific shop steward for an independent unit in which there is an employer representative who determines the terms and conditions of employment and hires and dismisses employees. The matter shall be reviewed with the employer representative before the election.
4. When appropriate from the standpoint of local negotiations and the shop steward system, it can be locally agreed that several shop stewards as referred to in this agreement be elected for the independent regional or functional units of a large or regionally diversified enterprise. If annual meetings for shop stewards have been arranged within an enterprise, the former practice shall continue.
5. If there are several shop stewards in an enterprise, a chief shop steward can be elected.
6. A deputy shop steward can be elected to serve as the substitute of the shop steward when he or she is prevented from attending, assuming the rights and obligations of a shop steward for this time.
7. A shop steward must be an employee of the enterprise in question to whom the collective agreement is applied, is a member of a signatory trade union or its registered affiliated association, and is familiar with the conditions of the workplace in question.
8. When the operations of an enterprise or a functional unit thereof are fundamentally reduced or enlarged, or in the case of business transfer, merger, divestment, or comparable substantial change, the shop steward organisation shall be renewed to correspond to the changed situation in accordance with the

principles of this agreement. The employer's representative and the shop steward shall together review the shop steward's position in the new organisation. The shop steward shall retain his or her position in a business transfer if the business or part of it retains its independence.

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

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

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

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

## 5 § SHOP STEWARD'S EMPLOYMENT

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

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

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

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

8. The provisions on the protection of employment stipulated above shall also apply to a shop steward candidate, whose name the local branch or a signatory trade union has provided to the employer in writing (protection of the candidate). Such protection begins, at the earliest, two months prior to the beginning of the term of office of the shop steward to be elected and ends for candidates other than the elected shop steward after the result of the election is declared.
9. The provisions on the protection of employment shall apply to an employee who has served as a chief shop steward or shop steward within the enterprise for six months following the termination of his or her shop steward duties (post-protection).
10. The shop steward shall be notified of any termination of employment at least one month before the beginning of the notice period specified in the collective agreement. The grounds for termination must be indicated in the notice of termination of employment provided to the shop steward. If the shop steward's term ends due to the termination of his/her employment, the employer shall inform the deputy shop steward thereof, or if there is none, the local branch or, if there is none, both signatory trade unions.
11. If a shop steward's employment contract has been discontinued in violation of this agreement, the employer is obliged to pay compensation to the shop steward equalling at least six and at most 30 months' salary. The compensation must be determined in accordance with the grounds provided in Chapter 12, Section 2 of the Employment Contracts Act. The fact that the shop steward's rights under this agreement have been violated must be taken into consideration as a factor increasing the compensation. If a court of law considers preconditions for the continuation of employment or reinstatement of a terminated employment relationship to exist but, despite this, employment is not continued, this must be taken into consideration as a particularly weighty factor in determining the amount of compensation.
12. If the dispute applies to the termination employment of a shop steward referred to herein, local negotiations and negotiations between the unions must be initiated and carried out immediately once the grounds for termination are contested.
13. A shop steward may not be pressured or dismissed on account of his or her position of trust.

## **6 § SHOP STEWARD'S DUTIES**

1. The shop steward's duties include efforts to maintain and develop negotiation activities and co-operation between the enterprise and its staff.
2. The main duty of a shop steward is to act as the representative of employees bound by the collective agreement. As regards questions concerning

interpretation of the collective agreement, the shop steward represents all employees in cases where the matter in question applies to all employees covered by the collective agreement, or some of them as a group.

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

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

## 7 6 THE SHOP STEWARD'S RIGHT TO OBTAIN INFORMATION

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

The following information is to be provided once a year:

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

*Instructions for application:*

*If the workplace is using a pay scheme different to the task-category based pay scheme mentioned in the collective agreement, the shop steward shall be provided with corresponding information regarding it.*

The following information is to be provided twice a year:

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



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

- The name, task category, competence classification, and employment start date for new employees, and details on dismissed and laid-off employees. In cases of fixed-term employment, the agreed duration of the employment contract shall be indicated.
3. If the enterprise uses an average working time system, the shop steward must, on request, be provided with written information on the number of employees covered by the system and the number of working hours not balanced in each balancing period.

If the employer prepares or intends to make changes in the working hours balancing system, the employer must provide the shop steward or, if one has not been elected, the employees an opportunity to express their opinion. The shop steward must be informed of any changes in the working hours system before the implementation of such changes.

4. Upon his or her request, the shop steward shall be provided with a report on the information collected in connection with recruitment.
5. The shop steward shall be informed of any warning issued to an employee, unless the employee has specifically forbidden this.
6. The shop steward has the same right as the shop steward referred to in the legislation to study reports on call-outs, Sunday work, overtime work, and the increased wages paid for these.
7. If several shop stewards have been elected within the enterprise on the basis of Section 2 above, the employer and the shop stewards shall mutually agree on the principles applicable to the distribution of information between shop stewards. However, the chief shop steward is entitled to all information.
8. The shop steward must maintain the confidentiality of information received during the course of his or her duties on the basis of the above.

## 8 § THE SHOP STEWARD'S EXEMPTION FROM WORK

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

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

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

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

If the shop steward is responsible for several business locations within a regionally decentralised company, special attention shall be paid to the amount of exemption for the shop steward so as to facilitate the appropriate management of the shop steward’s duties. The implementation of exemption from work can be agreed on in more detail at enterprise-specific level, in deviation from the table above.

2. The employer and the shop steward shall mutually agree on whether the exemption from work is temporary or recurring. When making this decision, the parties should consider the operational requirements of the enterprise, and the time needed to properly attend to the shop steward’s duties. If necessary, work arrangements shall be managed accordingly (by appointing a substitute, for example).

## 9 § SHOP STEWARD’S COMPENSATION AND COMPENSATION FOR LOSS OF EARNINGS

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

Number of employees	Compensation from 1 January 2018, €/month
5-100	68
101-300	123
301-600	172
Over 600	196

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

2. Shop steward’s compensation will not be paid whenever the shop steward is prevented from attending to his or her duties because of an annual holiday or illness, or for another similar reason. More detailed arrangements can be agreed on locally.
3. The employer shall compensate for any earnings lost by the shop steward during working hours while either engaged in local negotiations with the employer’s representative or working on other duties agreed on with the employer.
4. If a shop steward carries out duties as agreed with the employer outside his or her regular working hours, overtime compensation will be paid for time spent in this way or a local agreement will be concluded on some other type of additional compensation.

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

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

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

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

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

1. The unions consider it desirable that a shop steward be provided with the opportunity, insofar as possible, to participate in training that is likely to improve his or her ability to competently attend to the shop steward's duties.
2. Participation in training has been agreed upon in the training agreement valid between the unions (Appendix 3).

## **12 § VALIDITY OF THE AGREEMENT**

1. This agreement will become valid on 1 November 2013 as part of the collective agreement.
2. Any union that wishes to amend this agreement must provide the other party with a written proposal thereof, after which the matter will be added to the agenda for negotiation between the unions.

*Helsinki, 8 November 2013*

*THE FEDERATION OF FINNISH TECHNOLOGY INDUSTRIES*

*Jorma Turunen                      Risto Alanko*

*FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF - YTN*

*Pertti Porokari                      Esa Schön*

*ASSOCIATION OF IT SECTOR EMPLOYEES*

*Esa Koskinen                      Juha Reinisalo*

## APPENDIX 3

### TRAINING AGREEMENT

#### 1 § TRAINING WORKGROUP

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

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

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

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

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

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

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

#### 3 § JOINT TRAINING

The purpose of joint training in the workplace is, for instance, to promote the implementation of legislative specifications on co-operation, occupational

safety, occupational health care, and equality in the workplace. Joint training will be provided by and agreed on through the workplace-specific co-operation body or, if no such body exists, between the employer and the shop steward (or, if there is no shop steward, the employees).

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

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

## **4 § TRADE UNION TRAINING**

### **1. Job security and duty to notify**

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

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

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

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

### **2. Compensation**

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

In addition to shop stewards, compensation for loss of earnings will also be paid to chairpersons of registered affiliated associations of the union or local

branches if they work in an enterprise with at least 100 employees and the registered affiliated association or local branch has at least 20 members.

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

### **5 § SOCIAL BENEFITS**

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

### **6 § PERIOD OF VALIDITY**

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

*Helsinki, 16 November 2011*

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

## APPENDIX 4

### REDUCTION OF REGULAR WORKING HOURS IN DAYTIME WORK OF EIGHT HOURS PER DAY

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

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

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

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

When the number of daily regular working hours is eight (8), the employee accumulates one additional paid day off for each twenty (20) days worked.

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

#### **Working hours reduction leave**

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

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

If the employment relationship ends and the employee has not been granted the accumulated reduction leave referred to above, it shall be compensated for with standard salary at the end of the employment relationship. If employment ends and the employee has been granted more reduction leave than he or she has accumulated by the time employment ends, the employer will be entitled to deduct an amount corresponding to the amount of pay for the excess leave from the employee's severance pay, notwithstanding the set-off restrictions referred to in Chapter 2, Section 17 of the Employment Contracts Act.

### **Working during the reduction leave**

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



# APPENDIX 5

## WORKING HOUR RESERVE IN THE IT SERVICE SECTOR

### 1. Starting point and purpose of the scheme

A working hour reserve refers to the arrangements to coordinate working hours and leisure time at enterprise or workplace level. The objective is to provide an opportunity to save various elements of working hours and/or money, and find long-term solutions for combining the two.

In order to promote employees' working capacity, a local agreement on a working hour reserve scheme can be concluded as specified below. Factors contributing to the agreement on a working hour reserve and any annual changes therein include the enterprise's human resources, the labour situation, and special needs related to each working community.

### 2. Implementing a working hour reserve scheme

The implementation of a working hour reserve scheme and its details shall be concluded in a local agreement in accordance with section 25 of the collective agreement.

At a minimum, the agreement on a working hour reserve shall include elements of the working hour reserve and limits on accumulating the balance for the working hour reserve.

The employee has the right to accrue a maximum of 20 working days in the reserve.

### 3. Accumulating balance in the working hour reserve

Elements listed in the agreement on the working hour reserve can be transferred to the working hour reserve.

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

Other elements defined in the agreement on a working hour reserve may include additional work including basic and increased elements; compensation for work performed on Sundays or religious holidays including supplements; weekly rest supplements; reduction leave; carry-over holiday in accordance with the Annual Holidays Act; holiday pay or part thereof agreed to be taken as leave; compensation for leisure-time travel; results-based, bonus or profit-sharing payments, supplements for evening or night work; standby compensation, telephone call compensation and call-out pay. Monetary elements shall be converted into time on the basis of the employee's salary at the time.

**4. Free time against accumulated working hours**

Free time against the working hours recorded in a working hour reserve shall be given in full days, unless otherwise agreed locally.

The time of granting leave shall be agreed between the employer and the employee. The employee shall propose a schedule for taking days off against the accumulated reserve no later than one month before the start of any such leave. The employer must notify the employee no later than two weeks after the proposal as to whether or not it accepts the proposal. If the employer rejects the proposal, it must draw up a proposal for the related leave schedule, and an agreement shall be concluded on the basis of this.

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

Days off accumulated in the working hour reserve are considered equivalent to time at work referred to in the Annual Holidays Act. During the time off, the employee is entitled to full employee benefits.

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

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

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

**5. Termination of the agreement on a working hour reserve**

The termination period for an agreement on a working hour reserve is six months, unless otherwise locally agreed. The accumulated working hours shall be balanced out during the termination period. If the accumulated working hours have not been balanced out during the termination period, they shall be compensated for as in the case of termination of employment, unless otherwise agreed locally.

# APPENDIX 6

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

### 1 § SCOPE OF APPLICATION

This agreement applies to the termination of employment contracts valid until further notice, lay-offs, and cancellations or annulments of employment contracts. The agreement also governs employee resignations and the procedure to be followed in the case of a termination of an employment contract and lay-off.

*Instructions for application:*

*The agreement does not apply to the termination of an employment contract or lay-off on the grounds of:*

- *termination of an employment contract during a trial period (Employment Contracts Act, Chapter 1, Section 4),*
- *reorganisation of a company (Employment Contracts Act, Chapter 7, Section 7), or*
- *bankruptcy or death of the employer (Employment Contracts Act, Chapter 7, Section 8).*

If an employment contract is terminated on the grounds mentioned above, the procedural regulations of sections 5 and 6 of this agreement will nevertheless be complied with, and, for termination during a trial period, the procedure specified in section 11. The agreement does not apply to apprenticeship contracts specified in the legislation governing vocational training.

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

### 2 § NOTICE PERIODS

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

Period of uninterrupted employment	Notice period
Maximum of one year	2 weeks
More than a year but no more than four years	1 month
More than 4 years but no more than 8 years	2 months
More than 8 years but no more than 12 years	4 months
More than 12 years	6 months

When an employee terminates the employment contract, he or she must observe the following notice periods, unless longer termination periods have been agreed upon or other arrangements are agreed upon at the time of the termination:

Period of uninterrupted employment	Notice period
Maximum of 5 years	2 weeks
More than 5 years	1 month

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

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

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

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

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

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

The employee must notify the employer of his or her intention of taking the employment leave or part of it, and the grounds for such leave, as early as possible, and present reliable proof of the grounds for each leave upon request.

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

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

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

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

The employer must, however, abide by the provisions laid down in Chapter 2, Section 17 of the Employment Contracts Act regarding the right of set-off.

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

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

Notice of the termination of an employment contract must be delivered to the employer or its representative or to the employee in person. If this is not

possible, the notice may be delivered by letter or electronic means. The recipient is considered to have been informed of such notice no later than on the seventh day after it was sent.

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

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

### **6 § NOTIFYING OF THE GROUNDS FOR TERMINATION OF EMPLOYMENT CONTRACT**

At the employee's request, the employer must notify the employee without delay and in writing of the termination date of the employment contract, and of the grounds for the termination or cancellation of the employment contract.

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

Provisions regarding the employer's obligation to notify the employment office of the termination of an employee's employment contract on the basis of economic or production-related reasons are laid down in Chapter 9, Section 3a of the Employment Contracts Act.

### **8 § THE EMPLOYER'S OBLIGATION TO PROVIDE INFORMATION ABOUT THE EMPLOYMENT PROGRAMME AND EMPLOYMENT SUBSIDIES**

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

## **II TERMINATION OF AN EMPLOYMENT CONTRACT AND LAYOFF FOR A REASON ATTRIBUTABLE TO THE EMPLOYEE OR RELATED TO HIS OR HER PERSON**

### **9 § GROUNDS FOR TERMINATING AN EMPLOYMENT CONTRACT AND LAYOFF**

#### **Grounds for dismissal**

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

*Instructions for application:*

*Proper and weighty reasons include reasons attributable to the employee, such as neglecting one's duties, violation of orders issued by the employer within its supervisory rights, unwarranted absences from work, and obvious carelessness at work.*

#### **Grounds for cancellation**

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

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

The employer is entitled to consider the employment contract cancelled on the grounds explained in Chapter 8, Section 3 of the Employment Contracts Act.

#### **Layoff for a reason attributable to the employee or related to his or her person**

An employer can temporarily lay off an employee without observing the notice period on the same grounds as those applicable to the termination or cancellation of an employment contract.

### **10 § DELIVERY OF NOTICE OF TERMINATION**

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

### **11 § HEARING THE EMPLOYEE**

Before the employer terminates the employee's employment contract on the grounds referred to in Chapter 7, Sections 1–2 of the Employment Contracts Act, or cancels it on the grounds referred to in Chapter 1, Section 4 or Chapter 8, Section 1 of the same act, the employer must provide the employee with the

opportunity to be heard regarding the grounds for termination. The employee has the right to assistance at the hearing from, for instance, a shop steward or a colleague.

### **III CANCELLATION OF AN EMPLOYMENT CONTRACT AND LAYOFF FOR ECONOMIC OR PRODUCTION-RELATED REASONS OR BECAUSE OF THE REORGANISATION OF THE EMPLOYER'S BUSINESS**

#### **12 § NEGOTIATION PROCEDURE**

If the need arises at a workplace to dismiss or lay off employees or to reduce their working hours, the following legal stipulations must be taken into account in the statutory co-operation procedure:

*Instructions for application:*

*The responsibility to negotiate concerns companies that fall within the scope of the Act on Co-operation within Undertakings (334/2007) as it is in effect from 1 July 2007. According to the transitional provisions in the act, the act and its transitional provisions are, as of 1 January 2008, applicable to companies that regularly employ at least 20 but no more than 30 employees.*

*The Act on Co-operation does not constitute a part of this contract. The provisions of this clause are supplementary and replace the relevant Sections of the act.*

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

*Record entry:*

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

- 1 Economic and production-related reasons and reasons resulting from the re-organisation of the employer's business**
  - a) If the negotiations involve measures that will probably lead to fewer than 10 employees being shifted to part-time work, being laid off, or being dismissed, or to laying off of at least 10 people for a minimum of 90 days, the employer's negotiating obligation is considered to have been met, unless otherwise agreed, when the case has been under negotiation for 14 days since the negotiation proposal was made.



- b) If the negotiations involve measures that will probably lead to at least 10 employees being shifted to part-time work or dismissed, or to layoffs of more than 90 days, the employer's negotiating obligation is considered to have been met, unless otherwise agreed, when the case has been under negotiation for six weeks since the negotiation proposal was made.

In a company with at least 20 but fewer than 30 employees regularly on the payroll, the employer's negotiating obligation under this regulation is considered to have been met, unless otherwise agreed, when the case has been under negotiation for 14 days since the negotiation proposal was made.

When the company is undergoing restructuring proceedings referred to in the Restructuring of Enterprises Act (47/1993), the employer's negotiating obligation is considered to have been met, unless otherwise agreed, when the case has been under negotiation for 14 days since the negotiation proposal was made.

## **2 Action plan and operating principles**

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

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

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

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

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

*Record entry:*

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

## **14 § ORDER IN WHICH WORKFORCE IS REDUCED**

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

## **15 § REINSTATING AN EMPLOYEE**

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

## **16 § LAYOFFS**

### **1 Grounds for layoff**

The grounds for laying off an employee are specified in Chapter 5, Section 2, Subsections 1–3 of the Employment Contracts Act.

*Record entry:*

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

*a) Temporary reduction of work*

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

*Instructions for application:*

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

*b) Other than temporary reduction of work  
If it is estimated that the reduction in work load will  
last for more than 90 calendar days, the employee can  
be laid off temporarily or until further notice.*

## **2 Reduced working hours**

The procedural provisions regarding layoffs also apply to the introduction of a shorter working day or week.

## **3 Notice period for layoffs**

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

There is no advance notification requirement for layoffs.

## **4 Local agreements**

Other arrangements regarding layoffs, their grounds, and applicable notice periods can be made locally as referred to in section 25 of the collective agreement.

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

### *a) Postponement of layoff*

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

### *b) Discontinuation of layoff*

The employer may receive a temporary work assignment after the start of the layoff. The employer and employee must jointly agree on the discontinuation of the layoff, if the intention is to continue the layoff without a new notice period after the work has been completed. The agreement should be made before the work begins. The estimated duration of the temporary work assignment should be established at the same time.

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

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

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

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

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

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

#### *Preconditions for compensation*

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

#### *Limitation of liability*

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

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

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

#### *Payment of compensation*

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

If the employee works elsewhere during the notice period, the employer will pay him or her the difference between the salary for the notice period and the salary earned elsewhere, provided that, at the end of employment, the employee provides the employer with a clear explanation of the salary earned elsewhere.

### **Employee resignation**

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

#### *Record entry:*

*Despite the end of employment, the parties may agree on a temporary employment contract for the duration of the notice period, or part thereof. In such a case, the salary payable for the work will be deducted from the compensation payable for the notice period.*

## IV COMPENSATION

### 17 § COMPENSATION

#### **Violation of grounds**

The employer's liability to compensate for the termination of an employment contract or employee layoff that violates the grounds set forth in this agreement is defined as follows:

#### *Termination of the employment contract (sections 9 and 13)*

Compensation is specified in Chapter 12, Section 2 of the Employment Contracts Act.

#### *Termination and cancellation of the employment contract (Section 9)*

Any losses suffered during the notice period must be compensated for in accordance with section 4, paragraph 1 of this agreement.

If there were no grounds, including termination, for ending the employment contract, further compensation will be payable in accordance with Chapter 12, Section 2 of the Employment Contracts Act.

#### *Employee layoffs (section 9 and 15, paragraph 1)*

Damages are payable in accordance with Chapter 12, Section 1 of the Employment Contracts Act.

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

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

#### **Violation of procedural rules**

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

When determining the amount of compensation imposed for the unjustified termination of employment or layoff, failure to comply with procedural rules will be taken into account as an aggravating factor.

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

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

**18 § PROCEDURE IN THE EVENT OF DISPUTES**

If, in the employee's opinion, there were no contractual grounds for the termination of employment or layoff, the dispute can be resolved in compliance with the negotiation procedure agreed on in section 26 of the collective agreement.

**19 § PERIOD FOR LEGAL ACTION**

Unless a dispute involving the termination of an employment contract, or a layoff, covered by this agreement, results in reconciliation, the case may be referred to the Labour Court in accordance with Section 11, Subsection 2 of the Act on the Labour Court.

Upon the termination of the employment contract, the right to compensation under section 17 of this agreement will expire if legal action is not taken within two years from the termination of the employment contract.

**20 § ENTRY INTO FORCE**

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

*Helsinki, 16 November 2011*

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

# APPENDIX 7

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

### 1. PURPOSE OF THE RECOMMENDATION

In enterprises and workplaces, the Co-operation Act (Act on Co-operation within Undertakings 334/2007) is often considered a set of norms and standards full of formal requirements related only to situations involving dismissals for financial or production-related reasons. However, the actual purpose of the Co-operation Act is to promote genuine co-operation between an enterprise and its employees. There are some necessary formal requirements, but many of them can be agreed upon differently.

The signatory parties issue this joint recommendation in order to facilitate the appropriate interpretation of co-operation. This is not a new set of regulations but a recommendation regarding the ways in which an organisation could predict the need for changes in its workforce as early as possible. Another objective is to establish best practices for the appropriate conduct of co-operation negotiations related to the reduction in personnel.

Successful co-operation between the employer and employees leads to a mutually beneficial outcome. Co-operation provides employees with a better understanding of the pressures for change in the company and in their own work, and provides the employer with information on the employees' attitudes towards such pressures for change. It is not unusual in business life for situations requiring co-operation negotiations to emerge quickly and without warning. However, the element of surprise should not lead to lack of process control. Poorly executed co-operation will, at worst, lead to a feeling of insecurity and, as a result, to weaker performance at work and decreased productivity.

### 2. PREDICTING IMPACTS ON PERSONNEL

The parties to this collective agreement have made a recommendation on predicting impacts on personnel, which is appended to the collective agreement for the IT Service Sector. It is recommended that the employer's representative and the shop steward or other employee representative meet regularly to discuss the business outlook and the effects any changes may have on personnel.

Early co-operation between the employees and the enterprise is sensible because the employees may have constructive business development ideas. It is advisable to listen to these ideas and take them into consideration when assessing the impacts of change on personnel.

This recommendation is intended to ensure that changes are negotiated openly, but in full confidentiality. Ideally, the parties will come to a mutual understanding of the changes in the company's business. If a clear change in trends is identified in the discussions, which may create pressure for quantitative or qualitative changes in personnel, open and timely negotiations will give employees the time and opportunity to prepare themselves for the forthcoming changes. It is easier for employees to understand the reasons for and consequences of changes when information is communicated openly. Furthermore, it helps to diminish any conflicts later on.

### **3. CONFIDENTIALITY OF INFORMATION AND NON-DISCLOSURE OF BUSINESS SECRETS**

Any business secrets addressed during discussions related to the future outlook are confidential information. In addition to any secrecy clauses of the employment contract, confidentiality is based on the secrecy provisions of the shop steward agreement. If prediction is carried out in accordance with the procedure laid down in the Act on Co-operation, the employees' representatives are bound by the confidentiality obligation referred to in Section 57 of the Act on Co-operation. If the company considers any information to be confidential, this should be pointed out in good time. Special rules apply to listed companies as regards the confidentiality of data and the obligation to publish information that may materially affect the company's share prices. In certain circumstances, insider regulations may also be applied to employee representatives in listed companies.

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

The Act on Co-operation starts from the premise that all material changes affecting personnel are discussed with an employee representative or with the employees. The law requires that the potential material impacts on personnel, at present or in the future, must be investigated.

Not all measures planned by the employer that affect personnel result in personnel cuts. In this case, having a discussion before making any decisions as referred to in Chapter 6 of the Act on Co-operation – i.e., without a minimum period of negotiation – is sufficient, and one round or negotiations may be enough. However, the grounds for planned personnel changes, impacts, alternatives, and schedule must always be discussed.

With regard to timing, the law requires that negotiations are initiated whenever a company is considering a business solution that involves or may involve impacts on personnel as referred to in the Act on Co-operation. A discussion is required before decision-making.



*Example:*

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

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

## **5. APPROPRIATE CONDUCT OF CO-OPERATION NEGOTIATIONS HELD DUE TO IMPACTS ON PERSONNEL**

Matters discussed in co-operation negotiations include the grounds for the planned measures and the alternatives. If dismissals or layoffs are planned, the grounds for dismissal or layoff referred to in the Employment Contracts Act and alternatives for the planned measures must be discussed.

If workforce reductions are planned, the first item to address in co-operation negotiations is the grounds for dismissal, in other words the reduction in work or deterioration of the economic situation. Matters discussed include the type of work affected, the reasons for reduction, and estimated volume of reduction. To understand the reduction in work in full, information must be provided on issues such as the number of employees recruited, the number of temporary employees, and the duration of employment in various positions, and subcontracting or the use of other types of outside labour.

If the grounds for dismissal are economic reasons, the co-operation negotiations should begin with an explanation of the reasons for the deterioration in the economic situation. Information to be presented to illustrate the changes in the economic situation include up-to-date financial information, or actual sales and cost figures and forecasts of future performance.

After a discussion of the production-related and economic reasons for the planned measures, the next issue to be addressed is the number of employees affected by the decreasing work load or weaker economic situation. At this stage, it is usually relatively clear which employees will be affected by the planned measures. Before dismissals, the possibilities for reassignment and retraining opportunities for each employee must be assessed. This is practically impossible unless those affected by the planned measures are identified.

Assessment of the reassignment opportunities of employees facing dismissal or layoff is a prerequisite for grounds for dismissal, in other words, for negotiations under the Act on Co-operation. The opportunity of offering employees facing dismissal or layoff a vacancy within the company or in a subsidiary in which the company has control over HR matters is to be explored after the grounds for dismissal have been established. Employees facing unemployment must be offered work if vacancies exist within the company that match the employees' particular professional skills.

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

Retraining of employees facing dismissal involves a wider social interest, and it is therefore useful to invite the local Centre for Economic Development, Transport and the Environment and the labour administration to participate in the planning of such training. In several examples, the training has been funded in part with the help of such authorities, which benefits the company. The labour administration also organises similar training in situations where no dismissals are being planned.

After the grounds for the planned measures have been established and the possibilities of re-employing and training the employees likely to be affected have been explored, the parties' views on how the desired outcome could be achieved by alternative methods should be discussed in the co-operation negotiations. In the information technology service sector, there are cases in which economic grounds for redundancy have existed but alternative ways of saving have been suggested by the employer or the employees' representatives. When feasible, these suggestions have led to a smaller number of dismissals after negotiations.

During negotiations, it is advisable to pay attention to the way in which planned measures are communicated to employees. In matters about which the employer's and employees' representatives are unanimous, a tried and tested method of communication is a joint staff notice, prepared by the employer and the shop steward or other employees' representative.

## **6. OTHER OBLIGATIONS OF THE ACT OF CO-OPERATIONS REGARDING PERSONNEL OR TRAINING ISSUES**

The Act on Co-operation requires companies within its scope to prepare an annual personnel and training plan. The Act requires that any such plans be confirmed through the co-operation procedure before the start of a new financial year. Such matters may also be resolved by a co-operation council comprising representatives of the employer and the employees, if the company has such a council.

Once a year, issues that have an apparent impact on the structure, quantity, or quality of the company's personnel should be recorded in the personnel plan. A good personnel plan is a document formulated in open dialogue between the company and its employees, and updated whenever necessary. Employees must be notified of the content of the plan and any changes thereto. A tried and tested method of informing employees of personnel and training plans is for the employer and employees' representative to issue a joint notice.

The training plan, like the personnel plan, must be reviewed in a co-operation procedure at least once a year, before the end of the financial year. General employee training needs arising from the personnel plan and a plan for training implementation should be included in the training plan. The training plan is a good proactive tool, as it helps to address the need for a reduction in employees in advance and to cater for the employer's staffing needs.

The Act on Co-operation requires the employer to give the employees' representatives details of the company's financial position immediately upon the approval of the financial statements. Furthermore, the employer must inform the employee representatives at least twice a year of the future outlook of the company in terms of production, employment situation, profitability, and cost structure. Obligations under law apply to the content and frequency of communication, but the communication methods can be chosen freely.

## 7. INFORMING EMPLOYEES OF PERSONNEL REDUCTIONS

Sometimes, at the beginning of or during negotiations, the employee representatives may suggest that the employer has not, in their opinion, provided them with sufficient information to address the issue under discussion. There is no comprehensive list, or list of minimum requirements, that would be applicable in such situations; each situation is unique. However, the following is a list of the most common questions that arise. The key requirement for the employer is to provide information that will be used as grounds for workforce reductions.

- Which work will be reduced and why,
- What is the estimated volume of reduction,
- When is the reduction expected to occur,
- Fixed-term employment contracts,
- Have any employees recently been recruited for the positions now facing reduction, either just before or during the negotiations,
- Any other information regarding changes in production or the associated workforce reductions.

- Grounds for reorganisation of work, if this represents grounds for termination
- Grounds for cost savings, if these represent grounds for termination
- Financial report for the most recently ended financial year
- Changes in the economic situation between the most recently ended financial year and the start of the negotiations
- Information on how work is to be performed and reorganised if dismissals and layoffs are to be implemented
- Other essential information related to the economic situation

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

### **8.1. Supervisor training**

Co-operation between supervisors and employees is a basic requirement for successful co-operation within the company, which is why supervisory skills and abilities must be maintained and developed. Training, guidance, information, and other support should be provided to supervisors to ensure their ability to correctly handle change situations.

Measures taken to improve these skills as necessary include:

- Change management training (the psychological effects of change, constructive dismissal)
- Increasing basic knowledge of relevant legislation (e.g., the Act on Co-operation)

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

### **8.2. Description of the process**

The co-operation process may be described as follows:

Preparation/Anticipation > Negotiations > Measures

An evaluation of the implementation of each stage can be included in the process as part of the overall management and development of the co-operation

process. Similarly, the outcome of the process can be reported, if feasible (e.g. whether alternatives for dismissals were identified).

### **8.3. Support to employees**

To support employees at all stages of the process, they should be provided with timely and sufficient information. Change management training may be necessary in situations where negotiations seem inevitable but have not been announced yet.

Caring for the company's key personnel / critical resources is also of the utmost importance because a vaguely threatening situation or an unnecessarily prolonged process may lead to key personnel seeking employment elsewhere.

During the process, support can include traditional occupational health services, as well as external and internal coaching for job-seekers and special information for specific target groups.

Support provided by supervisors, personal communication, and discussions are all important.

Shop stewards and other employee representatives may have a key role in supporting and guiding employees facing dismissal. As concerns reassignment and training opportunities, it is recommended that the responsibilities, roles, and tasks of each person within the company are agreed on, described, and properly instructed (employees to be reassigned, the current supervisor, the recruiting supervisor, and HR). Clear rules regarding any assistance the former unit can provide to the new recruiting unit can help to ensure the smooth reassignment of employees.

### **8.4. Management participation in co-operation negotiations**

Experience shows that active management participation in the process is important. Personnel regard this as a positive thing, which is helpful when difficult decisions must be made.

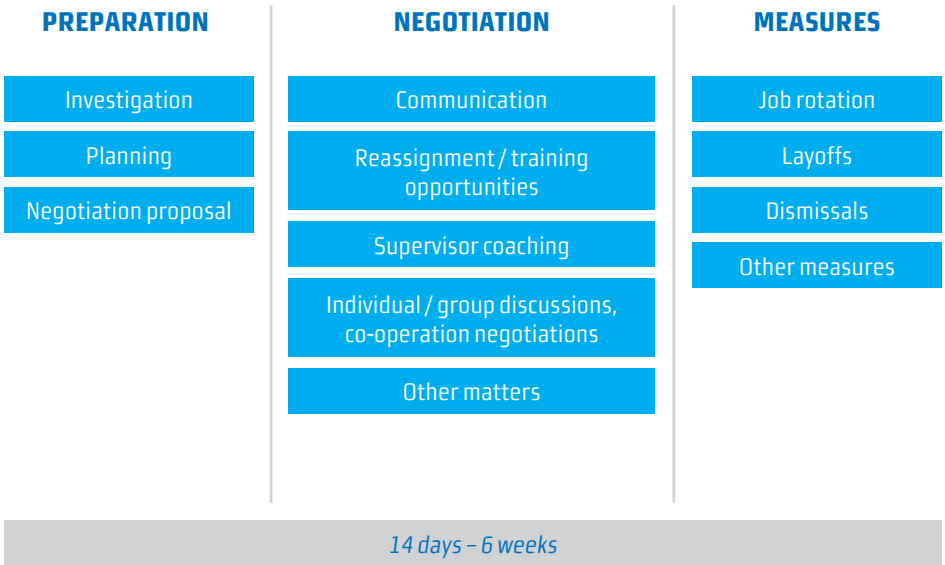
### **8.5. Closing the negotiations**

The company and its employees can agree on the schedule and progress of the negotiation process in general. In some situations, a shorter schedule than the one specified by law may be sufficient. At other times, however, more time may be needed. Careful preparation helps with the execution of a short but intensive process. An extended negotiation process is not good for the company's working atmosphere.

Ideally, the parties should come to an understanding on the grounds for the workforce reductions and the available alternatives during the negotiations.

This is not always possible; sometimes the parties disagree throughout the negotiations. This in itself is not a sign of failed negotiations; the important thing is to ensure that the parties feel all issues were sufficiently addressed.

*CO-OPERATION PROCEDURE*



## APPENDIX 8

### TELECOMMUTING INSTRUCTIONS

#### PURPOSE

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

The unions encourage enterprises to implement modern, productivity-enhancing working-hour schemes. These schemes include working hour 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 with respect to the location of workplaces and homes, and reduce the amount of money and time spent on travelling to and from work.

#### DEFINITION

In this context, telecommuting refers to working outside the actual workplace agreed in the employment contract. For instance, telecommuting can take place at an employee's home, during work or training-related travel, and in other locations as agreed mutually.

Telecommuting shall be undertaken within the framework provided by the applicable legislation, collective agreement and regulations governing enterprises. The workload and objectives of a telecommuting employee shall be the same as for those employees carrying out similar tasks on the employer's premises.

#### TELECOMMUTING AGREEMENT AND TERMS OF EMPLOYMENT

The employee and employer shall conclude a written agreement on telecommuting. The work to be carried out by telecommuting and the terms and duration of telecommuting are to be defined in the agreement. The agreement may be temporary or valid until further notice. The telecommuting agreement includes provisions regarding the grounds on which and subject to what notice period the parties can suspend the telecommuting arrangement. If the telecommuting arrangement is suspended, the employee shall return to his or her regular workplace, unless otherwise agreed.

The unions recommend that measures be taken to prevent the isolation of teleworking employees from the rest of the working community by providing them with a regular opportunity to meet colleagues and with access to communication within the enterprise. Circumstances permitting, the employer shall aim to place telecommuting employees in an equal position with other employees.

The unions recommend that the working hours systems for the telecommuting employees referred to herein be the same as that used for other employees in the enterprise.





**TELECOMMUTING AGREEMENT (Appendix to the employment contract)**

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

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

Employee:	
Frequency of telecommuting:	<p>On average, _____ days per week of work-related telecommuting.</p> <p><input type="checkbox"/> Telecommuting days are the following weekdays _____</p> <p><input type="checkbox"/> Telecommuting days are to be agreed on in advance with the supervisor as follows: _____</p> <p>In addition to the agreement above, the employee is obliged to come to the workplace if required by work arrangements.</p>
Primary telecommuting location	
Work to be performed via telecommuting:	<p><input type="checkbox"/> Tasks specified in the employment contract</p> <p><input type="checkbox"/> The following tasks: _____</p> <p>_____</p> <p><input type="checkbox"/> In addition to the above-mentioned, other tasks assigned by the employer</p>
Duration of telecommuting:	<p><input type="checkbox"/> Until further notice, as from _____</p> <p><input type="checkbox"/> For a fixed term, until _____</p>
Termination of the telecommuting agreement:	<p>The employer and/or employee may, at their discretion, terminate the telecommuting arrangement by providing notice to this effect in writing no later than _____ months in advance (termination period).</p> <p>If the need to terminate the telecommuting agreement is due to the employee’s negligence as concerns telecommuting or compliance with data security instructions, the employer can, for a valid reason, terminate the telecommuting agreement without notice.</p> <p>Notice of termination of the telecommuting agreement does not entail termination of the employment contract. Instead, as the telecommuting agreement ends, the employee will return to work at the company location specified in his or her employment contract.</p>
Working hours:	<p>As a rule, the provisions of the collective agreement applicable to regular working hours shall apply to telecommuting. However, if the employer, in practice, decides on the scheduling of the employee’s working hours and is able to supervise working hours during the day, the provisions of the collective agreement applicable to additional work and overtime shall apply to telecommuting. The employer and employee shall always agree on additional work and overtime in advance and in writing.</p>

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

Date and place:

\_\_\_\_\_  
Employee

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

# EMPLOYMENT CONTRACT

IT Service Sector

1. PARTIES TO THE EMPLOYMENT CONTRACT	Employer	Place of business or domicile
	Employee	Personal identity code
The above-mentioned employee agrees to work for the employer under the employer's management and supervision on the following terms and conditions:		
2. VALIDITY OF THE EMPLOYMENT CONTRACT	Start date of employment	
	The employment contract is valid <input type="checkbox"/> Until further notice <input type="checkbox"/> For a fixed period until                      or approximately until Grounds for a fixed-term contract:	
3. TRIAL PERIOD	Employment valid until further notice is subject to a trial period of                      months from the start date of employment (no more than 6 months), during which either party may cancel this contract without any notice period. If the duration of a fixed-term contract is less than 8 months, the trial period can be no more than ½ of the duration of the contract. Duration of the trial period:                      Last day of the trial period:	
4. WORKING HOURS	The employment is <input type="checkbox"/> full-time <input type="checkbox"/> part-time, with average working hours of                      per week The employee agrees to carry out Sunday work and additional work as necessary, subject to compensation in accordance with legislation and the collective agreement.	
5. DUTIES AND PLACE OF WORK	(Job description or principal duties at the start of employment)	
6. SALARY AND PAY- MENT PERIOD	Salary at the start of employment	Payment period
	Competence classification at the start of employment	Level 1 <input type="checkbox"/> Level 2 <input type="checkbox"/> Level 3 <input type="checkbox"/> Level 3A <input type="checkbox"/>
7. NOTICE PERIOD	<input type="checkbox"/> As per collective agreement <input type="checkbox"/> Other:	
8. COLLECTIVE AGREEMENT	The employment relationship is subject to the collective agreement binding on the employer which, at the beginning of the employment, is the IT Service Sector Collective Agreement.	
9. OTHER TERMS AND CONDITIONS	(Use a separate attachment if necessary)	
10. DATE AND SIGNATURES	This contract has been prepared in two identical copies, one for each party.	
	Place	Date
	Employer's signature	Employee's signature

# ACCUMULATED LEAVE AGREEMENT

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

Parties	Employer's representative					
	Employee					
Background	Start date of employment:				Accumulated leave plan <input type="checkbox"/> Preliminary <input type="checkbox"/> Fixed	
	Annual holiday entitlement      days / year					
		Planned				<b>Actual</b>
	Annual		Holiday bonus		Other agreed days	Total
1st year						
2nd year						
3rd year						
4th year						
5th year						
Actual total						
Accumulated leave will be saved during the years _____ - _____      Total:						
With regard to years with no plan for accumulated leave, the parties must prepare						
<b>Use of accumulated leave:</b> Leave agreed to be taken between _____. The employer keeps separate records of accumulated leave.						
Date and signatures	Place		Date			
Signature of the employer's representative			Employee's signature			

**ALL RIGHTS RESERVED**

