

**FINNISH TEXTILE AND FASHION  
AND  
TRADE UNION PRO**

**COLLECTIVE AGREEMENT**

**FOR  
SALARIED EMPLOYEES IN  
THE TEXTILE AND FASHION  
SECTOR**

**16/02/2020–28/02/2022**

This is an English translation of the original collective agreement made in Finnish. If there is any conflict in meaning between the Finnish language version of this agreement and the English translation of this agreement, the Finnish language version shall prevail. The contracting parties shall not be liable for any damages resulting from any errors in the translation.

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## **SIGNATURE PROTOCOL TO THE COLLECTIVE AGREEMENT SALARIED EMPLOYEES IN THE TEXTILE AND FASHION SECTOR**

Time	30.3.2020	
Place	Finnish Textile and Fashion, Helsinki	
Attendees	Anna-Kaisa Auvinen Tuija Vehviläinen Varpu Laankoski	Jorma Malinen Anssi Vuorio Iris Schiewek Taina Tiilikainen

### **1. The signatures, entry into force and term of the collective agreement**

The Finnish Textile and Fashion and Trade Union Pro have today signed a collective agreement for salaried employees in the textile and fashion sector in accordance with the outcome of the negotiations reached on 16 February 2020.

The new collective agreement replaces the collective agreement approved between the parties for 1 February 2018 – 30 November 2020. This agreement is in force from 16 February 2020 to 28 February 2022, continuing after that one year at a time, unless it has been terminated in writing by either party at least two months before its termination.

### **2. Salary adjustments**

#### **Local negotiations**

The goal of local negotiations is to reach a salary settlement that supports the financial situation, order backlog, employment situation and cost competitiveness of each company or workplace. The purpose of the way salaries are formed is to encourage competence development and operations in a way that enables the productivity and well-being at work in the company to develop in line with the goals set for it.

#### **Preparing for local salary negotiations**

In preparation for the negotiations, the employer calculates the amount of the company or workplace-specific elements as follows: The salary increases for 2020 and 2021 will be calculated based on the total sum of the personal hourly or monthly salaries including fringe benefits paid in March 2020 and March 2021 respectively (earnings excluding separate allowances, e.g. length-of-service allowance and shift work and working condition bonuses).

Implementing guidelines: In March, all hourly or monthly salaries of employees covered by the collective agreement are added together regardless of the quality of the employment relationship (open-ended, fixed-term, part-time). The salaries of employees who are employed at the time of the salary increase but are absent in March due to

illness or annual leave, for example, are included in the calculation. If the absence is due to family leave, study leave or other such longer leave, and an employee has been hired a substitute, only the substitute employee's salary is added to the total sum of salaries.

The total sum of salaries does not include, for example, the following bonuses or allowances: compensation paid to the shop steward and occupational safety and health representative, additional and overtime pay, performance-based elements, length-of-service allowance, shift work and Sunday work bonuses, working condition bonuses, holiday bonus or holiday compensation.

The purpose of the company and workplace-specific elements is to support the incentive nature of salary formation, a fair salary structure and salary scale, improved productivity in the workplace, the implementation of the employer's salary policy and to correct possible salary distortions. The professional skills and performance of salaried employees must be a guiding factor in the distribution of personal salary increases. The principle of company and workplace-specific remuneration is that salary increases are perceived as genuinely rewarding.

### **Information to be submitted to the shop steward for consultations and the contractual procedure**

When negotiating the amount of salary increases, the employer provides the shop steward before negotiations begin with information on the calculated sum total of the personal hourly or monthly salaries of the employees and on the method of calculating the sum total.

When agreeing on a company-specific salary increase, the basis and criteria for the implementation of the increase, for example, is agreed. On the basis of this agreement, the employer decides on which employees the increase will be allocated.

After the increases have been made, the employer, together with the shop steward, analyse within a reasonable period of time the total number of employees, the number of employees who have received a salary increase, the average amount of the increase and the total sum spent on the salary increase for salaried employees divided into the company-specific and general increase.

The information provided in the negotiations is confidential and can only be used for the purpose of allocating the local element.

### **Local salary settlement**

The things to be agreed in the local salary settlement are:

- the manner in which the salary adjustments are to be carried out,
- the timing of the adjustments and
- the amount.

The agreement is made with the shop steward. The agreement will be made for the first year by 15 May 2020 and for the second year by 15 April 2021, unless an extension for the processing period is mutually agreed. The agreement will be made in writing.

## **The implementation and amount of salary adjustments, unless local pay settlement is reached**

### **Year 2020**

In 2020, salaries will be increased by a general increase of 1.3% from the beginning of the salary period beginning on or immediately after 1 June 2020.

### **Year 2021**

In 2021, salaries wages will be increased by a general increase of 1.2% from the beginning of the salary period beginning on or immediately after 1 May 2021. An additional 0.8% company or workplace-specific element will be used for increasing the salaries of salaried employees, to be allocated based on local negotiations. If no agreement can be reached locally on the allocation of the company or workplace-specific elements, the element will be paid as a general increase of 0.2% to all salaried employees covered by the agreement, calculated on the basis of salaries before the increase, and the employer will decide on the 0.6% element. In the distribution of the element factors taken into consideration include the diversity of the employee's skills and their competence or personal qualifications.

The amount of the company or workplace specific element is calculated in the same way as when preparing for local salary negotiations. The shop steward must be provided with an account on the amount of the company and workplace-specific element on the same principles as in local salary negotiations.

### **Calculation of salary increase for salaried employees paid by the hour**

Salaried employees paid by the hour is first converted into a monthly pay, on which the increase will be added. The increased salary is compared with the pay scales in the collective agreement to ensure that the new salary exceeds the pay scale salary by 3%. Finally, the monthly salary is converted to back to hourly pay.

### **Postponing the date of pay adjustments**

If the date of the increase has not been agreed in the local salary settlement, and it is to be postponed, an agreement on this must be made in writing by 31 May 2020 for the 2020 increases and by 30 April 2021 for the 2021 increases.

If an agreement is made to postpone salary adjustments, and agreement must also be made at the same on the compensation for any loss of earnings caused by the change by a corresponding one-off item. The difference must be paid no later than the effective date of the salary increase.

If companies implement salary increases at times different from the salary increase dates under the collective agreement, it may be agreed locally with the shop steward that such items are taken into consideration when implementing the increases based on the collective agreement. In such cases, the salaried employee must be informed that the increase includes an increase based on a collective agreement.

## **Union support**

The unions encourage local parties to actively seek different solutions for implementing salary increases and incentive salary structures under the collective agreement and to encourage settlements that are in the best interest for the company and its personnel.

### **3. Salaries based on the job requirement classification and groups are set out in Section 6 of the collective agreement**

Salaries based on job requirement classification and groups are increased by 1.3 per cent from the beginning of the pay period starting on or immediately after 1 June 2020. Salaries based on job requirement classification and groups are increased by 2.0 per cent from the beginning of the pay period starting on or immediately after 1 May 2021.

Salaries in job-specific job requirement categories A–E under the salary scheme specified in Annex 1a correspond to the salaries for the odd-numbered job requirement categories.

### **4. Remuneration for shop stewards and occupational safety representatives**

On 1 June 2020, the remuneration paid to a shop steward or occupational safety representative will be increased by 3.3 per cent. The amounts of remuneration are recorded under section 3.1 of the cooperation agreement applicable as part of the collective agreement.

### **5. Revision working group**

The unions will set up a working group to clarify the texts of the agreement with the aim of improving the structure and readability of the collective agreement. A plan and a timetable will be drawn up for the working group's activities.

### **6. Salary schemes, salary scheme working group**

The contracting parties state that there are two alternative salary schemes in place in the textile and fashion sectors (Annexes 1a and 1b).

The unions will give training and share information on salary schemes during the term of the collective agreement and advise companies on the introduction of a salary scheme. In addition, the unions will carry out a joint study on the feasibility the salary scheme specified in Appendix 1b and explore the development needs of the system, to be completed by 31 October 2021.

The unions will also establish a salary scheme working group to update the salary scheme specified in Appendix 1a during the term of the collective agreement.

### **7. Use of outsourced workforce**

The employer gives advance notice to the shop steward and, if possible, the occupational safety and health representative of any external workforce performing duties within the company. If advance notice is not possible due to the urgency of the work or any other similar reason, the notice may in exceptional circumstances be given with immediate effect.



Efforts must be made to limit the use of temporary agency workers to managing workload at peak times or for tasks which, for reasons of urgency, limited duration, skills requirements, specialised competence or other similar reasons, cannot be performed by or are not appropriate for the company's own employees.

## **8. Promoting flexible working time schemes**

As part of their efforts to improve productivity, the unions agree to promote the adopting of variable and flexible working hours and working hours accounts in companies.

## **9. Promoting local agreement**

The unions will establish a working group with the task for the term of the collective agreement of promoting and developing local agreement and the negotiating culture within companies. During the term of the collective agreement, the unions will work to secure the conditions and competences for good cooperation and local agreement by, for example, providing joint training. A plan and timetable will be drawn up for the joint project.

The shop steward and the occupational safety and health representative have been given the right to participate in joint training organised by the contracting parties without loss of earnings, as is also the case with trade union training.

## **10. Statistical cooperation**

The parties have agreed on a separate protocol on the submission of statistical data.

## **11. Extending daily working hours to 12 hours**

In the working time system specified in section 8(2) of the collective agreement, the regular weekly and daily working hours in duties governed by the Working Hours Act may be organised on the basis of a local agreement in deviation to the maximum hours specified in the aforementioned section 8(2) paragraph two. In this case, the daily regular working hours may not exceed 12 hours. The averaging period may be no longer than one year.

If the working hours are organised as 12-hour shifts and employee works according to the working time averaging system, their annual leave entitlement is not affected by absences that are due to way working hours are organised.

## **12. Performance and profit-based bonuses**

Performance and profit-based bonuses are company-specific salary supplements. As a rule, they are not paid if the set profit and loss targets are not achieved. The salary supplement paid as a performance bonus may be based, for example, on key figures indicating the level of production at the workplace, the economic performance of the company and the achievement of the set development targets, or a combination of all these indicators.

A salary supplement paid as a profit bonus may be based, for example, on the company's operating margin or the item after that indicating profitability.

The allocation and calculation method of performance and profit-based bonuses and any changes in these methods, which are decided by the company management, are explained to the employees before their application.

### **13. Deletion of a note to the minutes concerning the termination of employment**

As part of the collective agreement, the parties agreed to delete a note the minutes under section 5 regarding the termination of employment.

### **14. Work try-out**

The parties agree on the introduction of work try-outs in textile and fashion industry companies for the duration of the term of the collective agreement. The work try-out provides an opportunity for those entering the textile and fashion industry for the first time to learn about the industry while working. In order to make work-out contracts, the company must agree with the shop steward that work try-out contracts are acceptable. A work try-out may be agreed for a maximum of nine months and the salary of the employee may not be more than 25% lower than the salary in force for the corresponding salary group. The parties will monitor and report on the outcomes of work try-outs at the end of the term of the collective agreement.

### **15. The Tutustu työelämään ja tienaa [Introduction to working life while earning] summer internship programme**

The Finnish Textile and Fashion and Trade Union Pro have mutually agreed on a summer internship programme for the textile and fashion sector known as the Tutustu työelämään ja tienaa [Introduction to working life while earning] summer internship programme (Annex 7) for 2020–2021.

### **16. Internships and summer employees in the textile and fashion sector**

The Finnish Textile and Fashion and Trade Union Pro have agreed on the principles of hiring interns and summer employees in the textile and fashion sectors in 2020–2022 (Annex 8).

### **17. 'Working hours averaging system' becomes 'Working hours averaging scheme'**

It has been agreed that, for the purpose of the provisions of this collective agreement, the term 'working hours averaging system' is changed into 'working hours averaging scheme'.

### **18. Remote work guidance**

The unions have agreed on common guidance on remote working (Annex 9).

### **19. Common guidance on inappropriate treatment and harassment situations**

The unions will establish a working group to produce guidance on inappropriate treatment and harassment situations, to be completed by 31 December 2020.

The issues addressed in the guidance include

- the characteristics of inappropriate treatment and harassment
- the responsibilities of the parties in the prevention inappropriate treatment and harassment
- processes for resolving situations
- the relevant legislation.

## **20. Mid-week public holiday compensation for hourly paid employees**

The unions will establish a working group that during the term of the collective agreement will examine the provisions concerning hourly paid and part-time employees in the textile and fashion sector and, where appropriate, propose clarifications to these provisions.

## **21. Promoting well-being at work and reducing sickness absence**

The parties stress the importance of well-being at work and the importance of promoting it as part of the efforts to improve the productivity and competitiveness of companies. The parties state that predictive and proactive measures taken at the workplace to improve well-being at work can have a significant impact on sickness absences. The unions will continue their joint "Ovi hyvään työpäivään" [Ways to a Good Day at Work] well-being at work project. The unions encourage and support workplaces in implementing well-being at work projects.

As part of the promotion of well-being at work, the parties recommend that workplace communities participate in training for the Well-being at Work Card.

## **22. Assessment of hazards and risks caused by work**

The assessment of hazards and risks caused by work are governed by the Occupational Safety and Health Act. According to the law, the employer must, taking the nature of the work and activities into account, systematically and adequately analyse and identify the hazards and risk factors caused by the work, the facilities, other aspects of the working environment and the working conditions and, if the hazards and risk factors cannot be eliminated, assess their consequences to the employees' safety and health, taking into consideration the age and other personal factors of the employee. The expertise of the occupational healthcare providers is used to eliminate hazards and risks as necessary.

The unions state that working hours have been added to the Occupational Safety and Health Act as one of the factors causing hazards and risks which the employer must investigate and assess. These investigations and assessments must also take into consideration the workload caused by working hours, overtime and travel.

## **23. Equality and non-discrimination**

The unions are drawing attention to the provision of the Act on Equality between Women and Men, which states that in companies of at least 30 employees, the employer and the personnel shall together prepare a gender equality plan including a salary survey. The plan is updated annually, unless otherwise agreed locally.

In addition to the promotion of gender equality, the parties emphasise the importance of non-discrimination in the workplace. According to the law, an employer who regularly employs at least 30 people must have a plan for measures to promote non-discrimination in the workplace. The non-discrimination plan can be drawn up separately or as part of another plan, such as a human resource plan, gender equality plan, training plan or

occupational safety and health action plan. Where necessary, the parties will provide guidance and training.

## **24. Human resource and training plans**

The parties consider it important that attention is paid to maintaining employee's competence and training level. The development and implementation of a training plan based on future needs for change will promote innovation, extended careers and the employability of the employees.

The unions consider it important that in order to develop and maintain the competences of employees, each employee's individual training needs and the content and timing of such training is discussed as part of the employees' personal performance discussions or similar appraisals.

## **25. Training working group**

The Finnish Textile and Fashion and Trade Union PRO have agreed on an inter-union working group on training that approves the annual trade union training schedule, joint training events and the amount of the meal allowance provided.

## **26. Continuous negotiation procedure**

The aim of the continuous negotiations is to promote cooperation in the workplace, to improve employment and productivity in the sector, to prepare changes to collective agreements during the term of the collective agreement and to draw up common guidelines for challenging situations in the workplace. A separate plan is drawn up annually for the continuous negotiations setting out the objectives and timetable for the negotiations.

As part of the continuous negotiation procedure, the unions may also discuss financial stabilisation of an individual company in a crisis situation, if the company has been unable to resolve the situation locally.

The parties state that the provisions in section 31 of the Collective Agreement for Salaried Employees in the Textile and Fashion Sector allow local parties to make wider use of local agreement than what has been specifically mentioned in the collective agreement. This section of the collective agreement also makes it possible to make exceptions to the provisions of the collective agreement if the employer is in financial difficulties.

## **27. Parallel agreements**

The parties agree to ensure that no parallel agreements are concluded within the scope of this collective agreement.

Helsinki, 30 March 2020

FINNISH TEXTILE AND FASHION

TRADE UNION PRO

# COLLECTIVE AGREEMENT FOR SALARIED EMPLOYEES IN THE TEXTILE AND FASHION SECTOR

## Section 1 Scope

The provisions of this collective agreement apply to textile and fashion companies that are members of the Finnish Textile and Fashion and all their employees.

The scope of the collective agreement is job-specific, meaning that the nature of the employment relationship, the educational background of an employee, an employee's job title, the manner of salary payment and the salary basis have no decisive significance in the application of the agreement.

The scope of the agreement covers employees' duties related to production, research and development, analytical services, quality assurance, planning, logistics, financial and human resources administration, sales, marketing, tasks at specialised stores selling their own products and/or services, information technology, data processing, warehouse operations, transport, exports and imports, among other things.

This agreement is not applied to persons who belong to the management of the company or who represent the employer when determining the salary and terms of employment of salaried employees. Persons in independent positions of responsibility and who bear extensive administrative, financial or operational responsibilities in the entire or a substantial part of the company also fall outside the scope of this agreement. This agreement is not applicable to persons in non-salaried positions.

Persons who primarily work on commission are subject to the provisions of this Agreement as applicable.

## Section 2 General obligations of the employer and the salaried employee

Salaried employees must promote and safeguard the employer's interests as required from employees in their position.

The employer must maintain confidence in the salaried employee and, where possible, support the efforts of individual salaried employees to improve their vocational skills. The employer must inform the salaried employee of any changes in their position as early as possible and support the salaried employee when they act as the employer's representative. Decisions concerning the salaried employee's subordinates must be communicated to the salaried employee no later than at the same time as they are communicated to the subordinates.

The salaried employee must be familiarised with their duties and any changes to these duties. A new salaried employee must also be familiarised with the company and its operating principles, as well as its human resources policy and possible code of conduct. The same applies to salaried employees returning from a longer family leave to the extent that is necessary.

A new salaried employee is introduced to the applicable collective agreement and its negotiation system as well as the representatives of salaried employees.

## **Application instructions**

### ***The principle of compensation for managerial duties***

The parties stress the responsibility involved in a supervisory position and note that managerial and supervisory duties add to the demands of the position. The company's remuneration policy for supervisors and employees must be continuously monitored so that supervisors' salaries always exceed the salaries of their subordinates.

Systematic attention must be paid to the salaries of salaried employees in supervisory positions, and the implementation of the above principle in the salary policy of the company must be closely monitored. It is also important that the shop steward/liaison person and the supervisors are aware of the company's salary policy and its implementation.

The signatory unions will monitor the development during the term of the collective agreement and provide the necessary guidance on the issues to be considered when implementing the principle of compensation for managerial duties and on the ways this can be verified in the company. In applying the above principle in a company, earnings and salary comparisons between supervisors and employees must be based on comparable data.

## **Section 3 Employment relationship**

### **1. Right of direction**

The employer has the right to manage and coordinate work and to recruit and dismiss salaried employees.

### **2. Changing the terms of employment**

The terms of employment may be changed by mutual agreement between both parties. If no agreement is reached, the changes may be implemented if grounds for dismissal exist and the period of notice is observed. In other words, the procedure is the same as when terminating the employment contract.

A salaried employee may be transferred to another position while retaining their salaried employee status. If this means a reduction in benefits, the grounds for dismissal must be present as above and the period of notice provided for in section 5 must be honoured.

#### **Note to the minutes 1:**

If a change in the position of a salaried employee governed by of this collective agreement is changed so that employee's staff group changes, the shop steward must be notified of the change.

#### **Note to the minutes 2:**

The unions emphasise the accurate and consistent interpretation of the provision regarding the scope of the collective agreement with current and new salaried employees. Any dispute over the scope of the agreement in the workplace shall be processed by means of an expedited negotiation procedure between the unions.

At the request of either party, interpretations of the scope of the collective agreement will be decided by a special mediation body with one representative appointed by Trade Union Pro and one representative appointed by the Finnish Textile and Fashion and a chairman elected by the parties. The decision of the body is binding on the parties. The unions inform their members of the decisions made by the board.

## **Section 4 Extra duties allowance and job orientation bonus**

The unions recommend that the extra duties allowance and the job orientation bonus be agreed locally.

### **1. Extra duties allowance**

When a salaried employee, with the exception of interns, temporarily performs the duties of another employee in addition to their own duties, they are paid a separate extra duties allowance of 14–35% of their personal salary in proportion to the added workload. An allowance of similar amount is paid to a salaried employee for the period they serve as a replacement for another employee with more demanding duties.

Compensation and other questions related to working conditions must be clarified before the start of the substitution.

#### **Application instructions**

When a salaried employee temporarily performs the duties of another person in addition to their own duties or performs more demanding duties as a replacement, they are paid a separate extra duties allowance in addition to their own salary. Compensation and other questions related to working conditions must be clarified before the start of the substitution.

The provision does not apply to:

- annual leave replacements of less than 2 weeks
- short-term sick leaves ("flu")
- situations where another person's duties are performed during their absence on the grounds of a training course or similar reason.

#### **Local conditions**

The above time-restricted rule is not always feasible in the context of local conditions. Therefore, when determining the extra duties allowance, it may be justified in some cases to consider the substantial increase in the workload of the salaried employee with respect to the added responsibility of the duties. If the replacement duties are divided between more than one person or otherwise increase the agreed workload of the salaried employee only to a limited extent, the extra duties allowance need not be paid.

### **2. Job orientation bonus**

Job orientation is systematic training in which a new employee is introduced to the workplace and their duties according to an approved plan prepared in advance and instructed on the risks involved in their work and the working environment and the prevention of these risks.

An employee appointed by the employer to introduce and guide a new employee into their working environment and duties must be paid a separate additional bonus of 10% of their personal salary for the period used for the introduction and guidance unless introduction and guidance duties have been otherwise been taken into account in their remuneration.

**Note to the minutes:**

The orientation and guidance of non-salaried workers and summer employees are part of salaried employees' normal duties and do not entitle salaried employees to a separate bonus or allowance.

## Section 5 Termination of employment

1. Unless otherwise agreed at the time of dismissal, the notice periods to be observed by the employer are as follows:

<b>The employment has continued without interruption</b>	<b>Period of notice</b>
– up to one year	14 days
– over one year but no more than 4 years	1 month
– over 4 years but no more than 8 years	2 months
– over 8 years but no more than 12 years	4 months
– over 12 years	6 months

2. Unless otherwise agreed at the time of handing the notice of termination, the notice periods to be observed by the employee are as follows:

<b>The employment has continued without interruption</b>	<b>Period of notice</b>
– up to 5 years	14 days
– over 5 years	1 month

3. The notice periods mentioned above are not applicable during the probationary period.
4. During the summer holiday season (2 May – 30 September), the employer or salaried employee may, if they so wish, include the outstanding annual leave accrued during the previous holiday credit year in their notice period.

### 5. Re-employment leave

After being dismissed by their employer on the basis of Chapter 7 section 3 of the Employment Contracts Act and in addition to what is provided in Chapter 7 section 12 of the same act, an employee is entitled to a re-employment leave of a maximum of five (5) working days to attend labour market training for adults, traineeships and on-the-job learning. In order to receive the additional re-employment leave as referred to above, the employer must be presented with a re-employment programme drawn up with the employment services, including labour market training for adults, traineeships or on-the-job learning entitling to additional re-employment leave.



## Section 6 Salary

The salary of a salaried employee is one month's salary determined on the basis of the alternative salary schemes annexed to this collective agreement as Annexes 1a and 1b. It is also possible to agree locally on the use of another salary scheme in which, for example, the various employee groups in a company are subject to another, common salary scheme.

For the purposes of this agreement, "monthly salary" refers to the salaried employee's total personal salary paid in money and fringe benefits, excluding shift work bonuses and Sunday work bonuses. When applying the pay scheme described in Annex 1a, the salaried employee's length-of-service allowance is considered as part of the individual monthly salary if it paid per each salary period by agreement.

For the purposes of this agreement, the cash value of fringe benefits is based on their fair value. If a fair value cannot be established, the taxable value is used instead. The Finnish Tax Administration annually confirms the grounds for determining the monetary value of fringe benefits for tax purposes.

The salaries are paid on fixed paydays announced in advance.

### Salary tables

Salaries based on the job requirement classification set out in the salary scheme 1a from the beginning of the pay period beginning on or after 1 June 2020

Job requirement classification	Score	€/month
1	265–294	1719
2	295–319	1802
3	320–344	1901
4	345–369	2012
5	370–394	2130
6	395–419	2264
7	420–444	2427
8	445–469	2607
9	470–494	2841
10	495 -	3126

Salaries based on the job requirement classification set out in the salary scheme 1a from the beginning of the pay period beginning on or after 1 May 2021

Job requirement classification	Score	€/month
1	265–294	1753
2	295–319	1838
3	320–344	1939
4	345–369	2052
5	370–394	2173
6	395–419	2309
7	420–444	2476
8	445–469	2659
9	470–494	2898
10	495 -	3189

Salaries based on the job-specific job requirement classification set out in the salary scheme 1b from the beginning of the pay period beginning on or after 1 June 2020

Job requirement classification	€/month
A	1719
B	1901
C	2130
D	2427
E	2841

Salaries based on the job-specific job requirement classification set out in the salary scheme 1b from the beginning of the pay period beginning on or after 1 May 2021

Job requirement classification	€/month
A	1753
B	1939
C	2173
D	2476
E	2898

## Internship and summer holiday cover salaries

The salary of a salaried employee may not be lower than the salary confirmed for the job requirement category by more than 25%:

- in the case of compulsory training leading to a degree, for a period of no longer than six months
- for a summer employee between 1 May and 30 September

Summer employees refer to school students or persons under the age of 25 studying in educational institutions in sectors other than the textile and fashion sector.

## Section 7 Regular working hours and organisation of working hours

### 1. Regular working hours

- a) Regular working hours may not exceed 8 hours per day and 40 hours per week if the salaried employee works in a production department or a workplace where a daily working time of 8 hours and a weekly working time of 40 hours has been observed on a continuous basis.
- b) In other cases, regular working hours are 7.5 hours per day and 37.5 hours per week at most.
- c) In accordance with the negotiation protocol laid down in the collective agreement, it is possible to agree locally on moving from a 37.5-hour working week to a 40-hour work week. The agreement must be concluded by the end of the previous year. The agreement can be terminated annually with two months' notice so that the agreement expires at the end of the calendar year. The agreement may be concluded in accordance with the following options A or B:

Option A:

- 1 When moving to a 40-hour working week, the monthly salary of a salaried employee will be increased by 2.7 per cent. When a salaried employee moves back to a 37.5-hour working week, their monthly salary is reduced by 2.6 per cent.
- 2 After the moving to the 40-hour working time system, the reduction agreement for working hours applicable to the 40-hour working week is observed.

Option B:

- 1 After the salaried employee has completed 170 regular 8-hour working days, they are entitled to 100 hours off.
- 2 The leave is granted in compliance with the principles of the agreement to reduce working hours applicable to a 40-hour working week. For the purposes of calculating the days referred to in section B.1., what is provided in the relevant agreement on the reduction of working hours on days counted as working days applies. Days counted as working days are also determined in accordance with the above-mentioned agreement.

- 3 The leave referred to in section B.1 above is reduced by annual leave exceeding 30 ordinary weekdays and all other public holidays otherwise shortening annual working hours, except religious holidays, Midsummer Eve, Independence Day, Christmas Eve, New Year's Day, May Day and Saturdays following Christmas and Easter.
- 4 A period covered by a 37.5-hour working week may not be divided into more than two parts, unless otherwise agreed.
- 5 The working hours scheme is drawn up for one year in advance, unless otherwise agreed.
- 6 If the employee has not had time to work 170 regular 8-hour working days by the end of the employment relationship or the 40-hour working week period has been cut off for any other reason before the said earnings have been fulfilled, the employee is granted compensatory time off corresponding to the daily working time exceeding 7.5 hours in accordance with the working hours scheme or they are paid salary increased by 50%. Even in this case, the proportional reduction referred to in paragraph B.1.above is taken into consideration.
- 7 The averaging period for the maximum working time in accordance with section 18 of the Working Hours Act may be 12 months.

## **2. Reduction of working hours**

The provisions on the reduction of working hours for single or two-shift work are set out in Annex 2.

It may be locally agreed to exchange leave granted for the reduction of working hours for flexibility leave. For flexibility leave, Section 27 of the Annual Holidays Act will be observed, the date of the flexibility leave is subject to mutual agreement. No holiday bonus is paid for flexibility leave.

## **3. Working times**

The working week begins from the beginning of Monday and the working day begins on the same hour as the working week begins, unless otherwise agreed locally.

## **4. Flexitime and staggered working hours**

When planning the introduction of a different working time arrangement, it is also appropriate to explore the possibilities for introducing flexitime. Flexitime and staggered working hours may be introduced based on local agreement.

The daily flexible time of up to four hours and the maximum hour balance of up to 80 hours may be agreed locally.

The cut-off period for the maximum flexitime hour balance may be one calendar year. Instead of a calendar year, the cut-off period may also be some other 12-month period if locally so agreed.

## 5. Flexible working hours

When agreeing on flexible working hours, it is considered that working hours performed under the flexible hour arrangement are averaged to the annual working hours specific to the working time system provided in the collective agreement. The averaging period for flexible working hours is 26 weeks. No time-based compensation is paid under the flexible working hour arrangements provided that the salaried employee is allowed to decide on the organisation of working time and the place of work. The agreement on flexible working hours is made in writing between the employer and the salaried employee.

## Section 8 Average regular working hours

### 1. The averaging of regular working time based on the right of direction

Weekly regular working hours may be organised as day shifts and as two-shift work so that the average weekly working hours are 40 hours per week over a period of no more than 12 weeks, provided that a scheduled working time averaging system has been drawn up for at least the period in which the weekly regular working hours are adjusted to said average. Regular working hours may not exceed 9 hours per day or 48 hours per week.

Regular weekly working hours may be organised based on the average in the interrupted and uninterrupted three-shift system and continuous shift work, so that the hours are averaged out over a period of up to one year in accordance with a regular weekly working time.

In both shift and day work, the averaging period should include two days off per week on average.

### 2. The averaging of regular working time based on an agreement

(a) Local agreement may also be used to organise working hours in such a way that, on average, the hours make up the daily and weekly working time as provided for in the collective agreement. The averaging period may be no longer than one year. In addition to weekly rest, the averaging of working hours into the required hours can also take place by granting whole days off.

Regular daily working hours may be extended to a maximum of 12 hours. The maximum regular weekly working time is 50 hours. If work is carried out on more than five days a week, the maximum regular weekly working time is 48 hours.

(b) If the employment relationship in this working time system ends in the middle of an averaging period, it is calculated how much longer the working time based on average working hours per week is compared to agreement-based regular working hours and compensation corresponding to the salary for regular working hours is paid for the hours exceeding the regular working hours. Similarly, if the average working time per week is shorter than the regular working time based on an agreement, the employer is entitled to deduct the corresponding amount from the salaried employee's salary. The same principles are also observed when salary payments have been interrupted during the averaging period and working hours are not averaged out by the end of the averaging period.

(c) The working hours scheme shall be drawn up for at least three weeks at a time. It must indicate the start and end time of work.

### **3. Average regular working hours**

Due to a sudden and unforeseeable or exceptional production-related situation, the employer may temporarily, at a three days' notice, extend the daily regular working hours of non-shift employees to a maximum of 10 hours and the weekly working hours to a maximum of 50 hours. The payment of wages remains in line with regular working hours both when working extended working hours and when working hours are averaged, excluding hours worked on mid-week public holidays or Sundays, for which compensation is paid in accordance with actual employment and collective bargaining regulations. Locally, working hours can be changed without a notice period.

Individual salaried employees may be required to work 10-hour days for a maximum of six working weeks per calendar year and for no more than two consecutive working weeks.

Salaried employees have the right to refuse changes in working times under this collective agreement provision on a case-by-case basis for material and weighty personal reasons.

Working hours must be averaged out to an average of 40 hours per week within 52 calendar weeks. The employer draws up a preliminary averaging plan and the parties agree on the date for leave within 4 calendar weeks of the completion of the hours. If no agreement can be reached on the date of the leave, the salaried employee is entitled to average their working hours into an average of 40 hours per week subject to three weeks' notice by taking time off primarily as full days. However, the salaried employee may not take time off as notified in the case of serious disruptions in the production of the company or during weeks for which the employer has notified the employee of the need to work extended working time in accordance with this collective agreement provision.

If the leave referred to in this collective agreement provision has not been taken within 52 calendar weeks, the employer will compensate that have not been averaged out with an increase of 50% in the next salary payment.

## **Section 9 Working hours account**

The working hours accounting system is a company or workplace-specific arrangement under which working time and free time can be reconciled by saving and borrowing and combining different elements on a long-term basis.

All time and other restrictions governing the items included in the working hours accounting system are superseded by the working hours account agreement, unless otherwise agreed.

### **Introducing the working hours accounting system**

The working hours account agreement is made in writing between the employer and the employee representative. The following may be agreed in the agreement on the implementation of the working hours accounting system:

- which of the employees are included in the arrangement
- which elements are included in the arrangement

- the maximum regular daily and weekly working hours
- the maximum negative or positive working hour balance, within which working hours may vary over a longer period of time
- the conditions under which leave can be saved and when and in what circumstances leave may be taken
- option for older employees to convert cash benefits into compensatory time off
- how monetary compensation can be converted into compensatory time off
- the principles and the circumstances for converting leave into pay
- the impact of incapacity to work on taking time off accumulated on the working hours account
- procedures when employment is terminated
- how the feasibility of the working hours accounting system is assessed by the employer and the employee representative.

### **Taking time off accumulated in the working hours account**

In principle, the date of one or several full days off is agreed between the employer and the employee. If no agreement can be reached on the dates, the salaried employee is entitled to use up to 25% of the accumulated hours with two months' notice, unless otherwise agreed locally. The employer may postpone the leave for a weighty production-related or organisational reason once a year, unless otherwise agreed.

Time off based on hours accumulated in the working hours account is counted as workdays for the purpose of calculating the annual holiday entitlement.

### **Use of the working hours account**

The savings and borrowing limits of the working hours account can be agreed freely. However, when agreeing on an averaging period that is longer than one year, the average regular weekly working hours may not exceed what is provided in the Working Hours Act. The feasibility of the working hours accounting system should be regularly reviewed as agreed with the shop steward/salaried employees, considering productivity and well-being aspects.

### **Termination of employment**

Any balance in the working hours account are averaged before the employment is terminated. However, if, at the end of the employment, the working hours account shows an hour or cash balance, these will be paid out in connection with the final salary in a locally agreed manner. Outstanding hour and cash balances are deducted from final salary.

The notice period for terminating the working hours account agreement is 3 months, unless otherwise agreed locally. The averaging of hour balances takes place within the notice period. If the hour or cash balances have not been averaged during the notice period, they are paid out or deducted as usual at the end of the employment unless otherwise agreed locally.

## **Section 10 Working hours scheme**

A system of hours worked (working hours scheme) must be established at the workplace if possible, regarding the nature of work. The working hours scheme include the start and

end time of the daily regular working hours, the duration and timing of the meal break and the weekly days off.

Permanent changes to the working hours scheme must be notified to the salaried employees concerned and to the shop steward/liason person as early as possible and no later than two weeks before the change takes effect. If the change concerns more than one employee or a significant part of the staff, the change must be negotiated with the shop steward/liason person in advance.

Temporary exceptions to the working hours scheme are notified to the salaried employees concerned as early as possible and no later than on the third day before the change takes effect, except in the case of emergency work. If the change concerns a department or similar functional unit, the shop steward/liason person must also be notified.

Exceptions to the above periods of notice may be made based on local agreement.

## **Section 11 Additional work**

### **1. The concept of additional work**

Additional work refers to work carried out with the consent of a salaried employee beyond the agreed working hours without exceeding the maximum regular working hours provided for in section 7(1)a and section 8.

This means that, with the exemption of an absence, additional work is only possible for salaried employees whose agreed regular working hours are less than 40 hours per week.

### **2. Forms of additional work**

Additional work can take place as follows:

- (a) Additional daily work, usually only 0.5 hours per day.
- (b) On a day off
  - normally no more than 2.5 hours if no additional work has been carried out during the week or
  - up to 40 hours per week if the salaried employee has been absent from work during the week.

In cases where average weekly working hours are applied, additional work is the work performed in addition to the regular agreed weekly working hours, which, on average, is less than 40 hours per week over the whole reference period.

Where reference period for the working hours scheme is so long that it exceeds the framework of one salary period, the additional work may be calculated on a weekly basis, using as a reference the regular weekly working hours confirmed in the working hours scheme for the week concerned.



### 3. Salary paid for additional work

Salary for additional work is paid according to the number of hours worked without salary increase unless an agreement has been made of compensating additional work with compensatory time off. The basic hourly salary for additional work is calculated in the same way as when calculating overtime compensation.

However, salaried employees whose regular working hours are 7.5 hours per day and 37.5 hours per week are paid compensation for additional work exceeding their daily or weekly working hours under the working hours scheme, as agreed for daily or weekly overtime. Additional work is not regarded as overtime.

Locally, it may be agreed to exchange additional work for flexibility leave. For flexibility leave, Section 27 of the Annual Holidays Act will be observed, the date of the flexibility leave is subject to mutual agreement. No holiday bonus is paid for flexibility leave.

## Section 12 Holidays

The second day off per week may be:

- a fixed day of the week, which is Saturday or, when this is not possible, Monday, or
- a changing day of the week if work is carried out at least six days a week.

If the average weekly working hours are observed, the days off are scheduled so that there is a sufficient number of days off in the period to allow for the working hours during the period to be averaged out.

If the days off cannot be anticipated, granting compensatory time off is subject to at least one week's notice in advance.

## Section 13 Weeks with a mid-week public holiday

1. On a week with a mid-week public holiday, the regular working hours on the eve of the public holiday and Saturday are the same as on other weekdays.

2. However, the following days are holidays:

- Saturday in the New Year's Day week
- Saturday of the Epiphany week,
- Easter Saturday,
- Saturday after Easter,
- Saturday in the May Day week,
- Saturday in the Ascension Day week,
- Midsummer Eve
- Saturday in the Independence Day week,
- Christmas Eve,
- Saturday after Christmas.

If working on the above holidays is required for production-related reasons, the loss of a day off is compensated by days off granted during regular working hours or by cash

compensation calculated as weekly overtime, unless compensation for shutdown is also paid for the same period. Questions concerning compensation should be clarified in advance.

## Section 14 Overtime

### 1. The concept of overtime

Overtime means work performed in addition to the maximum regular working hours laid down by the law.

In cases where average working hours are applied, overtime means work performed in addition to regular working hours under the working hours scheme, but not if the average working hours are less than 8 hours a day and 40 hours per week.

If a salaried employee moves from one working time system or from one shift to another, weekly overtime refers to work that exceeds 40 hours per week without exceeding the regular daily working hours.

When a salaried employee has been unable to work hours corresponding to the regular working time due to annual leave, illness, accident, travel required by the employer, lay-off for economic and production-related reasons, leave granted for the annual reduction of the weekly 40-hour working time, or participation in vocational training or cooperation training arranged by the employer or referred to in the inter-confederation agreement on training and education, and the salaried employee is required to work on a day that has been scheduled as a day off in the working hours scheme, any work performed on this day shall be compensated for as agreed for weekly overtime.

For the purposes of calculating compensation for additional work and overtime, if the work performed by a salaried employee continues into the next day or next working day, the work is regarded as work performed on the previous day up to the time when the employee's regular shift normally begins. In this case, these hours are considered in the calculation of the regular working hours of the latter day.

### Overtime and the reference period for working hours

The reference period for the maximum working hours and overtime is 12 months.

Note to the minutes: The unions consider it important that occupational health and safety aspects are considered in working hours, that amount of overtime and workload remain reasonable for each individual and that overtime is evenly distributed.

### 2. Overtime compensation

For the first two hours of daily overtime, a salary increase of 50 per cent and for the following hours of daily overtime a salary increase of 100 per cent is paid. For the first 8 hours of weekly overtime, a salary increase of 50 per cent and for the following hours of weekly overtime a salary increase of 100 per cent is paid.

A salary increased by 100 per cent is paid for each hour of daily overtime performed on a Saturday and the eve of a public holiday.

On Easter Saturday, Midsummer Eve and Christmas Eve, a salary increase of 100 per cent is paid each hour of weekly overtime.

An overtime bonus or the entire salary for overtime may be paid as a fixed monthly compensation or as compensatory time off if so agreed with the salaried employee concerned. Compensatory time off shall be granted and taken within six months from the overtime.

It may be agreed locally that the overtime bonus or the entire salary for the overtime is exchanged for flexibility leave. For flexibility leave, Section 27 of the Annual Holidays Act will be observed, the date of the flexibility leave is subject to mutual agreement. No holiday bonus is paid for flexibility leave.

### 3. Overtime factors and basic salary

When calculating the increased pay for overtime, the basic salary is calculated by dividing the monthly salary, including fringe benefits, by 159 for regular working hours of 40 hours per week and by 157 for regular working hours of 37.5 hours per week. If the regular working hours are other than those above, the divider to be used is the average monthly number of hours actually used for performing regular work, calculated as above.

When calculating the basic salary, the monetary value of any fringe benefits, commissions and production bonuses, as well as the extra duties allowance, but not the shift work bonuses, the compensation for regular Sunday work or temporary exceptional allowances such as overtime, Sunday and additional work allowances, must be taken into account in addition to the monthly salary.

### 4. Meal options

In the event that a salaried employee stays in the workplace to work overtime for at least two hours after the end of their regular working hours, it is considered reasonable to allow the employee an opportunity to take a meal break or to eat whilst working.

### 5. Working hours on certain weeks with a mid-week public holiday

In 2020		
Week number	Week	Workdays
14	Easter week	4
14	Week after Easter	4
18	May Day week	4
19	Ascension Day week	4
25	Midsummer week	4
49	Independence Day week	5
52	Christmas week	3
<b>53</b>	New Year's Day week	4

In 2021		
Week number	Week	Workdays
1	Epiphany Day week	4
16	Easter week	4
17	Week after Easter	4
18	May Day week	5
22	Ascension Day week	4
25	Midsummer week	4
49	Independence Day week	4
51	Christmas week	4
52	New Year's Day week	

In 2022		
Week number	Week	Workdays
1	Epiphany Day week	4

For a salaried employee who has worked more hours than required on a week with a mid-week public holiday, the hours exceeding the requirement are compensated for as agreed for weekly overtime unless it must be compensated for as daily overtime. However, this rule does not apply to uninterrupted shift work where a different system for averaging working hours is applied.

## 6. Preparation and completion work

If preparation and completion work results in daily overtime, due compensation for overtime must be paid. Therefore, it is necessary to clarify locally which tasks involve preparation and completion work. At the same time, it is also important to clarify how the work in each case will be compensated for.

## 7. Example of overtime calculation

Mon	Tue	Wed	Thu	Fri	Sat	Sun
8	8	8	10	8	1,5	10

all working hours performed during the week are added up 53.5 hours

the total number of daily overtime hours are deducted from the previous (Thu and Sun) 4.0 hours  
49.5 hours

from the remainder, the regular working hours under the working hours scheme are deducted 40.0 hours  
9.5 hours

An increased salary of 50 per cent is paid for daily overtime (Thursday). However, if 8 hours of weekly overtime has already been accumulated, an increase of 100 per cent for

the daily overtime performed is paid. In this case, salary increased by 100% is paid for the last two hours on the Sunday.

For the first eight hours of weekly overtime, a salary increased by 50 per cent is paid after which the salary is increased by 100 per cent. In this case, for the hours on the Saturday and the first 6.5 hours on the Sunday, a salary increased by 50 per cent and for the next 1.5 hours on the Sunday by 100 per cent is paid. The above applies to work governed by the Working Hours Act. In addition to other salary, a basic salary for all 10 hours is paid for work performed on Sundays as a Sunday work bonus.

In addition, a weekly rest must be granted, or a weekly rest compensation must be paid in accordance with regulations explained in section 20 below.

For the compensation for additional work, see Section 11 of the agreement. For working hours during weekdays with mid-week public holidays, see Section 13. For overtime on public holiday eves, see paragraph 2 of this section.

## Section 15 Part-time salary

For the purpose of calculating part-time salary, the hourly salary is obtained by dividing the monthly salary by the number of regular hours worked under the working hours scheme in the month concerned. The concept of monthly salary is the same here as in section 14. Absence may also be compensated by a corresponding number of hours worked.

### Application instructions

Part-time salary is paid, for example, when the employment relationship starts or ends at a time other than the beginning or end of the pay period, or when the employee has been absent from work and the employer is not obliged to pay wages for the period of absence.

If absence is not compensated for by the corresponding number of hours worked, the following procedure applies:

absence date/hour

- the regular working days/hours under the working hours scheme included in the month are added
- monthly salary divided by the number of working days/hours = salary per day/hour of absence
- the salary per day/hour of absence is deducted from the monthly salary = part-time salary

The salary per day or hour of absence varies from month to month depending on the number working days or hours included in the month:

<b>MONTHLY WORKING HOURS IN 2020</b>			
	word days	37.5 h	40.0 h
February	20	150,0	160
March	22	165,0	176
April	20	150,0	160
May	19	142,0	152
June	21	157,5	168
July	23	172,0	184
August	21	157,5	168
September	22	165,0	176
October	22	165,0	176
November	21	157,5	168
December (includes Independence Day)	21	157,5	168

<b>MONTHLY WORKING HOURS IN 2021</b>			
	word days	37.5 h	40.0 h
January	19	142,0	152
February	20	150,0	160
March	23	172,0	184
April	20	150,0	160
May	20	150,0	160
June	21	157,5	168
July	22	165,0	176
August	22	165,0	176
September	22	165,0	176
October	21	157,5	168
November	22	165,0	176
December (includes Independence Day)	22	165,0	176

<b>MONTHLY WORKING HOURS IN 2022</b>			
	word days	37.5 h	40.0 h
January	20	150,0	160
February	20	150,0	160
March	23	172,0	184

This table is to be used for the calculation of part-time pay in the case that the salaried employee concerned is not work in an uninterrupted 3-shift system and that the second day off is Saturday. The table is also applicable, where appropriate, in the situations referred to in section 8(2b) of this Agreement, unless otherwise agreed locally.

## **Section 16 Standby**

If the employee under their employment contract is required to remain at their place of accommodation or otherwise on standby and available to be called into work when necessary as agreed, the employee will be paid half the regular basic salary for the time spent on standby. However, standby compensation is paid for at least four hours on standby. The standby compensation may also be subject to a different local agreement.

Standby time is not included in working hours and standby time never constitutes overtime, and no increases are paid for standby on a public holiday, during shutdown or weekly rest, and no evening and night work supplements are paid for standby after 18:00.

If an employee on standby is called to work, salary is paid for the time spent performing the work in accordance with regulations. No standby compensation or compensation for emergency work is paid for the working hours.

If it is specifically agreed that a salaried employee is otherwise obliged to be available in their free time either through a pager or mobile phone in such a way that they can be called to work if necessary, this must be taken into account in the total salary of the salaried employee or as a separate pay supplement. Compensation for informal standby may be subject to different local agreement.

### **Application instructions**

Being on standby must be agreed with the employee in question in such a manner that no disagreement on the nature of intended commitment and its duration can arise afterwards.

In the case of standby restricted to a specific location, the number of standby hours per calendar month may not permanently exceed 150 hours, unless otherwise agreed locally.

## **Section 17 Shutdown**

Shutdown refers to a time when the operations of an entire production facility or its department are shut down due to a public holiday as separately agreed.

If an employee is performing their duties during shutdown at a production facility or unit in shutdown, they are paid basic salary for the time spent performing these duties in addition to their other salary as determined in the manner described in section 14 above regardless of the working time system applied for the employee.

## Section 18 Emergency work and consultation by telephone

- a. Emergency work is work carried out on the basis of an emergency call and the salaried employee is required to arrive at work outside their regular working hours after they have already left the workplace.
- b. The amount of the emergency work compensation is determined based on the time of the emergency call:
  - i. a basic salary for two hours if the call is given during regular working hours ending at 16:00 or after working hours before 21:00 and
  - ii. a basic salary for three hours if the call is given between 21:00 and 06:00.
- c. If a call for emergency work is given between 21:00 and 06:00, the basic salary paid for the time spent on performing the work is increased by 100%, including any overtime increases.
- d. However, a full one hour's salary is paid for emergency-type work that takes less than one hour to complete.
- e. Emergency-type work may not be compensated for by reducing the regular working hours of the employee to the same extent.
- f. If it is part of an employee's permanent and regular duties to provide special instructions or orders by phone or otherwise as required by the company's operations this must be taken into account in the employee's total remuneration or as a separate bonus as agreed locally.

### Application instructions

When a salaried employee is called out for emergency-type work, this will cause them additional inconvenience which must be compensated for by an emergency compensation. If a salaried employee is called to work at a time when public transport is not available or as a matter of urgency so that using public transport is not possible, the salaried employee will be reimbursed for travel expenses against a statement of expenses.

However, this provision is not applied if the emergency-type work is directly followed by the next working day's duty.

### Compensation

In addition to the emergency compensation, a salaried employee receives the normal salary as well as overtime pay where applicable. A separate agreement has been made on the compensation for emergency calls taking place between 21:00 and 06:00. For emergency work performed during the above period, basic salary increased by 100 percent is always be paid, including possible overtime increases.

In cases of standby governed by section 16 of the agreement, the provisions on emergency-type work are not applied.



## Section 19 Sunday work

Sunday work refers to work performed on Sunday, church holidays, May Day and Independence Day. In addition to other salary for that period, a basic salary will be paid as a Sunday work bonus.

If the work carried out on Sunday includes additional work or overtime, it is compensated for in accordance with the relevant provisions on additional work and overtime and, in addition, a basic salary as Sunday work bonus as defined in paragraph 1 above.

The Sunday work bonus or the full salary for Sunday may be paid as a fixed monthly allowance or exchanged for compensatory time off if agreed with the salaried employee concerned. Compensatory time off shall be granted and taken within six months from the overtime.

Locally, it may be agreed to change the Sunday increase to the flexibility leave. For flexibility leave, Section 27 of the Annual Holidays Act will be observed, the date of the flexibility leave is subject to mutual agreement. No holiday bonus is paid for flexibility leave.

## Section 20 Rest periods and weekly rest compensation

### Weekly time off

1. Salaried employees must be granted weekly rest of at least 35 consecutive hours on Sunday. However, the weekly rest of similar duration may also be granted on another day of the week, if the work is carried out on all days of the week or if the salaried employee is temporarily required to work on a Sunday in order to ensure the regular workflow at the shop or company.
2. However, in uninterrupted shift work, weekly rest may be scheduled so that no less than 35 hours is on average per week is granted within a 12-week period, each weekly rest consisting of at least 24 consecutive hours.
3. The weekly rest is also considered completed when the weekly rest is spread over two weeks, as long as most of the weekly rest takes place during the week that the weekly rest is allocated to.
4. Exceptions to the provisions of this section regarding weekly rest can be made if:
  - a) the salaried employee's regular working hours per day do not exceed three hours;
  - b) the salaried employee is required for emergency work;
  - c) the technical nature of the work does not allow certain employees to be fully exempt from work;
  - d) the salaried employee is temporarily required to work during their weekly rest in order to maintain the regular workflow in the company.

### Weekly rest compensation

1. An employee is compensated for work carried out temporarily during their weekly rest by reducing their regular working hours accordingly no later than in the

following calendar month or, if mutually agreed in advance, by paying the weekly rest compensation in full in cash as provided in paragraph 5 below.

2. Unless otherwise agreed, the weekly rest day is Sunday in day work and interrupted shift work and, in other working time systems, the last day off of the week under the working hours scheme.
3. Temporary work carried out during the weekly rest must also be compensated for if the salaried employee has been absent from work during the same week due to illness, accident or training.
4. During the week when the compensatory leave is granted, the number of hours worked per week under the working hours scheme is reduced by the number of hours granted as leave.
5. If the salaried employee agrees, the weekly rest compensation may be paid entirely in cash in such a way that, in addition to the monthly salary, the employee is paid for the time spent working
  - basic salary increased by 100%, and
  - the overtime and Sunday work bonus as required by this agreement if the work performed includes overtime or Sunday work.
6. The compensation methods must be agreed at the same time as the work to be carried out during the weekly rest period is agreed.

#### **Rest per 24 hours**

1. Salaried employees must be granted an uninterrupted rest period of at least 11 hours during each 24 hours following the start of each shift. If the organisation of the work requires, the employer and the shop steward/liaison person may agree on a temporary reduction in daily rest with the consent of the salaried employee. The daily rest may also be shortened in the flexitime system as the salaried employee themselves decide on the times they arrive at and leave work. However, the daily rest should be no less than 7 hours.

Exceptions may be made to this section if the regular working time per day is no more than 3 hours per day.

2. If the organisation of work and the nature of the operations so require, temporary exception to the above can be made, but for no more than three consecutive daily rests:
  - 1 if a salaried employee's shift changes
  - 2 if the work is carried out over several periods per day
  - 3 if the employee's place of work and place of accommodation or the employee's other place of work are far apart
  - 4 to even out unpredicted peak times in seasonal work
  - 5 in the case of an accident and risk of accident
  - 6 in security and guarding duties that require continuous presence to protect property or persons

- 7 in duties that are necessary to ensure the continuity of business
- 8 if a salaried employee is required for emergency work, exceptions to the provisions under paragraph 1 are allowed.

If the daily rest has been shortened on the grounds referred to in sub-paragraph 2, the weekly rest may not, however, be less than 5 hours. Salaried employees must be granted the compensatory daily rests as soon as possible, but not later than in 1 months' time.

### Daily rest

1. If the work is organised as regularly changing shifts longer than six hours, including work referred to in Section 7 of the Working Hours Act, the salaried employee must be granted a rest period of at least half an hour or an opportunity to eat during the working hours.
2. If the working time is longer than six hours in a day job, the salaried employee must be granted at least one regular rest period of at least one hour during the working hours. However, this rest period may be shortened into 1/2 hour based on a local agreement. Salaried employees have the right to leave the workplace without restrictions during the rest period.
3. The entire period during which a salaried employee is tied to their work or required to stay in the workplace is considered working time, with the exception of breaks during which the employee has the right and the opportunity to freely leave the workplace.

The parties recommend that salaried employees be reserved the opportunity once a day and at a time that is the most practical for the performance of their work, to enjoy coffee or refreshments while minimising the inconvenience to the workflow.

### Section 21 Shift work, evening and night work

1. In shift work, the shifts must change regularly and be altered after every period of no more than four weeks. However, a salaried employee may, based on mutual agreement, work continuously in the same shift. Shift work also includes work in which shifts change so that consecutive shifts overlap by no more than one hour or have a maximum interval of one hour between shift and in which shifts change in a predetermined manner.
2. Shift work bonus is paid on the basis of shift work, the hourly amount of which is:

If the monthly salary (monthly salary including fringe benefits) is	Evening shift	Night shift
€	€/h	€/h
– 2002	1,89	3,52
2003 –	2,23	4,06

3. An employee in shift work is to be paid shift work bonus for overtime based on the type of shift during which the overtime is performed. A salaried employee in two-shift work who remains for overtime after the end of the evening shift shall be paid the night shift bonus for this overtime.
4. When the work is not shift work, overtime or emergency work and the salaried employee is required to work between 18:00 and 22:00, such work is considered to be evening work and work performed between 22:00 and 06:00 night work. The same bonus shall be paid for this work as would be paid as a shift bonus for the work if it had carried out as shift work in the evening or night shift.
5. If a salaried employee on the evening or night shift remains for overtime following the end of the shift, the evening or night shift bonus payable for regular working time shall also be paid for the overtime up to 06:00.
6. Shift work allowance can also be paid as a separate fixed monthly allowance. In such cases, the amount of the monthly allowance shall be determined at least on the basis of the amount in cents specified in the contract.
7. Any shift work allowance paid for overtime and Sunday work shall be paid in the same way as any other salary paid for that period.

## Section 22 Salary during illness or maternity leave and following an accident

### 1. Obligation to pay salary

If an employee is incapacitated due to illness or accident and they have not caused this illness or accident deliberately, by criminal behaviour, by reckless living or through other gross negligence, they have the right to receive a salary including fringe benefits equal to what they would receive if working their normal, regular hours as follows:

<b>The employment relationship has continued without interruption for</b>	<b>Salary is paid for</b>
1 month but less than 1 year	4 weeks
1 year but less than 5 years	5 weeks
5 years or more	3 months

If incapacity to work due to illness or accident begins before the employment has lasted for one month, the employer shall pay sick leave salary at a rate of 50% of the employee's salary for days in the working hours scheme within the period between the day when the incapacity to work began and the following nine ordinary weekdays. If the right of the employee to a per diem allowance under the Sickness Insurance Act begins on an earlier date, then the period for which salary is payable shall be correspondingly shortened.

In this context, a month refers to a period of 30 days (legal month), and similarly four weeks to 28 days, five weeks to 35 days and three months to 90 days.

If, at the time of the employment contract with them, the salaried employee has reportedly concealed their illness from the employer, the employer is not obliged to pay salary for the period of the illness.

## 2. Recurrence of an illness

If an employee becomes incapacitated for work again with the same illness within 30 days after the last payment of sick pay, the employee is not entitled to a new sick pay period as provided in section 1 and instead the maximum total sick pay to be paid is calculated for the period specified in section 1. However, if the employer's obligation to pay salary has already been fulfilled during the previous period of incapacity, the employer will pay salary for one day's waiting period in accordance with Chapter 8, Section 7(2) of the Health Insurance Act. The definition on whether the illness is considered to be the same or a different illness depends on the decision made by Kela.

## 3. Notification obligation and medical certificate

A salaried employee who has become incapacitated to work due to illness must inform the employer without delay of the illness and the date when the period of incapacity is expected to end.

On the employer's requests, the salaried employee must present a medical certificate issued by the company's occupational health physician or another certificate approved by the employer for their illness. If the employer has not accepted the medical certificate presented by the salaried employee and refers the salaried employee for examination by another designated doctor, the employer must bear the cost of the new medical certificate.

### **Note to the minutes:**

In the payment of sick pay, a procedure based on self-certification may be introduced that allows short absences due to illness without having to present a medical certificate.

If the self-certification system is introduced, the relevant procedures are agreed locally. Self-certification may be applied for only short absences due to illness. The assessment may also be influenced by the possible recurrence of periods of incapacity.

The local agreement referred to above may be terminated by either party at any time without notice regardless of its duration or wording. If nothing else is agreed at the time of termination, the termination of the local agreement will mean a return to the preceding practices adopted by the company for reporting sick leaves.

## 4. Alternative work

Alternative work refers to work performed when a person is fully or partially incapacitated due to an accident or illness to perform their regular duties or duties specified in their employment contract.

Alternative work can be performed as an alternative to sick leave granted by a doctor. After consulting the salaried employee, the occupational health physician carries out a medical assessment on the basis of the salaried employee's state of health and ability to work regarding the possibility of performing alternative work. The salaried employee and his line manager and, if necessary, occupational health care will then determine whether it is possible to assign alternative work to the employee.

The alternative work must be appropriate and, if possible, equivalent to the normal duties of the salaried employee. Instead of performing alternative work, the salaried employee may be offered training.

Assigning alternative work must be based on the rules for alternative work discussed in cooperation at the workplace and in the Occupational Safety and Health Committee. Alternative work is an alternative to sick leave and during this period the level of earning may not be reduced.

Occupational health care must be familiar with the duties performed in the company and cooperate with the company in matters related to alternative work.

## **5. Maternity, special maternity, paternity and parental leave**

The salaried employee is granted maternity, special maternity, paternity and parental leave for the period for which the maternity, special maternity, paternity and parental allowance paid under the Health Insurance Act. During maternity leave, full salary is paid for three months.

However, the salary payment requires that the mother's employment relationship has continued uninterrupted for at least six months before giving birth. If a salaried employee has adopted a child under school age, they are granted paid leave equivalent to three months' maternity leave, at the time of the adoption and under the same conditions as maternity leave.

A salaried employee is paid regular salary including fringe benefits for six (6) days of paternity leave. The payment of paternity leave pay is subject to the same conditions and provisions as the maternity leave pay.

The parties recommend that an overall plan be drawn up on the use of parental leave and childcare leave using the form jointly drawn up by the central unions.

The employer must offer the salaried employee who is returning to work from family leave the same duties they performed before the family leave. If this is not possible, the employer must offer other tasks of similar level or, if no such tasks are available, some other type of work. The right of the salaried employee referred to in this paragraph to employment takes priority over that of the replacement hired for the duration of the family leave.

### **Note to the minutes:**

Communication during the family leave with the person taking the family leave can be agreed on a voluntary basis. The purpose of such communication is to facilitate and ease the return to work following the leave. The unions consider it important that those returning to work from family leave are introduced to the changes that have taken place in the workplace and to the impact of these changes on the duties of the salaried employee.

## **6. Right of deduction**

The employer is entitled to collect any statutory or agreed daily allowance or comparable benefit payable to the employee, or to recover the said amount from the employee, for the period during which the employer has paid the salary referred to in this section

without exceeding the sum paid to the employee as salary. However, the right of deduction does not apply to daily allowance or compensation received by the employees on the basis of voluntary insurance paid for in full or in part by the employee themselves. If the daily allowance or compensation comparable to it is not paid for reasons arising from the employee themselves, or if a smaller amount that the employee would be legally entitled to is paid, the employer has the right to deduct from the employee's salary the part of the daily allowance or compensation which has not been paid as a result of the employee's own negligence.

## **7. Older workers' working capacity and well-being at work**

The employer will discuss with an older employee the ways in which the employee's general ability to cope could be supported and their careers extended, if the employee so wishes. These discussions may also cover retirement plans and the time of retirement. These discussions should seek to find solutions that are appropriate for both parties and support the employee's ability to cope at work without having to change the terms of employment.

## **Section 23 Medical examinations**

### **1. Statutory medical examinations**

The monthly salary of a salaried employee may not be reduced for the number of regular working hours lost or for the related travel time due to health examinations carried out during the employment relationship as referred to in the government decision (950/94) on statutory occupational health care and approved in the occupational healthcare action plan. The same rule applies in cases involving examinations referred to in the Young Workers' Act, the Radiation Act and the Communicable Diseases Act.

A salaried employee who is referred to examinations under the above provisions or is referred to a follow-up examination during such examination is also compensated by the employer for the necessary travel expenses. If the examinations or follow-up examinations are carried out in another municipality, the employer also pays a per diem allowance.

If the examination takes place during the salaried employee's time off, they must be paid as compensation for the extra expenses an amount corresponding to the minimum sickness allowance in accordance with Chapter 11, Section 7 of the Health Insurance Act.

### **2. Other medical examinations**

The conditions for the compensation for loss of earnings are as follows:

#### **2.1 Basic conditions (applies to all paragraphs 2.2.1–2.2.5)**

The loss of earning must be due to an illness or accident that necessarily requires an urgent medical examination. The salaried employee must present a proof of the medical examination approved by the employer (e.g. a medical certificate or a receipt of medical fees) and, on request by the employer, an account of the duration of the medical examination including the waiting time and reasonable travel times.

In cases of illness and accidents other than those referred to above, the salaried employee is required to book an appointment during working hours only if appointments are not available outside working hours within a reasonable period (e.g. in normal cases within one week). The salaried employees must provide a reliable proof of the unavailability of appointments outside working hours.

The salaried employee must inform the employer in advance of their visit to the doctor. If, in the case of force majeure, such notification cannot be made in advance, the notification shall be made as soon afterwards as possible.

Medical examinations must be arranged avoiding unnecessary loss of working time.

If the salaried employee receives sick pay for the medical examination, compensation for loss of earnings under the contractual provisions concerning the medical examination shall not be paid.

If the illness was caused by one's own gross negligence or deliberately, no loss of earnings is compensated.

## **2.2. Special conditions**

Loss of earnings shall be compensated for:

### **2.2.1 New or recurring illness**

During a medical examination where the illness of the salaried employee is diagnosed.

For the period of incapacity to work resulting from a medical examination procedure up to 24 hours.

If a salaried employee has been admitted to hospital for observation or examination due to symptoms. In this case, the sick pay regulations are applied.

### **2.2.2 Previously diagnosed illness**

For the duration of a medical examination required for a chronic illness, provided that this is an examination carried out by a specialist physician for the purpose of deciding on the treatment.

If the illness has significantly worsened and it has therefore become necessary for the salaried employee to seek medical examination.

For the duration of a medical examination carried out by a specialist physician for the purpose of deciding on the treatment, during which a medical aid is prescribed, such as eyeglasses.

For the duration of the medical examination necessary to determine the treatment of any other previously diagnosed illness but only if the required medical services are not available outside working hours.

For the duration of treatment required for cancer.



### **2.2.3 Laboratory and X-ray examinations**

For the duration of laboratory and X-ray examination directly related to the medical examination entitling to compensation. The laboratory and X-ray examinations must be prescribed by a doctor and form a part of the examination. Compensation for loss of earnings due to time taken for a separate laboratory or X-ray examination is paid only if it is not possible for the employee to attend the said examination outside of working hours or if the illness requires the examination to be performed at a particular time of day. Such time restrictions must be proved by a medical certificate.

### **2.2.4 Pregnancy-related medical examinations and consultations**

For the duration of an examination necessary for obtaining a certificate issued by a doctor or a health centre as required for the purpose of receiving the maternity allowance under the Health Insurance Act and for prenatal medical examinations unless the salaried employee has been unable to make an appointment outside working hours. The requirement is that the examination or consultation is arranged avoiding unnecessary loss of working time.

Upon request, the salaried employee must provide the employer with a proof that the examination is related to pregnancy and that it must be carried out during working hours.

### **2.2.5 Sudden dental illness**

For the duration of dental treatment of a sudden dental illness that prior to treatment causes incapacity to work that requires treatment on the same day or during the ongoing shift, if the employee is unable to book an appointment outside working hours. Incapacity to work and the urgency of treatment must be demonstrated by a certificate issued by the dentist.

## **3. Calculating the loss of earnings**

The loss of earnings referred to in paragraphs 1 and 2 are determined in accordance with the rules for calculating and coordinating the sick pay under the collective agreement. Similarly, for the daily allowance referred to in paragraph 1.2, the provisions of the collective agreement on covering travel expenses apply.

#### **Application instructions:**

In the case of a new or recurring illness, compensation for loss of earnings is subject to a diagnosis of an illness made during a medical examination even if the salaried employee is not found to be incapacitated to work.

As is provided in the paragraph regarding a recurring illness, in the case of a chronic illness, the examination must be carried out by a specialist physician to decide on treatment. The criteria for compensation are also met if the chronic illness is diagnosed by a physician at a specialised clinic.

## Section 24 Travel allowances

### 1. Travel obligation and allowances

The salaried employee is obliged to complete journeys required for the performance of their duties. The journey must be carried out in an appropriate manner in such a way that the trip does not take more time or create more costs than is necessary for performing the duties.

The employer reimburses all necessary travel costs, including the price of tickets, baggage costs and, if the journey takes place overnight, the cost of sleeping berths.

If a salaried employee receives free meals or meals included in the ticket price during a travel day, the maximum per diem allowance is half of the amounts referred to in this section. In the case of full per diem allowance, free meals refer to two and, in the case of half per diem allowance, to one free meal.

If necessary, the reimbursement of the costs of the trip and other details related to the trip must be mutually agreed before departure.

### 2. Start and end of the journey

The journey is considered to start when the employee sets out on the journey from the workplace, or if specifically agreed, from their home before the regular working hours begin, and to end when the employee returns to the workplace, unless they return directly to their place of accommodation after regular working hours, which is when the journey is considered to end. The days entitling to a per diem allowance are calculated from the start of the journey to the end of the journey. Provisions on travel-time pay do not affect the calculation of travel days.

### 3. Domestic travel expenses and per diem allowance

A per diem allowance and accommodation costs are paid for domestic trips in accordance with the decision of the Tax Administration in force at the time. (See [www.vero.fi](http://www.vero.fi))

If a salaried employee does not present an invoice for the accommodation, an overnight allowance is paid.

In the exceptional event that the employee does not have the opportunity to eat in the employer's canteen or in their own place of accommodation during a meal break, and the person is not working at the company's other business location in the same municipality or within close distance, where the meal opportunities are similar to those at the employee's regular workplace, the employee is entitled to a meal allowance. No per diem allowance is paid in such cases.

#### Application instructions:

In some cases, it is not always clear whether the half per diem allowance rule or meal allowance rule should apply:

*Some examples:*

- 1 The salaried employee visits Jyväskylä city centre in a business matter by taking a bus from the workplace on the other side of city. On the way back, the employee also runs an errand at the city office. The departure took place at 09:00 and the salaried employee returns to the place of at work at 13:00 – one meal allowance (one meal).
- 2 The salaried employee leaves Helsinki for Espoo at 11:00 and returns to the place of work at 16:00 – one meal allowance (one meal).
- 3 The salaried employee leaves Helsinki for Espoo at 11:00 and returns to the place of work/home at 18:30 – two meal allowances (two meals).
- 4 The salaried employee leaves Tampere for Turku at 08:00 and returns at 15:00 – one half per-time allowance (business trip).
- 5 Varkaus–Kuopio–Varkaus 07:00–19:00 – one domestic per diem allowance.

No overnight allowance is paid in cases where free accommodation is arranged by the employer.

#### **4. Foreign travel expenses and per diem allowance**

In the case of a foreign business travel, the foreign per diem allowance and the maximum hotel allowance are determined in accordance with the decision of the Tax Administration in force at the time. (See [www.vero.fi](http://www.vero.fi))

If the time spent on a business trip abroad exceeds the last full day of travel by more than 10 hours, the salaried employee is paid the full per diem allowance for travel abroad for the partial travel day and a half per diem allowance for a partial travel day of 2 to 10 hours following a full day of travel.

The per diem allowance paid for a partial travel day is based on the per diem allowance paid for the last full day of travel.

If the total time spent on a business trip abroad is less than 24 hours but at least 10 hours, the full per diem allowance for the country in question is paid.

In the event of essential changes in exchange rates due to devaluation, revaluation or other foreign currency arrangements, changes to per diem allowances and hotel allowances arising from this are to be agreed between the unions.

#### **5. Posted workers**

If the performing of duties requires a continuous stay of at least 2 weeks in one place, this is referred to as a short assignment. If the performing of duties takes at least 2 months, this is referred to as a long assignment.

In such cases, the amount of per diem allowances may be agreed locally, considering local circumstances and the measures which the employer may have taken for the purpose of the posting of the employee.

## 6. Number of hours required by the working hours scheme and guarantee daily salary

Within the number of hours required by the working hours scheme, the work performed during a travel day is included in regular working hours. For any additional and overtime work, the additional work and overtime compensation must be paid as provided in this agreement. However, if the number of hours required by the working hours scheme could not be worked within the same day, the salaried employee's monthly salary shall not be lowered.

## 7. Travel time compensation

However, if a salaried employee travels under the employer's instruction during their time off under the working hours scheme, a basic salary is paid for the duration of travel for a maximum of 8 hours for a working day and 16 hours for a day off. Travel times are counted in full half-hours. Travel time does not count as working time.

This benefit may also be implemented by locally agreeing on a separate fixed monthly allowance.

When the employer pays the salaried employee for a sleeping berth, compensation for the period from 21:00 to 07:00 is not paid for the period.

When calculating the fulfilment of regular weekly working hours to determine weekly overtime, the calculation must also take into consideration the hours spent travelling up to the maximum number of regular daily working hours according to the working hours scheme on travel days when regular daily working hours are not otherwise fulfilled. However, these hours are not counted as actual hours worked.

If a salaried employee's normal duties require regular travel or if, due to the nature of their duties, the salaried employee may decide on the journeys and the use of their working time by themselves, no compensation is paid for the time spent travelling.

Instead of paying the above-mentioned per diem and meal allowances, a flat-rate monthly allowance may be agreed with the salaried employee referred to in this paragraph.

## 8. Use of own car

If the use of a salaried employee's own car has been agreed upon, compensation for this is paid in accordance with the decision of the Tax Administration in force at the time. (See [www.vero.fi](http://www.vero.fi))

## 9. Travel regulations

Travel regulations for a workplace may be adopted by local agreement. The travel regulations may include exceptions to the provisions of this section provided that the overall compensation for travel corresponds to the level set out in this section.

## Section 25 Training events

If a salaried employee participates in a training event under the instructions of the employer for the purpose developing professional skills, travel allowances are paid in accordance with the provisions of section 24 of the collective agreement.

Allowances under the previous paragraph are also paid to a salaried employee attending a joint training event in accordance with paragraph 5.2 of the cooperation agreement, provided that the purpose of the event has been locally acknowledged to promote the professional capacity of the salaried employee .

If a training event is held at a time requiring, for example, a salaried employee working on a night shift to attend the event during their time-off, the employee is entitled to compensation based on the basic salary must be paid or compensatory leave. Therefore, if participation in a training event takes place during the regular working hours of a salaried employee their salary may not be reduced. No salary is paid for the travel time related to training events referred to in this section.

If participation in the above training events takes place during the salaried employee's time off, the parties note that the grounds for compensation are to be agreed locally as necessary.

When organising training events, it must be ensured that a sufficiently long daily rest for the salaried employees attending the event is allowed.

## Section 26 Training and development events

In addition to regular annual working hours, the employer may provide an employee with additional training maintaining and/or improving their vocational competence as well as training that supports well-being or safety at work or training to improve productivity, efficiency and quality as necessary for the successful performance of the employee's duties. This type of training may be organised for 8 hours per calendar year at the workplace or at a place designated by the employer.

Time in such training is considered regular working time, which can be required in addition to the regular annual working hours agreed in the collective agreement. During a training or development event, salary equal to the salary for regular working hours is paid, including any working time and working condition bonuses.

Training or development events may be organised in a way that extends the employee's shift by the duration of the training or development event, but not by more than two hours per day. A training or development event can also be carried out as an all-day event. Training or development events cannot be held on mid-week public holidays.

Otherwise, the provisions of the cooperation agreement between the unions will be complied with regarding training activities.

### **Note to the minutes:**

If the above-mentioned training events are organised outside the workplace, the provisions of section 24 are applied regarding the compensation of travel expenses.

## Section 27 Annual leave

### 1. Granting of the annual leave

Annual leave is granted according to the law. When determining the duration of annual leave, the length of the employment relationship includes employment with the same employer prior to a break in employment due to studies leading to the employee's improved qualification to perform their duties as well as the period the employee is employed with the same employer during such studies if the employment relationship continues immediately after the completion of studies.

### 2. Annual holiday pay and allowance

The annual holiday pay must be paid before the start of the holiday, unless it has been locally agreed that it is paid on regular paydays. The daily salary paid as annual holiday pay or annual holiday allowance is calculated as follows:

- a) Based on the monthly salary so that the monthly salary is divided by 25 and multiplied by the number of vacation days.

In practice, when defining holiday pay, the holiday pay is determined by apportioning the monthly salary into salary for time spent working on the one hand and salary for the holiday period on the other. Together, these two must always correspond to the monthly salary. Since using 25 as the divisor for the monthly salary does not always result in annual holiday pay as referred to in Section 10(1) of the Annual Holidays Act, in which case, according to Section 10(2) of the Annual Holidays Act, the salary should be adjusted in connection with the salary payment following the holiday, it is recommended that the annual holiday pay be calculated using the part-time payroll procedure.

- b) Based on commissions so that the salary earned during the number of months entitling to leave is divided by the number of the same months, and average monthly pay is converted into a daily salary by dividing it by 25.
- c) Based on other salary systems so that the days off that fall on weekdays are treated as days worked.
- d) In addition to the monthly salary, a salaried employee who has performed continuous or regular shift work is paid, in addition to the monthly salary, an average daily salary based on the shift work bonus, as provided in section 11 of the Annual Holidays Act. For the purpose of calculating the average daily salary referred to above, all other continuous or regular agreement-based bonuses and regular Sunday work bonuses are considered.
- e) If a salaried employee is paid fixed monthly allowances for overtime, shift work, preparation and finalisation work, these items comparable to salary must also be paid during annual leave. Fringe benefits are treated according to the provisions of Section 9(2) of the Annual Holidays Act.

### 3. Holiday bonus

The salaried employee shall be paid 50 % of his annual holiday pay (= monetary salary) as holiday pay as referred to in this agreement. When calculating holiday bonus, the monthly

salary is divided by 25 and multiplied by the number of vacation days in accordance with the Annual Holidays Act.

The first half of the holiday bonus is paid when the annual holiday pay is paid. The second half of the holiday bonus is paid at the time the salary paid for the first working day following the salaried employee's return from the annual holiday is paid, or at the time when said payment would have been made if the employee had not been prevented from returning to work.

Holiday bonus is also be paid for the holiday compensation payable for the holiday credit year that has already ended if regular employment is terminated during the holiday period for reasons not arising from the salaried employee, or when a fixed-term employment contract ends during the holiday period.

The holiday bonus is paid to a salaried employee retiring on old-age or disability pension and on early old-age or individual early pension at the above percentage of annual holiday salary and of any annual holiday compensation to which the employee is entitled.

An employee who after completing regular military service returns to work at the end of their service as required by the Act on the Continuation of Contractual and Public-Service Employment Relationships of People Fulfilling Their National Defence Obligation are entitled to a holiday bonus at the abovementioned percentage of the annual holiday compensation allowance paid to the employee on entering national service.

The holiday bonus may be paid by local agreement in either one or more instalments, provided that it is paid in full by no later than the end of the holiday credit year following the holiday credit year entitling the employee to the holiday in question. Alternatively, it may be agreed to replace the holiday bonus with compensatory leave, which must be taken by the end of the holiday credit year as referred to above. If the employee's employment relationship ends before the locally agreed payment date of the holiday bonus, the holiday bonus is paid at the end of the employment relationship, provided that the employee is otherwise entitled to a holiday bonus.

If required by the appropriate organisation of production and work, the employer has the right to grant the portion of the holiday exceeding 18 days as referred to in the first sentence of section 20, subsection 2 of the Annual Holidays Act (summer holiday) as a single continuous leave outside of the holiday season. In addition to other agreed stipulations governing the holiday bonus, an extra holiday bonus of 50 percent of the annual holiday bonus is paid for the part of the holiday that is granted outside of the holiday season at the initiative of the employer.

Locally, it may be agreed to exchange holiday bonus for flexibility leave. For flexibility leave, Section 27 of the Annual Holidays Act will be observed, the date of the flexibility leave is subject to mutual agreement. No holiday bonus is paid for flexibility leave.

## **Section 28 Short temporary leave of absence**

A short temporary leave of absence due to a sudden illness or death of a close relative is not deducted from the salaried employee's salary or annual leave. A close relative refers to the employee's spouse, cohabiting partner living in the same household, parents or spouse's parents, children, brothers and sisters and grandparents.

**Note to the minutes:**

If both parents of a child under the age of 10 who has suddenly become ill are employed by the same employer and one parent has been on a night shift and the other parent's shift is scheduled for the day, an option is reserved for the parent working during the day to care for the sick child without loss of pay if the spouse who was on the night shift will also be on the night shift the following night.

The salaried employee is entitled to one day's paid leave corresponding to their regular working hours on their 50th and 60th birthdays and their wedding day if the day in question falls on a working day.

Short temporary leave of absence is also granted for attendance to the duties of official public appointments.

A sum corresponding to the loss of regular working hours arising from attending the meetings of elected local authority bodies is deducted from the monthly salary of a salaried employee holding an elected municipal position. The reduction of the monthly salary is implemented so that the employee's reduced monthly salary supplemented by compensation for lost earnings paid by the municipality form a full monthly salary. The proportion payable by the employer is paid after the employee has presented the employer with a statement of said compensation for lost earnings paid by the municipality.

A similar coordination of earnings is also carried out for other social positions of trust.

The duration of a short temporary leave depends on the nature of the above situations and the travel time required.

The parties recommend that companies pay salaried employees for the duration of military reservist training a salary that, in the case of married reservist, forms a full salary and, in the case of unmarried reservists, 2/3 of the full salary when combined with the reservist pay paid by the State.

Salaried employees belonging to the representative bodies and boards of the Finnish Confederation of Salaried Employees STTK and Trade Union Pro are permitted to take part during their working hours in the meetings of these bodies organised for the purpose of discussing matters related to collective agreement negotiations.

**Note to the minutes:**

The parties recommend that the shop steward, the departmental shop steward or the occupational safety and health representative are permitted to participate in the conference for shop stewards organised by Trade Union Pro and that the monthly salary of the salaried employee is not reduced for the duration of this conference.

**Section 29 Liability insurance and group life insurance**

The employer will take out a so-called employer's liability insurance for salaried employees covering the liability of the employer, their deputy or an employee in a managerial or supervisory position, e.g. a foreman, for personal injury or damage to personal property for the part that is not covered by statutory accident insurance or motor insurance. The



maximum amount of compensation for personal injury is €126,141.00, with a maximum compensation of €50,456.00 per person, and for property damage of €25,228.00. All other insurance terms and conditions are also determined by the current general and special terms and conditions for the employer's liability insurance.

The employer takes out at his expense a group life insurance for salaried employees as agreed between the central organisations.

### **Section 30 Freedom of association and withdrawing of trade union membership fees**

The parties state that freedom of association and assembly is inviolable for both parties.

The employer withholds membership fees for trade unions that are party to this collective agreement and pays them by salary period into a bank account specified by the union in question, subject to the employee's authorisation. The fees are withheld as provided in the guidance jointly drawn up by the parties. At the end of the calendar year or the employment relationship, the salaried employee is provided with statement indicating the total sum of fees withheld for tax purposes.

### **Section 31 Right of assembly**

The registered association affiliated to the union of salaried employees or a similar organisation bound by this agreement that has members in the workplace in question have the possibility in each workplace to organise meetings outside working hours (before work, during a meal break or immediately after work and, if separately so agreed, during the weekly rest) to discuss questions related to employment relationships of the salaried employees employed by the employer, subject to the following conditions:

- a) Convening a meeting at the workplace or at another location referred to in this agreement must be agreed on, if possible, with the employer no later than three days before the intended meeting.
- b) The employer assigns a suitable space for the meeting either at the workplace or near the workplace at a location under the employer's possession. If no such space can be assigned, an appropriate solution to this issue should be negotiated as necessary.
- c) The association and organisations convening the meeting are responsible of the order and cleanliness in the space. The elected representatives of the organisation must be present at the meeting.
- d) The organisers of the meeting have the right to invite representatives of a union and its chapters that are party to this collective agreement as well as representatives of relevant central organisations.

### **Section 32 Local agreement**

Local agreement, as referred to in several provisions of this agreement, is possible in accordance with negotiation procedure for the collective agreement either between the employer and the salaried employee or between a liaison person and the employer.

An agreement made with a liaison person/shop steward is binding on the employees whom the liaison person/shop steward is understood to represent.

The agreement can be made for a fixed period or to remain effective until further notice. An agreement effective until further notice may be terminated with three months' notice, unless otherwise agreed.

The agreement must be made in writing upon request by either party. However, if the agreement is effective for more than two weeks, it must always be made in writing.

The local agreement referred to herein is a part of the collective agreement. It is applicable even after the collective agreement has otherwise expired. During this period and within one month of the effective date of a new collective agreement, a fixed-term agreement may be terminated with three months' notice.

There are several situations in which the provisions of the collective agreement can be replaced by local agreement. If the company wants to use a local agreement beyond the scope of the collective agreement, such agreements must be submitted to the parties of the agreement for review.

### **Section 33 Negotiation procedure**

1. The contracting parties shall in good spirit negotiate on all issues arising within their competence with a view to resolving them by mutual understanding. The parties shall each endeavour to establish effective and constructive bargaining relationships at workplaces.
2. In the case of disagreements arising from the interpretation or application of this agreement which the salaried employee and the employer are unable to resolve themselves through local negotiations, the matter is referred to the unions concerned.
3. If, for reasons other than those referred to above, a dispute arises between the employer and the salaried employees, agreement must first be sought through local negotiations and, if they do not lead to an agreement, the matter shall be referred to the unions concerned.
4. If either party proposes negotiations in the above situations, negotiations must be initiated without delay and no later than within two weeks of the proposal.
5. On request by either party, a protocol or memorandum of disagreement must be drawn up on the negotiations to be signed by both parties. The document shall briefly state the point of disagreement and the position of both sides. The protocol or memorandum of disagreement must be drawn up within one week of the end of the negotiations.
6. If the negotiations referred to in paragraph 2 are unsuccessful, either of the parties may refer the matter to the Labour Court.
7. As long as the dispute referred to in paragraph 3 is under negotiations, it is not permitted to organise a walkout or any other measure to put pressure on the other party or to prevent regular workflow.

8. Representatives of the unions bound by this agreement have the right to participate in local negotiations subject to the unions' agreement. This requires that the matter to be negotiated has already been negotiated locally in the past. If no agreement can be reached in local negotiations, what is provided in paragraphs 2, 3 and 6 applies.

### **Section 34 Annexed agreements**

1. Cooperation agreement including the amendments of 28 January 2000 and 15 December 2000 and 25 February 2002
2. Agreement on the protection against dismissal including the amendments of 14 February 2002 and 20 November 2002

### **Section 35 Binding character of the collective agreement**

This agreement is binding on:

- a) the signatory unions;
- b) those employers, salaried employees and their associations who belong to or have been members of the unions referred to above during the term of the collective agreement.

Once the agreement has become binding on the unions, all industrial action against those agreements in their entirety or on any private provision is prohibited. Furthermore, the unions and their chapters are responsible for ensuring that their member associations, employers and employees also refrain from industrial action and in no manner violate against the provisions of the agreement.

### **Section 36 Term of the agreement**

Subject to the provisions under section 2 of the signing protocol, this collective agreement will enter into force on 16 February 2020 and will remain in force until 28 February 2022, then one year at a time, unless terminated in writing by either party no later than two (2) months before end of the term of the agreement. If the agreement is terminated, negotiations on a new agreement must begin no later than one month after the termination and a proposal for amendment be submitted to the other party, unless otherwise agreed between the parties.

When negotiating a new collective agreement, the provisions of this collective agreement apply until the new collective agreement has been concluded or the negotiations have ended.

Helsinki, 30 March 2020

FINNISH TEXTILE AND FASHION

TRADE UNION PRO

## ANNEX 1a

# SALARY SCHEME 1A FOR SALARIED EMPLOYEES IN THE TEXTILE AND FASHION SECTOR

## 1. INTRODUCTION

With the recent and still ongoing changes in the substance of work, job requirements and management practices, there are increasing expectations for salary schemes to be fairer, to offer more incentives, to be more consistent and to support productivity and flexibility. Job requirements have been defined to correspond to the real nature of current and future tasks in various business organisations. When the substance work changes, the system is flexible enough for such changes to be reflected in the salary base. Transparent assessment of personal qualifications and performance encourages salaried employees to improve their qualifications and to develop the competences. At the same time, managers will also be provided with a tool for steering operations and human resources.

The salary scheme provides the framework for implementing mutually agreed principles of remuneration. Companies will have room to implement their own salary policies, which supports resource management, leadership and the achievement of targets.

In particular, the system aims to take into account the sizes of businesses and the staff structure in the sector.

### 1 THE SALARY STRUCTURE FOR SALARIED EMPLOYEES

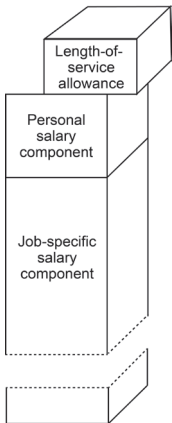
The total personal salary of a salaried employee consists of three elements based on the job requirement, personal qualifications and the length-of-service allowance.

#### Job-specific salary component

The most important element is the salary component based on the job requirement. The job requirement is assessed on a job requirement scale that forms part of the salary scheme. The salaried employee's job description is matched with one of the agreed job requirement categories in the salary scheme based on the points received in the assessment, with each category assigned with a corresponding salary.

#### Personal salary component

The second salary component is based on the salaried employee's qualifications and performance at work. The amount of the salary component is based on the assessment of the above qualities made by the employee's line manager. (The assessment must be based on a system or agreed procedure agreed generally adopted in the company). After six months of service, the personal salary component must be 3% of the guide salary for the job requirement concerned and on average at least 3–7% above the job-specific minimum salary paid by the company. The personal salary component may also include other items based on other justifiable factors.



Length-of-service allowance

The third salary component consists of the length-of-service allowance, which is determined based on the length of the salaried employee's employment with the employer. The length-of-service allowance is paid monthly unless otherwise agreed locally.

## 2 JOB REQUIREMENT CATEGORIES

When assessing the job requirement for each task, the demands on the person performing the task are measured. The only aspect to be assessed are the tasks themselves, not how well the person performs them.

The purpose of measuring the job requirement of tasks is to produce job requirement scale that is agreed to be fair (i.e. to distinguish between tasks depending on how demanding they are) and to form a link between the job requirement and the salary.

There are four indicators describing job requirements: (Annex 1, pages 1 and 2)

- job content (the degree and level of independent judgment involved in the work)
- the impact of decisions made
- the level of interaction required
- the rank/level of independence within the organisation

Measuring the job requirement is based on the position and the tasks it involves. Based on the job requirement points, the position is placed in a job requirement category which is assigned with a salary category defined in the collective agreement.

The assessment of the job requirement is carried out jointly between the employer and the liaison person representing the staff group and the shop steward. If the employees do not have a shop steward, the employer must give them the opportunity to elect a representative amongst themselves before starting negotiations. In workplaces with no more than two salaried employees, the employer and the salaried employee will jointly carry out an assessment of the job requirement.

If the description of a salaried employee's job proves difficult, a time limit may be agreed with the salaried employee within which the final job description and classification must be agreed. The maximum period is six months.

The salaried employee has the right to be informed about the job classification category of their tasks and the criteria for the classification.

### **Job requirement assessment in practice**

Described below is an example of a procedure by which the assessment may be carried out in practice.

1. An assessment team is set up at the workplace to carry out all job requirement assessments for each task. It should be a permanent cooperation group which, in future, will review the assessment as and when job descriptions change, classify completely new tasks and resolve any problems and disagreements that may arise. At

the smallest, the assessment team consist of one employer representative and one representative elected among the employees. If necessary, the group may be larger. However, it should be remembered that a large working group may not be the best option for efficient and smooth cooperation.

The assessment team analyses (if necessary, under the guidance of union representatives) the content of the assessment system and how it should be applied.

2. The assessment team decides on how the job descriptions are produced. If the current job descriptions are not up-to-date, they should be updated. It is worth carefully considering at this point whether the job requirement can be assessed on the basis of current job descriptions or whether they should be rewritten. Attention should be paid to the format of the job description so that the job requirement of each task can be measured as reliably as possible. At minimum, a job description should specify the responsibilities related to the tasks, the content of the work and the level of interaction required.

If your company has a certified quality assurance system, the job descriptions provided for the purpose of certification may be helpful when writing job descriptions for the salary system.

3. In large companies, the assessment team selects a set of key or "anchor" jobs that can be expected to represent the entire job requirement scale. The selection of these jobs is made jointly by the members of the assessment team.

If necessary, employees carrying out different tasks and/or line managers may be interviewed. Regardless any interviews held, the responsibility for the job requirement assessment always lies with the assessment team.

The job requirement assessment of an individual task begins by specifying the level of independent judgment involved in the position. (The task is placed on a level between T.1 and T.5, Annex 1, page 1.). After this, it is established how wide the impact is of the decisions made by an employee in this position. Their impact may be limited to their own performance or they may have an effect on the operations of several departments. (Levels P.1–P.4). After which, it is established where on the matrix the above two aspects, "Job content" and "Impact of decisions made" intersect. The position of this intersection gives the score that indicates the points received by the employee in the first part of the matrix (job content). The points for the impact of decisions made is determined on the same principle (Annex 1, page 2.). The level of interaction required is determined on the matrix scale V.1–V.2 and the management/ position within the organisation based on the table A–D of the same matrix. The intersection of the two, "Interaction" and "Management/position", gives the score for the second part of the matrix (Influence). The job requirement points of a salaried employee's job are the joint score of the two parts of the matrix.

4. The "anchor" jobs are used for determining the meaning of the terms included in the 'Impact of decisions made' measuring instrument, namely 'own work, team, department/unit and departments/large unit'. In defining such terms, it is important to remember that what is being assessed is the job content of salaried employees. The scope of influence is defined with the most extensive actual scope of influence for a salaried employee in mind, not that for a managing director.

5. The assessment is carried out in a way that each measuring instrument is considered with respect of all jobs. The purpose is not to assess each job as a whole.

The results of the assessment should be documented, together with the criteria on which the assessment scale was based so that it is possible at a later stage to observe the same principles consistently and as necessary, explain the reasons for the decisions made.

6. The rest of the jobs are then assessed. This is where the job requirements of key or "anchor" jobs are helpful (in large companies).

It is not advisable to use the current salary group as a point of comparison. It is best to forget the persona and current salary of the person who holds the position under assessment. New, analytical job requirement measuring instrument may produce a different result compared to the previous grouping used.

7. Intermediate categories between the main job requirement categories 1–10 may be introduced based on a local agreement.

Although the salary scheme is adopted nationwide, the job requirement assessment is carried out locally and the results of the assessment are not directly comparable between workplaces.

### **3 PERSONAL QUALIFICATIONS**

#### **Assessment of qualifications**

Qualifications refer to a salaried employee's all personal qualities that have direct or indirect relevance to their performance.

Qualifications are compared against the job requirement. Good qualifications and good performances are held by people at all job requirement levels. The qualification factors adopted must be fair and motivating. Therefore, at least the following criteria must be applied to the employees:

- is relevant to the job, is part of all performed tasks under assessment
- is evident, can be measured and is an independent variable (not a constant)
- the person must be able to influence the factor

It is necessary to build a clear and simple scheme so that it is sufficiently easy to use and that qualification factors or weightings can be changed according to the situation.

The assessment of qualification is carried out by a line manager, who must aim at absolute objectivity in the assessments. The assessment of personal factors is carried out at least once a year, unless otherwise agreed locally. The job descriptions forming the basis for the job requirement assessment are reviewed at the same time as each person's personal qualifications are assessed. The assessment of the personal factors of a new employee must be carried out within six months of the commencement of employment. Until then, the salary is equal to the job-specific salary at the minimum. The qualifications and performance of a salaried employee must always be assessed in relation to their current duties. If job description changes, the employee's competence in

relation to the new duties must be reassessed. This means that the proportion in which the qualification factors affect the total personal salary may change.

The salaried employee and the shop steward of the salaried employees have the right to be informed of the reasons, results and effects of the assessment.

### Qualification factors

The assessment of competence allows for specific company-specific needs to be considered. As a result, the qualification criteria and their number may vary from company to company. Depending on the scope of the company's operations, for example, interpersonal skills, diversity of skills, language skills or computer skills may be emphasised when selecting qualification factors.

The table below shows an example of a set of factors suitable for qualification and performance assessment useful in the development of a company's own qualification assessment system.

Note that the table is presented only as an example, and each company should find the qualification measuring instruments that are best suited for them.

Work efficiency	Level of responsibility	Cooperation skills	Training
<ul style="list-style-type: none"> <li>* results</li> <li>* quality</li> <li>* diversity of skills</li> <li>* developmental capacity</li> <li>* special expertise</li> <li>* judgment skills</li> </ul>	<ul style="list-style-type: none"> <li>* financial responsibility</li> <li>* responsibility for other people</li> <li>* communication responsibility</li> <li>* regularity</li> <li>* diligence</li> <li>* independence</li> </ul>	<ul style="list-style-type: none"> <li>* interpersonal skills</li> <li>* flexibility</li> <li>* communication</li> </ul>	

For example, the qualification factor Work efficiency consists of components such as performance, quality, diversity of skills, etc.

The qualification assessment may be carried out using a points system. When using a points system, some qualification factors can be emphasized more than others by allocating more points to a one factor than to another. The assessment result is derived from the total score that describes each person's current qualifications in relation to their duties.

### Example of a points system

In production, the selected factors are work efficiency, responsibility, cooperation skills and training. Each factor can be weighted, for example, as described below.



Factor	Requires development	Corresponds to normal level	Exceeds normal level
Work efficiency	2	4	6
Level of responsibility	1	2	3
Cooperation skills	1	2	3
Training	1	2	3
<b>Total</b>			

For example, a person whose work efficiency in the qualification assessment was found to be of normal level, the level responsibility did not fully correspond to the normal level and whose cooperation skills exceeded the normal level and the training required development was given the score  $4+1+3+1 = 9$ . In this example, the scale was from five to fifteen.

The classification of qualifications is helpful in determining personal salary components in a systematic, fair and motivational manner.

According to the collective agreement, the minimum proportion of the personal salary component after the first qualification assessment must be at least 3% of salary for the respective job requirement category.

#### 4 LENGTH-OF-SERVICE ALLOWANCE

The length-of-service allowance is paid monthly, unless otherwise agreed locally. If the allowance is paid once or twice a year, it is not considered when calculating holiday pay or average hourly earnings.

The term 'length-of-service' refers to the years of uninterrupted services under the current employment relationship. Years of service is also accumulated by periods of employment in other companies controlled by the same company when directly followed by the current employment relationship. In the event of a change of ownership in the company, employees transferred as so-called old employees, the period of employment under the previous owners is also included in the total uninterrupted duration of employment. The length-of-service allowance is based on the number of working days as referred in Section 7 of the Annual Holidays Act.

##### The amount of the allowance

The amount of the length-of-service allowance depends on the years of uninterrupted service by the end of the previous month. The length-of-service allowance is paid to the salaried employee on a monthly basis and the amounts of the allowances are as follows, as based on the years of uninterrupted service:

Length of service years	Length-of-service allowance €/month
5-9	50
10-14	60
15-19	84
20-24	106
25-29	127
more than 30	149

When paying the length-of-service allowance as a monthly allowance, it is treated in the payroll administration as actual monthly salary (with respect to, for example, annual holiday pay, part-time pay, overtime and Sunday work bonuses, etc.).

## 5 SPECIAL CASES

There may remain an item in the personal pay component that will be later removed. This may take place in situations where, for example, qualification factors change, or the salary based on the job requirement category of a task is increased by a higher percentage than general increase percentage.

### Dispute resolution

Disputes arising from salary regulations are settled in accordance with the rules of procedure under the collective agreement. However, disputes relating to the definition of job requirements and qualifications are settled primarily through arbitration, unless the parties to the collective agreement agree to bring the matter to the Labour Court.

## 6 MONITORING THE SALARY SCHEME

The salary scheme requires a thorough understanding of the content and application of the scheme. Careful initial planning makes the monitoring of the scheme easier. In the following is a summary of the issues to be agreed on at the workplace.

- Persons responsible for the salary scheme monitoring
- Communicating the content of the scheme
  - \* All those covered by the scheme must be aware of the factors affecting their salary.
- Job descriptions
  - \* The assessment of job requirement is carried out on the basis of the actual job descriptions.
  - \* The job descriptions must be carefully considered. If the classification is performed based on earlier practices, something essential may be missed.
- Assessment of job requirement
  - \* The work carried out by the assessment group, for which further instructions can be found in this document in the section on the job requirement.

- Qualification assessment system
  - \* Personal qualifications are determined using an agreed qualification assessment system.
- Qualification assessment training for supervisors
  - \* Introduction to the content, significance and role of the qualification assessment system for the users of the system.
  - \* A more detailed account can be found the section of this document on personal qualifications.
- Length-of-service allowance
  - \* The accumulation and amount of the allowance are agreed in the collective agreement negotiations.
- A new basis for salary formation
  - \* During the implementation phase, salaries under the old and new schemes must be reconciled without reducing anyone's salary.
- Informing of the results
  - \* The results produced by the new salary scheme must be communicated to the persons affected by the scheme.
- Organisation of the monitoring
  - \* Monitoring the system requires a new set of rules to guide, at least, the updating of job descriptions, the review of job requirement assessments and to secure consistency in the personal qualification assessment.

## JOB CONTENT

### JOB CONTENT

With job content, the level of independent judgment required in the work is quantified. The level of job requirement depends on

- how often independent decision-making is required
- how varied the decision-making situations are
- how quickly decisions have to be made
- how wide and specialised the information required in decision-making is
- how general the job guidance is and/or how slow the feedback is

The scope and depth of information required in decisions-making can be improved not only by training but also through gaining experience of using one's judgment.

### IMPACT OF DECISIONS MADE

The impact of decision-making is measured by the significance and scope of the decisions.

The level of job requirement depends on

- how significant the financial impact of the decision is
- how significant the impact of the decisions is on production and quality
- what the environmental, occupational safety and health and public safety implications of the decisions are

Equal to the importance of decision-making are the employee's advisory role, which is typical of expert positions, and the exercising of authority based on expertise.

DECISIONS impact ->	MY WORK	TEAM	DEPARTMENT/ UNIT	DEPARTMENTS/ LARGE UNIT
JOB CONTENT	P.1	P.2	P.3	P.4
<b>T.1 DECISION-MAKING IN A LIMITED CONTEXT</b> * The scope of duties is limited by instructions or familiar procedures * Implementation of guidelines * and standards	165	180	195	
<b>T.2 USE OF JUDGMENT AND DECISION-MAKING IN NEW SITUATIONS</b> * Basic information from familiar existing sources * Changing guidelines and standards	185	200	215	235
<b>T.3 PLANNING, USE OF JUDGMENT AND DECISION-MAKING</b> * Developmental and creative application of guidelines and standards		225	245	265
<b>T.4 PLANNING, ANALYSIS AND DEMANDING DECISION-MAKING</b> * Independent analyses and conclusions are made based on feedback from several sources * Extensive knowledge and precedents as a basis for decisions * Development of guidelines and standards and independent and new solutions		255	275	295
<b>T.5 DEVELOPMENT OBJECTIVES, UTILISATION OF LARGE KNOWLEDGE BASE</b> * The operating principles of the employee's own area provide loose guidance together with feedback from several experts			310	335

## INFLUENCE

### INTERACTION / MANAGEMENT AND POSITION

Influence is a measure of the level of impact a salaried employee has on the staff and/or external stakeholders of the company or workplace.

The level of job requirement depends on

- how much advice, guidance or training the employee is expected to give
- how demanding and extensive the requirement for motivation is
- how diverse and extensive the communication and contact network is (customers, other organisations, public authorities, subcontractors, the media and other stakeholders)
- how much expertise is required in the communication duties
- how significant inter-personal skills are for the job

Influencing means typical communication in the areas of management, planning, marketing, HR and commerce, as well as in other contacts related to the company image.

The importance of the elements of influencing in management duties is emphasised and the level of the job requirement depends on the nature of the managerial position.

Project management duties are sometimes comparable to a managerial position, if the project manager is responsible to leading various teams due to their expertise-based authority.

An independent responsibility for an area of responsibility comparable to a managerial position means more demanding interaction skills.

MANAGEMENT / POSITION	My Task	Guiding or advisory task or independent area of responsibility	Extensive and independent task or a responsibility for coordination and resources (e.g.in projects) or a managerial role	An extensive managerial or a managerial position with responsibility for coordination and resources (e.g.in large projects) or an expert position with significant general responsibility for objectives (e.g. statutory obligations, development objectives)
INTERACTION	A	B	C	D
<b>V.1 PROFESSIONAL CONTACTS ORDINARY</b> * Communication with the immediate professional circle	100	110		
<b>V.2 EXPERT LEVEL PROFESSIONAL CONTACTS RELATED TO ONE'S OWN WORK</b>	120	130	140	
<b>V.3 GOAL-ORIENTED CONTACTS AT EXPERT LEVEL</b> * Influencing and negotiation skills * Potential ordinary-level contacts with external stakeholders * Interpersonal skills	135	145	155	165
<b>V.4 SIGNIFICANT CONTACTS ON OWN INITIATIVE</b> * Special professional expertise * Mastery of demanding interpersonal skills * Contacts with and influence over customers, experts or other similar stakeholders		165	175	185

## JOB DESCRIPTION

JOB TITLE	AREA, UNIT OR DEPARTMENT
NAME OF THE HOLDER OF THE POST	LINE MANAGER'S JOB TITLE (and name)
THE DEPUTY OF THE HOLDER OF THE POST	DUTIES OF THE DEPUTY

PURPOSE OF THE JOB
KEY TASKS
RESPONSIBILITIES
CONTACTS INVOLVED  1.internal operational contacts   2.contacts with stakeholders external to the company/workplace
BASIC REQUIREMENTS FOR THE PERFORMANCE OF THE JOB  1.training and/or experience   2.special requirements

## ANNEX 1b

# SALARY SCHEME 1 B FOR SALARIED EMPLOYEES IN THE TEXTILE AND FASHION SECTOR

## INTRODUCTION

In addition to the salary scheme specified in the Collective Agreement for Salaried Employees in the Textile and Fashion Sector, there has been a need to create a separate clear and easy-to-use salary scheme.

The new scheme emphasises personal competence, qualifications and performance. The assessment of personal qualifications and performance encourages salaried employees to improve their qualifications and develop their competences. At the same time, the scheme can be used by managers as a tool for leadership and as a basis for development discussions.

The salary scheme provides the framework for implementing mutually agreed principles of remuneration. The scheme is based on fairness, consistency and the principle of equal pay. The scheme also enables companies to implement their own pay policies that support guidance, management and the achievement of set goals.

## THE SALARY STRUCTURE OF SALARIED EMPLOYEES

The total personal salary of a salaried employee consists of a job-specific and personal components, which is based on the job requirement and personal qualification for the position.

### **Job-specific salary component**

The job requirement of a task is assessed by a job-specific job requirement assessment system, based on which each task is placed in one of the five job-specific job requirement categories (A-E). The salaries of the job requirement categories are provided in the collective agreement.

### **Personal salary component**

The second component in the salary structure is formed by the salaried employee's competence, qualifications and performance, based on the assessment system adopted by the company. The personal salary component must be at least 3 per cent of the person's job-specific salary component.

### **1.1 THE JOB REQUIREMENT OF TASKS**

The job requirement of each task is assessed based on the job description or job content. Only the tasks are assessed, not the person performing the tasks. The main tasks and the skills and qualities required for their performance are listed in free form. The job title alone is not a sufficient description of the main tasks.

The job requirement of a task is assessed by a job-specific job requirement assessment system, based on which each task is placed in one of the five job-specific job requirement categories (A-E). The job requirement category and its criteria are discussed with the salaried employee.

Job requirement assessment in practice

The job requirement assessment is based on job content, which determines the job-specific job requirement category.

The level of job requirement depends on

- the frequency of independent decision-making
- the variety of decision-making situations
- how extensive and specialised knowledge is needed to make decisions
- how general the instructions for the task are
- how central development duties are to the task
- how challenging the different communication and interaction situations are
- how extensive and significant the impact of the decision-making is.

The scope and depth of knowledge required may be enhanced through training and relevant work experience.

Based on the job content, the task is placed in one of the following five task-specific job requirement categories:

- A. Basic jobs based on the task or company's general work instructions. Responsibility for the performance of the task. The necessary knowledge and skills are obtained through training and/or experience.
- B. A task that requires the application of instructions to one's own work or task in which the person performs several basic tasks independently.
- C. General assignments or extensive and varied tasks. The necessary versatile knowledge and skills can be obtained through training and/or fairly long experience.
- D. A task in which general operative principles must be applied. The necessary versatile and extensive knowledge and skills can be obtained through training and/or long experience complemented with accumulated knowledge.
- E. An independent task with special responsibility for result. The necessary versatile and in-depth specialised knowledge and skills can be obtained through training and/or long experience.

## 1.2 PERSONAL QUALIFICATIONS

The amount of the personal salary is based on the person's qualifications, i.e. how well the person performs their duties. There are differences in the qualifications and performance between individuals, even if the job requirement of the tasks is the same. To be motivational and fair, the salary categories should reflect such differences. In accordance with the principle of equal pay, the aim is to pay more for better qualifications and performance. This is achieved by the correct application of the personal salary component.

The assessment of qualifications is carried out using a workplace-specific assessment system. The assessment factors must describe the work-related issues affecting the success of both the company and the salaried employee. A successful assessment requires that the assessment factors be sufficiently concrete and comprehensible to everyone. The assessment factors must be such that they contain variations, and the person can influence the development of their own qualifications.

The assessment of competence allows for specific company-specific needs to be considered. As a result, the qualification criteria and their number may vary from company to company. Measurable qualification factors that are important to the



company may include, for example, interpersonal skills, diversity of skills, language skills or inter-personal skills.

Good qualifications and good performance occur at all levels of job requirement. If job description changes, the employee's competence in relation to the new duties must be reassessed. In such a situation the personal salary component may change. The assessment of qualifications is part of management and is carried out by the person's manager. It is recommended that the assessment of qualifications is carried out once a year, unless otherwise agreed locally. It is advisable to review the content of the job requirement for the tasks at the same time. The grounds and results of the assessment of qualifications is reviewed together with the salaried employee as part of the development discussion or other similar appraisal on an annual basis.

Implementation of the qualification assessment

1. The employer is responsible for drawing up the assessment system, and preferably in cooperation with the shop steward or, if no shop steward has been elected, with another employee representative/salaried employee.
2. The system should be clear and simple so that it is sufficiently easy to use and that qualification factors or weightings can also be changed if necessary.
3. The assessment factors describe the qualities of a qualified employee and a good job performance in that company. A written description of the assessment factors should be provided.
4. The assessment scales are used to identify different levels of performance in each case to be assessed. The different levels of these scales should be described .
5. The assessment system must be communicated to salaried employees and supervisors.
6. Managers are trained in the use of the assessment system and in providing feedback.
7. The assessment and criteria applied are reviewed together with the salaried employee during the development discussion or similar appraisal.

### **1.3 DEVELOPMENT DISCUSSION AND CAREER DISCUSSION**

A development discussion or other similar appraisal is held with each salaried employee once a year. The development discussion must cover at least the tasks, the performance and the development of the salaried employee, the job requirement of the task and the results of the qualification assessment and the criteria used.

Every four years, a career discussion is held with each salaried employee. In the career discussion, the parties discuss changes in the content and job requirement of the salaried employee's tasks, the development of the employee's competence and any development needs and the changes anticipated in these in the future. At the same time, the development of the salaried employee's salary is reviewed. The shop steward will be informed of the time and arrangements for the career discussions.

If, over a period of four years, a person's job-specific job requirement category has not changed or their personal salary component has not increased by at least 1%, their personal salary component must be increased to match the required 1% increase. However, after 30 years of employment, the salary will no longer be increased based on a career discussion.

## Examples

### Example 1.

In the first year, the employee's job requirement category is A and the personal salary component 5%. In the third year, the person's job requirement category is raised to B and the personal salary component is 3%. The job requirement category has changed. The personal salary component need not be increased in connection with the career development discussion.

### Example 2.

In the first year, the employee's job requirement category is A, and the personal salary component is 3.5%. In the fourth year, the person's job requirement category is A, and the personal salary component is 4%. The personal salary component is increased by 0.5% in connection with the career discussion. The new personal salary component is 4.5%.

### Example 3.

In the first year, the person's job requirement category is A, and the personal salary component is 3%. In the fourth year, the person's job requirement category is A, and the personal salary component is 7%. The personal salary component need not be increased in connection with the career development discussion.

## 1.4 IMPLEMENTATION

The implementation of a new salary scheme will be agreed locally. The rule is that nobody's monthly salary is reduced because of the introduction of a new salary scheme. The part of the monthly salary that exceeds the job-specific salary component is considered part of the personal salary component.

There may remain an item in the personal pay component that will be later removed. The removal of this item may take place when qualification factors change or in situations where the salary for the job requirement category for the task has been increased in the collective agreement settlement by more than the general increase.

The assessment of the personal factors of a new employee must be carried out within six months of the commencement of employment. Until then, the salary is equal to the job-specific salary at the minimum.

## 1.5 MONITORING THE SALARY SCHEME

The job content, the definition of the job requirements and the qualification assessment must be reviewed together with the salaried employee once a year during the development discussion or similar appraisal. The career discussion takes place every four years.

Successful assessment requires managers are given appropriate training so that they are able to apply the assessment factors adopted in the workplace in a consistent and harmonised manner. The monitoring of the salary scheme should be linked to the annual management cycle, and the monitoring should be systematic and far-reaching.

The unions will provide guidance and advise in the application of the salary scheme and organise training if necessary.

## ANNEX 2

### REDUCTION OF WORKING TIME IN SINGLE AND TWO-SHIFT WORK

#### 1. Scope of application

In single and two-shift work, working hours will be reduced in those working time systems in which the regular working hours are 40 hours per week by 100 hours or 12.5 days per year.

In addition, it is required that the annual working hours in the above-mentioned jobs are otherwise reduced by an annual leave of up to 30 working days, church holidays and Midsummer Eve, Independence Day, Christmas Eve, New Year's Day and May Day.

#### 2. Accumulation of days off

Days off are accumulated based on regular working days completed during the calendar year as follows:

at least	17 shifts	1 day off
"	34"	2 days off
"	51"	3"
"	68"	4"
"	85"	5"
"	102"	6"
"	119"	7"
"	136"	8"
"	153"	9"
"	170"	10"
"	187"	11"
"	202"	12"
"	212"	12,5"

Regular working days completed include

- the period during which the employer pays salary for sick leave or maternity leave
- training that is even partially paid by the employer, if the employer pays salary for this time
- Leave referred to in Section 28 (short temporary leave of absence) for which the employer pays salary
- The dates of participation in the meetings of the Finnish Confederation of Salaried Employees STTK and its member associations and board as referred to in Section 28
- the duration of a salaried employee's participation in military reservist training
- statutory paternity leave
- holidays referred to in this decision
- working days during which the salaried employee has been temporarily laid off, but not more than 30 days per year

During days that are considered working days, time off is accumulated and used as usual.

From the number of reduced working hours, annual leave arrangements and regularly recurring days off other than those referred to in paragraph 1 that reduce the number of working hours as based on an agreement or established practice are deducted.

### **3. Granting of leave**

The leave accumulated during the calendar year must be granted to the salaried employee by the end of April of the following year at the latest or, if so agreed with the salaried employee, by paying a cash compensation or by granting leave at any other date subject to agreement.

Leave must be granted for at least one shift at a time, unless otherwise agreed.

Leave is granted at a time determined by the employer. The employer must inform the salaried employee of the leave no later than two weeks before the leave, unless otherwise agreed.

If, as the employment relationship continues, no days off have been given by the end of the following calendar year and the leave is not agreed to be taken later, the outstanding days off must be reimbursed in accordance with the weekly overtime provisions.

The leave referred to in this decision may not coincide with other days off that the employer is aware of in advance and that are based on the law or the collective agreement. However, if the date of leave is determined before the employer is aware of the above-mentioned days off, the leave is deemed to have been taken.

The employer may not use lay-offs to circumvent this decision.

If the salaried employee's employment terminates and the accumulated leave has not been granted by that time, the outstanding leave must be reimbursed on the basis of the instructions for calculating the part-time salary agreed in section 15. Compensation is paid full working days only.

If the salaried employee has been granted too much leave by the end of the employment relationship, the employer is entitled to withhold a corresponding sum from the final salary as referred to in section 15. The withholding is made on full working days only.

### **4. Earnings level**

The reduction in working hours will be implemented without lowering the employee's level of earnings.

### **5. Annual leave**

For the purposes determining the length of annual leave, days on which the salaried employee has been prevented from working for the purposes of taking leave under this agreement are considered days worked.

## Alternative working time reduction system

1. Working hours can also be organised so that the average of weekly working time is 36.4 hours per week.

This average weekly working time has been determined so that the reduced working hours are taken into consideration in the calculations. In this case, mid-week public holidays and Midsummer and Christmas Eve also even out weekly working hours to match these amounts during the calendar year.

2. The reduction in working hours is achieved by granting time off so that the working hours over a period of up to one calendar year are averaged out into the number of hours provided in paragraph 1. Annual holidays cannot be used to average out working hours.

Based on the employer's instruction, leave must be taken at least one shift at a time, unless otherwise agreed with the salaried employee on the leave or its compensation. Leave that is unscheduled in the working hours scheme must be granted by the end of June of the following year at the latest. If any outstanding leave remains, it compensated for as weekly overtime.

If the time of each individual leave is not decided separately, and instead the dates of several or all days off are confirmed at once, this plan is considered a working hours scheme. When drawing up the working hours scheme, the employer shall endeavour to consider the individual wishes of the salaried employees regarding the timing of the leave within the limits of production needs and visiting and service hours.

The working hours scheme is collective in nature and applies to the period during which the usual working time system operated in the workplace in question is arranged in one or two shifts. When switching to another working time system, such as three-shift work, working hours after the transition are determined by the provisions governing the new working time system.

Unless the above-mentioned working hours scheme has been confirmed in advance, the date of leave must be announced no later than one week earlier, unless otherwise agreed locally before the date of the leave. The same applies if the working hours scheme is changed.

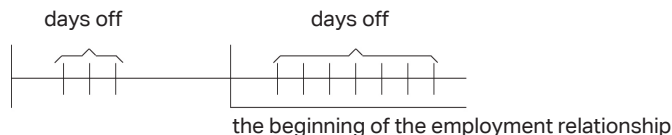
Unless otherwise required by the working hours scheme, a salaried employee absent from work shall be deemed to have been granted leave, even if the absent employee has not been specifically informed of this, in situations when the entire company, its department or team to which the absent employee belongs has taken leave as provided for in this agreement.

3. The reduction in working hours will be implemented without lowering employees' earnings.
4. Days off granted under this agreement, which would otherwise have been working days, are counted as days equal to working days for the purpose of accumulating the annual leave.
5. Before implementing the working time arrangements referred to in this agreement, the employer must consult the representatives of the salaried employees. The negotiations must consider the nature of the work of the salaried employees in the

workplace, honouring the visiting and service hours, the working time arrangements of other employee groups and other similar considerations. After the negotiations, the employer will inform which system the applicable procedures are determined by.

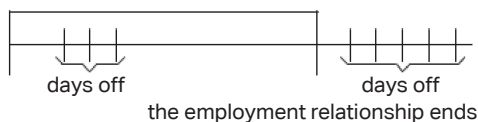
## SOME SPECIAL SITUATIONS IN THE AVERAGE WEEKLY WORKING TIME REDUCTION SCHEME

### When employment starts in the middle of the year



The salaried employee takes same days off scheduled for the period after their employment relationship begins at the same time with the rest of the salaried and employees in the same team. However, it is also possible to calculate a personal average weekly working time for a new employee for the remaining days of the year.

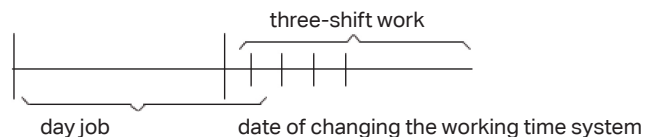
### Termination of employment in the middle of the year



If the employment relationship ends in the middle of the year, the employee's outstanding receivables are paid as usual. Any outstanding leave that has been scheduled in the working hours scheme will not be considered in this case. Leave unscheduled in the working hours scheme will be compensated for with a compensation equal to the salary for the corresponding regular working time.

### Change of working time system or department

The salaried employee may, for example, have to move to uninterrupted three-shift work before taking days off for the purpose of reducing working hours in the day job so that the intended days off are changed into working days.



The employee may not keep days off when changing the working time system. However, leave may be granted earlier than planned, for example, or if the 3-shift job lasts only for a short period of time, leave may be granted after the salaried employee has moved back to day work. If the salaried employees' working time system changes frequently, it must be ensured that the salaried employee's relative working hours do not increase.

## ANNEX 3

### AGREEMENT ON THE REDUCTION OF WORKING HOURS IN INTERRUPTED THREE-SHIFT WORK

- 1 The unions have agreed to reduce regular working hours in interrupted 3-shift work to an average of 36.2 hours per week.
- 2 The reduction in working hours is achieved by granting time off so that the working hours over a period of up to one year are averaged out into 36.2 hours per week.

A working hours scheme for the work must be drawn up in advance for at least the period during which the weekly working hours are averaged out as provided. If the working hours scheme ends without averaging into full shifts, the working hour system may also be drawn up in such a way that a shift shorter than 8 hours is rounded up to a full shift or rounded down, subject to agreement with industrial salaried employees.

The employer must notify of a permanent change to the working hours scheme in force no later than two weeks before the change takes place.

**Note to the minutes:**

The salaried employee is governed by this protocol having worked consecutive morning, evening and night shifts in the interrupted 3 shift system.

- 3 Shift bonuses will also be paid for days off granted to reduce working hours.
- 4 The employee receives annual leave in accordance with the Annual Holidays Act and the collective agreement.

Days off under the working hours scheme are considered equivalent to working days for the purposes of calculating the annual leave, less the typical number of days off of day-time employees included in the calendar month concerned.

- 5 In the case of interrupted 3-shift work, work exceeding the weekly working hours according to the working hours scheme concerned must be reimbursed as agreed for weekly overtime in the collective agreement. The divisor used for the monthly salary is 155.
- 6 When moving from interrupted 3-shift work to another working time system and at the end of a salaried employee's employment, the compensation for earned but outstanding leave is agreed on either by granting corresponding leave or paying monetary compensation.

## ANNEX 4

### AGREEMENT ON WORKING HOURS IN UNINTERRUPTED THREE-SHIFT WORK

#### Section 1

Regular working hours in uninterrupted 3-shift work is 35 hours a week on average. The reduction in working hours is achieved by switching to a 5-shift system or by using other shift systems.

#### Section 2

In the work referred to above in section 1, working hours must be averaged out into 35 hours per week on average over a period no longer one year.

The annual number of working hours for employees entitled to an annual leave of 30 weekdays is 1648 hours. The working hours will be averaged out into the annual working times mentioned in five years.

#### Section 3

A working hours scheme for the work must be drawn up in advance for at least the period during which the weekly working hours are averaged out as provided.

#### Section 4

Days off under the working hours scheme are considered equivalent to working days for the purposes of calculating the annual leave, less the typical number of days off of day-time employees included in the calendar month concerned.

#### Section 5

In the case of working time systems referred in this agreement, work exceeding the weekly working hours assigned for that week according to the working hours scheme concerned must be reimbursed as agreed for weekly overtime in the collective agreement.

#### Section 6

On transitioning from one working time system to another and at the end of an employee's employment relationship, the remaining days off accrued are compensated for by granting leave or, if so agreed with the employee, by compensatory pay as determined in section 14 of this agreement.

#### Section 7

Compensatory time off is granted primarily in accordance with the salaried employee's roster.

If it has not been possible to give an employee compensatory time off during an averaging period, the remaining compensatory time off must be compensated for by granting the employee time off by the end of April of the following year or, if so agreed with the employee, by paying them cash compensation in accordance with Section 14 of this agreement on the payday following the end of the averaging period allowing, however, one month for calculations.

#### Section 8

In the working time system under this agreement, a technical salaried employee working temporarily in a 3-shift system earns one compensatory day off per every seven working days.



#### Section 9

The compensatory leave is taken and accumulates during the period during which the employer pays sick pay.

In a 3-shift system, regular shifts may also include training that is even partially paid for by the employer, provided that the employer compensates for loss of earnings according to the training agreement. Short temporary leaves of absence under section 28 of the collective agreement for which the employer pays salary continue to be treated as regular shifts.

#### Section 10

The divisor as referred to in section 14 paragraph 3 is 148.

#### Section 11

The amount of part-time salary is calculated on the basis of the number of working days.

#### Section 12

For salaried employees working in an uninterrupted 3 shift system, the reduction in working hours is achieved without reducing the monthly salary.

As compensation for loss of earnings, a separate monthly allowance of 4.9% is paid to the salaried employee working in uninterrupted 3 shift system. If a company has adopted a system that already takes the compensation into account, the system need not be changed.

## ANNEX 5

### AGREEMENT ON THE PROTECTION AGAINST DISMISSAL 2002

#### I. GENERAL PROVISIONS

##### Section 1 General scope of application

This agreement governs the termination of an employment contract effective until further notice due to reasons arising from the salaried employee, the resignation of the salaried employee and the procedures to be observed in the event of the dismissal or lay-offs of salaried employees for economic or production-related reasons. The agreement does not apply to employment relationships referred to in the Vocational Education and Training Act.

##### Section 2 Grounds for dismissal

The employer may not terminate the employee's employment contract without material and weighty reasons as provided in Section 7:1-2 of the Employment Contracts Act.

##### Section 3 Notice periods

The employer's notice periods are as follows:

<b>The employment has continued without interruption</b>	<b>Period of notice</b>
- up to one year	14 days
- over one year but no more than 4 years	1 month
- over 4 years but no more than 8 years	2 months
- over 8 years but no more than 12 years	4 months
- over 12 years	6 months

The periods of notice to be observed in the case of the salaried employee are as follows:

<b>The employment has continued without interruption</b>	<b>Period of notice</b>
- up to 5 years	14 days
- over 5 years	1 month

##### Section 4 Non-observance of the notice period

An employer which terminates an employment contract without observing the notice period shall pay the employee full pay for a period equivalent to the notice period as compensation.

Employees who have not observed the notice period are required to pay the employer an amount equivalent to their pay for the notice period as a lump-sum compensation. The employer may withhold this amount from the final salary paid to the salaried

employee, in accordance with the limitations of the employer's right of set-off laid down in Section 2:17 of the Employment Contracts Act.

If the notice period has been observed in part only, the liability is limited to what is equivalent to the pay due for the non-observed part of the notice period.

### **Section 5 Delivery of notice on the termination of an employment contract**

A notice on termination of an employment contract shall 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 electronically. The notice is then deemed to have been received by the recipient at the latest on the seventh day after the notice was sent.

If the employee is on their annual leave as specified by the appropriate legislation or agreement, or working time averaging leave of a minimum of two weeks, a notice sent by post or electronically is considered delivered on the day following the employee's return to work at the earliest.

### **Section 6 Notifying the employee of the grounds for termination**

At the employee's request, the employer shall notify the employee without delay in writing of the date of termination of the employment contract and of the grounds for termination or cancellation known by the employer to have caused the termination.

### **Section 7 Protection against termination in the case of an employee who is pregnant or on family leave**

The employer may not terminate an employment contract due to pregnancy. If the employer terminates the employment contract of a pregnant employee, the termination is deemed to have taken place on the basis of the employee's pregnancy unless the employer can prove there was some other reason. On request, the employee must present the employer with proof of pregnancy. The employer may not terminate an employment contract during maternity, paternity, parental leave or childcare leave, nor, after learning that the salaried employee is pregnant or exercises their right for said leave, terminate an employment contract from the beginning or during that leave.

#### **Note to the minutes**

It was stated that the proof of pregnancy may be requested only if a salaried employee refers to this rule as a protection against termination.

## **II. DISMISSAL FOR REASONS ARISING FROM A SALARIED EMPLOYEE**

### **Section 8 Scope of application**

In addition to what has been stated above, the provisions of this section apply in the event of dismissal for reasons arising from the salaried employee.

## **Section 9 Delivery of notice on dismissal and the warning procedure**

A notice on dismissal and a warning issued for reasons arising from the employee must be communicated to the employee within a reasonable period after the reasons for the dismissal and the reasons for issuing the warning have been brought to the attention of the employer.

When issuing a warning, it must be indicated how long the warning will remain in effect.

## **Section 10 Hearing of a salaried employee**

Before serving a notice of dismissal, the employer must reserve the possibility for the salaried employee to be heard on the grounds for dismissal. Before the dismissal, the employer must inform the salaried employee of the possibility of using a support person, primarily the shop steward.

## **Section 11 Court proceedings**

If no agreement has been reached in the dispute concerning the termination of the employment contract, the employers' or employees' union may take the matter to the Labour Court. An application for a summons under Section 15 of the Act on the Labour Court (646/74) must be submitted to the employment tribunal within two years of the end of the employment relationship.

## **Section 12 Arbitration**

In accordance with Section 11 of the Labour Court Act (646/74), a dispute concerning the termination of an employment contract may be referred to arbitrators for decision.

## **Section 13 Compensation for groundless termination of an employment contract**

If the employer has terminated an employment contract contrary to the grounds laid down in section 2 of this agreement, it must be ordered to pay compensation for groundless termination of the employment contract.

## **Section 14 Amount of compensation**

The compensation must be equivalent to the pay due for a minimum of three months or a maximum of 24 months.

Depending on the reason for terminating the employment relationship, the following factors must be taken into account in determining the amount of compensation: estimated time without employment and estimated loss of earnings, the duration of the employment relationship, the employee's age and chances of finding employment corresponding to their vocation or education and training, the employer's procedure in terminating the contract, any motive for termination originating in the employee, the general circumstances of the employee and the employer, and other comparable matters.

The share of the daily unemployment benefit paid to the employee must be deducted from the compensation as provided in Section 12:3 of the Employment Contracts Act.

The employer may not be ordered to pay compensation referred to in this clause in addition to or instead of compensation provided for in Chapter 12:2 of the Employment Contracts Act.

### III. Lay-offs

#### Section 15 Lay-offs

In the event of a lay-off of a salaried employee, the notice periods referred to in this section must be observed and the lay-off may take place for a limited period or until further notice. The notice periods for lay-offs are as follows, unless other notice periods for lay-offs have been agreed locally with the shop steward:

- 14 days if the employment relationship has lasted for no more than 1 year
- 1 month if the employment relationship has continued for more than one year

During the employment relationship, the employer and the employee may agree on the notice period for lay-offs and the way in which the lay-off is implemented in cases in accordance with Chapter 5:2.2 of the Employment Contracts Act.

If the lay-off takes place until further notice, the employer must notify the employer of the return to work at least one week earlier, unless otherwise agreed.

A lay-off does not prevent a salaried employee from accepting other employment for the duration of the lay-off period. Chapter 13, section 5 of the Employment Contracts Act contains provisions on the use of accommodation benefits during layoffs.

#### **Application instructions:**

In the case of underemployment, the primary instrument to be used is compensatory leave and only then may lay-offs be resorted to, if necessary.

#### Section 16 Advance explanation

The employer shall, on the basis of information available to it, present the employee with an advance explanation of the grounds for the lay-off, and its estimated extent, implementation, commencement and duration. If the lay-off concerns a number of employees, the explanation may be given to the employees' representative or the employees jointly. The explanation shall be presented without delay as soon as the employer becomes aware of the need for lay-offs. After presentation of the explanation but before the lay-off notice, the employer shall reserve the employees or their representative an opportunity to be heard concerning the explanation given.

It is not necessary to present an advance explanation if the employer is required under another act, agreement or other provision binding the employer to present a corresponding explanation or negotiate on the lay-offs with the employees or their representative.

## Section 17 Lay-off notice

The employer must notify employees of a lay-off in person. If the notice cannot be given in person, it can be given by letter or electronically with the minimum notice period provided above in section 15.

The notice must state the reason for the lay-off, the date of commencement, and the duration or estimated duration of the lay-off.

At the employee's request, the employer shall provide a written lay-off certificate giving at least the reason for the lay-off, the date of commencement, and the duration or estimated duration of the lay-off.

The obligation to give such notice as referred to in section 15 above does not exist if, on account of some other absence from work, the employer is not subject to an obligation to pay the employee remuneration for the entire lay-off period or the impediment to work arises from a situation referred to in Chapter 2:12.2 of the Employment Contracts Act.

### Exceptional lay-off situations

#### 1. Cancellation of a lay-off

If the employer has new work during the lay-off notice period, a notice of the cancellation of the lay-off can be given before the lay-off begins. In this case, the lay-off notice becomes null and void and any new lay-offs implemented at a later date must be based on a new notice of lay-off.

#### 2. Postponing a lay-off

However, new work that appears during the notice period of lay-off may be only temporary in nature. In this case, it is not possible to cancel the lay-off altogether, but the start date of the lay-off may be postponed to a later date. A lay-off can be postponed only once on the same ground without having to submit a new lay-off notice and by no more than duration of performing the work that has appeared during the lay-off notice period.

#### 3. Interruption of a lay-off

The employer may receive temporary work after a lay-off has already started. The interruption of a lay-off, if the lay-off is expected to continue immediately without giving a new notice after the work in question has been performed, must be based on an agreement between the employer and the employee. Such an agreement should be concluded before work begins. At the same time, the estimated duration of the temporary work should be established.

The above applies only to the relationship between the employer and the salaried employee without prejudice to legal provisions governing unemployment security.

## **IV. MISCELLANEOUS PROVISIONS**

### **Section 18 Selection procedure for dismissals**

In the case of a dismissal and lay-off for reasons other than those arising from the salaried employee themselves, the rule applies that the qualified employees or employees with specialist competences necessary for the operative situation of the company, as well as those who have partially lost their ability to work while employed by the same employer, should be the last to be dismissed or laid off, and, in addition to this rule, the duration of the employees employment relationship and the number of the employee's dependants must be taken into consideration.

Disputes concerning the order in which labour is reduced must comply with the time limits laid down in Section 11.

### **Section 19 Notification of dismissal or lay-off submitted to the shop steward and to the employment authority**

In the case of a reductions in the workforce or lay-offs for economic or production-related reasons, the shop steward concerned must be informed accordingly. If the measures affect at least ten salaried employees, the employment authority must also be informed, unless the employer has a similar equivalent obligation under another law.

### **Section 20 Re-employment of an employee**

The employer must offer employment to a former employee who was dismissed on economic or production-related grounds or in connection with company restructuring and who is registered as a job seeker in the employment office in accordance with the statutory re-employment period laid down in the law, provided that the employer needs employees for the same or similar tasks to the ones performed by the dismissed employee.

Exceptions to the provisions on the re-employment of an employee under Chapter 6, Section 6 of the Employment Contracts Act may be made by agreement between the employer and the employee. The agreement is concluded in writing in connection with termination of an employment relationship or contract. The agreement provides for the employer's measures to promote the re-employment of the salaried employee.

### **Section 21 Sanctions procedure**

In addition to what is provided in section 14 paragraph 4 of the agreement, an employer cannot be ordered to pay, in addition to compensation under this agreement, a compensatory fine referred to in Section 7 of the Collective Agreements Act in the case of violation against obligations which are laid down in the collective agreement but are essentially the same violations for which compensation under this agreement has been imposed.

Failure to comply with the procedural provisions under sections 9 and 10 of the agreement does not result in compensatory sanctions as referred to in the Collective Agreements Act. Non-compliance is considered when ordering the amount of compensation for groundless termination of an employment contract.

Otherwise, the previously established practice on the sanctions procedure will be observed.

## **Section 22 Entry into force clause**

This agreement shall enter into force on 1 March 2002 and shall remain in force for an indefinite period with six months' notice.

The agreement has been negotiated in a working group in which Toimihenkilöunioni was represented by Hannu Laurila and the Tekstiili- ja vaateusteollisuus ry by Matti Järventie, Jukka Tuomi and Raimo Sihvonen.

Helsinki, 14 February 2002

TEKSTIILI- JA VAATETUS-  
TEOLLISUUS RY

TOIMIHENKILÖUNIONI TU RY



## ANNEX 6

### CO-OPERATION AGREEMENT

#### 1 GENERAL PROVISIONS

The parties seek to promote negotiating channels and collective bargaining at workplaces. They seek to improve these objectives through various forms of co-operation and to assist in supervising compliance with any agreements concluded.

The fundamental right of citizens to freedom of association is inviolable. This applies to both employers and salaried employees. Salaried employees have the right to establish and serve in trade union organisations and may not be subjected to dismissal or discrimination at work on this account. The health and safety, freedom from discrimination and equal treatment of individual salaried employees forms the foundation for the provisions under the agreement.

The national conciliator and the federations of employers and salaried employees concerned must be notified, where possible, no later than four days before any political or sympathetic industrial action is taken. Any subsequent decision on industrial action must be announced as soon as it is practical. The announcement must specify the causes of the intended industrial action, the time when it begins and the scope of the action.

This agreement shall apply to the member companies of the Finnish Textile and Fashion within the limits set out below. For the purposes of this agreement, the workplace refers to a production unit or equivalent operating unit of a member company of the abovementioned associations.

If the operations of the company are materially reduced or expanded, or in the case of an assignment of business operations, merger, divestment, or similar significant organisations change, the co-operation organisation must be reorganised to correspond to the changed size and structure of the company.

The salaried employees' association acting in the workplace must notify the employer in writing of a deputy acting on behalf of the shop steward, an occupational safety and health representative or ombudsman acting on behalf of the shop steward and of shop stewards acting in an occupational safety and health role. The occupational safety and health representative informs the employer in writing of the deputy's position as deputy occupational safety and health representative. The employer informs the shop steward in writing of the representatives undertaking the negotiations with the shop steward on behalf of the company.

Negotiations undertaken with the employer concerning an entire employee group or a significant part of a group that are not attended by other employee representatives may be attended by the deputy shop steward in addition to the shop steward if the negotiations are attended by several employer representatives.

The parties agree that, in accordance with labour laws and agreements, the employer is entitled to exercise the right to recruit and dismiss a salaried employee and the right of direction.

Unless otherwise agreed in this agreement, the Act on Co-operation within Undertakings, the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces Decree on the Supervision of Occupational Safety and Health, which are not part of this agreement, shall apply.

## **2 CO-OPERATION DUTIES AND CO-OPERATION ORGANISATIONS**

### **2.1 Provisions on shop stewards**

The purpose of the shop steward system is to maintain and develop bargaining and cooperation channels between the employer and salaried employees. Shop stewards shall represent their associations and salaried employees in matters concerning the application of collective agreements, ensuring industrial peace and complying with labour legislation.

The salaried employees at the workplace in question who belong to organisations bound by this agreement are entitled to elect a shop steward and deputy shop steward from among themselves. The election may be organised at the workplace. All of the abovementioned salaried employees must be given an opportunity to participate in the election. It may be agreed at the workplace that an occupational safety and health representative attend to the duties of shop steward or vice versa.

In addition to a shop steward, the salaried employees may elect a departmental shop steward after agreeing with the employer on the operational entity for which the departmental shop steward will be elected. In this case, the scope of the departmental shop steward's responsibilities must be appropriate and such that it promotes the discussion of matters in accordance with the bargaining system.

In this assessment, attention should also be paid to the number of salaried employees in the department, for example. At the workplace, it may be agreed that the shop steward of the department will perform the duties of occupational safety and health ombudsman or vice versa.

### **2.2 Provisions on occupational safety and health cooperation**

The provisions on occupational safety and health activities apply to workplaces with at least 20 regular workers and salaried employees. However, an occupational safety and health representative must be elected when the total number of workers and salaried employees is at least ten.

In addition to the occupational safety and health manager responsible for occupational safety and health cooperation and the representatives and deputy representatives elected for this purpose, employee groups referred to in this agreement have the right to elect one or several occupational safety and health ombudsmen, if required by the size and other circumstances of the company.

The duties of an occupational safety and health ombudsman include maintaining contacts with the occupational safety and health representative and occupational safety and health manager in matters falling within the scope of the ombudsman's activities and participating in occupational safety and health inspections when necessary. The

term of office for an occupational safety and health ombudsman is the same as that of occupational safety and health representatives. If the occupational safety and health ombudsman is temporarily required to transfer to work outside the ombudsman's actual scope of activities, efforts must be made to ensure that the transfer does not unreasonably impede their performance of the ombudsman's duties. To the extent required by the duties of an occupational safety and health ombudsman, the ombudsman is entitled to agree with the employer on discharge from work for the purpose of performing those duties.

The parties shall participate, together with occupational health care providers, line management and human resources administration, in planning, implementing and monitoring measures to maintain employees' capacity to work. This will involve monitoring how the personnel of the enterprise copes at work and preparing instructions where necessary on referring to specialists care any individuals who need measures to maintain their capacity to work.

The occupational safety and health manager and representative participate in planning to maintain working capacity when preparing the occupational health care action programme. They also take part in implementing and monitoring the plans.

### **3 PROVISIONS CONCERNING THE POSITION OF SHOP STEWARDS, OCCUPATIONAL SAFETY AND HEALTH REPRESENTATIVE AND THE OCCUPATIONAL SAFETY AND HEALTH OMBUDSMAN**

#### **3.1 Exemption from work and compensation for loss of earnings**

Temporary, regularly recurring or complete exemption from work must be arranged for the shop steward and occupational safety and health representative for the purpose of performing their duties. Here, attention must be paid, among other things, to the number of salaried employees in respective employee groups, the nature of production and operations and the number of roles governed by this agreement.

Unless a local agreement has been made to exempt the occupational safety and health representative representing all employee groups in the workplace from work, the time use of the occupational safety and health representative must be calculated on the basis of the sectoral coefficients in force since 1 April 1986. An occupational safety and health representative who represents salaried employee only, is entitled to a sufficient exemption from work to be able to successfully perform their duties at a time appropriate from the perspective of work. The amount and arrangements of the exemption will be determined and agreed locally.

The monthly salary of the employee representative referred to in this agreement is not reduced if, during working hours, they negotiate with the employer's representatives or otherwise performs duties agreed with the employer.

The employer pays the shop steward and the occupational safety and health representative a separate monthly allowance that does not form part of the monthly salary as follows:

**Shop steward's allowance as of 1 June 2020**

Number of salaried employees	Compensation EUR/month
5-9	79.00
10-24	132.00
25-50	170.00
51-100	239.00
101-200	284.00
201-	338.00

**Occupational safety and health representative's allowance as of 1 June 2020**

Number of salaried employees represented by the occupational safety and health representative	Compensation EUR/month
5-24	69,00
25-50	79.00
51-100	88.00
101-200	104.00
201-	122,00

When, following a duly delivered notification to the employer, the deputy shop steward performs the duties of the shop steward for a period of at least two weeks when the shop steward is prevented from performing their duties, the monthly compensation of the shop steward is paid in full to the deputy shop steward instead.

If the number of employees in the workplace is less than 5 and the shop steward or occupational safety representative performs tasks agreed with the employer outside their regular working hours, overtime compensation or other additional compensation is paid for the loss of time as agreed.

The amount of the remuneration is based on the situation of 1 January. In the case of changes in the number of salaried employees, corresponding changes to the compensation will take effect from the beginning of the following calendar year.

**3.2 The position of shop stewards and the occupational safety and health representative**

Where necessary, the employer must arrange an appropriate place for the shop steward and occupational safety and health representative to keep the materials required for performing their duties. The employer must, where possible, designate appropriate premises in which the discussions necessary for performing the duties may be conducted. Where the size of the workplace so requires, it is to be agreed locally that the shop steward may, as necessary, use standard office and similar equipment.

The unions state as their common interpretation, that the concept of standard office equipment also includes computer equipment and software commonly used in the

company as well as the Internet access (e-mail). The assessment may consider, for example, the size of the company, the scope of the duties of the shop steward or occupational safety and health representative and the time required for performing these duties. Practical arrangements are agreed locally.

A salaried employee serving as a shop steward, departmental shop steward or occupational safety and health representative may not, while attending to these duties or on account thereof, be assigned to work at lower pay than at the time when the employee was elected to serve in the said capacity. If the actual work of a person elected as an occupational safety and health representative representing all the employee groups in the workplace makes it difficult for the representative to perform the duties of a representative, arrangements must be made to offer the representative alternative duties, taking into account the circumstances of the workplace and their professional skills. Arrangements of this kind may cause no reduction in the earnings of the person concerned.

The earnings development of a shop steward and occupational safety and health representative must correspond to the general earnings development within the company. This development is to be reviewed annually, and any changes warranted by the review are implemented annually.

If the employer organises vocational training, the shop steward and the occupational safety and health representative are given the opportunity to participate in such training during their term of office in the same way as the other employees of the company.

At the end of the term of office of a shop steward or occupational safety and health representative who has been entirely or for the most part exempted from work duties, the employer and the said employee must jointly assess whether the maintenance of the employee's vocational skills requires vocational training for the purpose of the employee's former or other similar duties. The employer arranges the training as based on this assessment.

### **3.3 Job security**

If the company's workforce is laid off or dismissed for economic or production-related reasons, the shop steward or the occupational safety and health representative may not be dismissed or laid off unless the operations in the production unit for the entire employee group are discontinued. However, this provision does not apply if it is jointly established with the shop steward or occupational safety and health representative that work corresponding to the said employee's professional skills or otherwise suitable for the employee cannot be offered.

The employment contract of a departmental shop steward may be terminated or a departmental shop steward may be laid off in accordance with Chapter 7, section 10, subsection 2 of the Employment Contracts Act only when the work entirely ends and the employer is unable to arrange work for the shop steward that corresponds to the said employee's professional skills.

A shop steward, departmental shop steward or occupational safety and health representative may not be dismissed for reasons arising from the said employee without the consent of a majority of the salaried employees that they represent, as required by chapter 7, section 10, subsection 2 of the Employment Contracts Act.

The employment contract of a shop steward, departmental shop steward or occupational safety and health representative may not be cancelled in a manner contrary to the provisions Chapter 8, section 1–2 of the Employment Contracts Act. Cancelling an employment contract on the grounds that the said elected official has violated administrative rules is not possible unless the said employee has also repeatedly and significantly failed to perform work obligations despite being cautioned.

The above provisions on job security also applies to a candidate for the position of the shop steward, the candidature of whom has been notified in writing to the employer, and to a candidate for the position of the occupational safety and health representative, the candidature of whom has been notified in writing to the occupational safety and health committee or to a corresponding cooperation body. However, the protection of candidates begins, at the earliest, three months before the start of the term of office of the shop steward or occupational safety and health representative to be elected, and expires with respect to a candidate who is not elected when the outcome of the election has been confirmed.

The provisions on job security also continue to apply to a salaried employee who has served as a shop steward or occupational safety and health representative for a further period of six months after the said employee's duties in the said capacity come to an end.

The position of a shop steward and occupational safety and health representative is to continue as such regardless of an assignment of business operations, if the assigned business or its part retains its independence. If a business or part thereof to be assigned loses its independence, then the shop steward and occupational safety and health representative is entitled to the subsequent protection referred to in the preceding paragraph as of the end of the term of office due to the assignment of business operations.

If the employment contract of a shop steward, departmental shop steward or occupational safety and health representative has been discontinued in a manner contrary to this agreement, then the employer must pay compensation of no less than 10 months' and no more than 30 months' salary to the person concerned. However, if the number of regular employees and workers at a production facility or similar unit is under 20, the above allowance paid the occupational safety and health representative is at least four months' salary and no more than 24 months' salary. This compensation is determined on the same basis as is prescribed in chapter 12, section 2, subsection 2 of the Employment Contracts Act.

### **3.4 Deputies**

The provisions of this section apply to a deputy shop steward and to a deputy occupational safety and health representative for the period during which the said deputy is serving as a deputy in accordance with the notification required under this agreement.

If the employer terminates the employment contract of the deputy shop steward or temporarily lays off the said employee at a time when the individual in question is not deputising for the shop steward or does not otherwise enjoy the status of shop steward, then the said dismissal or layoff must be deemed to have taken place due to the employee's duties as a shop steward unless the employer can prove that it was due to some other reason. This assumption based on the provisions of the agreement is in force for the duration of the deputy's term of office and six months after the term has come to an end.

## 4 COOPERATION

A cooperation body may be set up by local agreement to consider various aspects of development activities and other matters. The joint co-operation can replace separate co-operation and occupational safety and health committees and other similar committees. The same cooperation body may also be responsible for activities and plans under the Act on Cooperation Within Undertakings, the Act on Occupational Safety and Health Enforcement and Cooperation on Occupational Safety and Health at Workplaces, the Occupational Health Care Act and the Act on Equality Between Women and Men.

## 5 TRAINING

### 5.1 Vocational training

When the employer provides vocational training to salaried employees or when salaried employees are sent by the employer for training events with a view to improving their vocational skills, the directly associated costs of the training are reimbursed and the salary for that period is not reduced unless otherwise agreed. If the training takes place completely outside working hours, the resulting direct costs are reimbursed. Direct costs refer to course fees, cost of course material, travel and living expenses and higher than usual costs incurred due to , for example, extraordinary childcare arrangements. In the case of training outside working hours, no compensation is paid for the time spent on training or the travel required for it, and the compensation of travel expenses is determined in accordance with the travel allowance rule set out in the collective agreement.

### 5.2 Joint education and training

Training to promote cooperation at the workplace is arranged jointly by the national labour and employer confederations or by the employer and salaried employees collectively at the workplace or elsewhere.

The basic occupational safety and health courses and specialist courses necessary for cooperation in occupational safety and health is included in the joint training as referred to here.

The provisions on joint training are also applied to training in participation systems and local bargaining. Participation in training may also be agreed between the employer and the person concerned.

The participant in the training will receive compensation as provided for in paragraph 5.1. Participation in training is agreed locally by the appropriate cooperation body or between the employer and a shop steward, depending on the nature of the training.

### 5.3 Trade union training

#### 5.3.1 Retention of employment and notification periods

Salaried employees have the opportunity to participate in courses of up to one month approved by the inter-union working group on training, unless this causes significant impediment to the operations of the company. When assessing this impediment,

attention is to be paid to the size of the workplace. Notification of the intention to take a course must be made as early as possible. If the permission is not granted, the employee representative must be notified no later than 10 days before the beginning of the course of the reasons why granting a permission would cause substantial impediment. It would be desirable in such cases to jointly investigate the prospects for participating in the course at some other, more suitable time.

It must be determined in advance whether the training event is one for which the employer pays compensation to the employee under this agreement.

In accordance with the above agreement section, the staff representatives referred to in paragraph 5.3.2 must be given an opportunity to participate in any training referred to in this agreement that is likely to improve their capacity to perform duties under this agreement.

### **5.3.2 Compensation**

For courses approved by the inter-confederation working group on training, the employer pays the shop steward, the departmental shop steward, the deputy shop steward, the occupational safety and health representative, the deputy occupational safety and health representative, the member of the occupational safety and health committee and the occupational safety and health ombudsman a monthly salary corresponding to their duties for the duration of the course, to a shop steward and a shop steward of a department for a maximum period of one month, and to the above-mentioned occupational safety and health representatives and ombudsman for a maximum of two weeks.

A shop steward and departmental shop steward shall be correspondingly compensated for loss of earnings for one month when participating course lasting up to three months approved by the inter-union working group on training. The same procedure is applied to the chairperson of a members' association, provided that the person in question works at a company enterprise with no fewer than 100 employees and that the said association has no fewer than 50 members.

In addition, the salaried employees referred to in paragraph 5.3.2 are paid a meal allowance as agreed between the unions for each course day for which the monthly salary is not deducted to cover the catering costs incurred by the course organiser.

The amount of the meal allowance for the coming calendar year is always confirmed by the end of September of the previous calendar year by adjusting the previous amount of the meal allowance against the change in the cost of living index between July in the preceding year and July in the reference year. The amount of the meal allowance is determined annually by the inter-union working group on training. In 2020, the meal allowance will be EUR 25.56.

The employer is liable to pay the compensation referred to in this paragraph to the same person only once for the same or equivalent training event.

Participation in training under paragraph 5.3 does not result in a reduction in annual leave, pensions or other comparable benefits up to the limit of one month.



## 6 PROVISION OF INFORMATION

The employer must present the employees or their representatives with:

- 1 An account of the financial standing of the company based on the company's financial statements after these have been confirmed.
- 2 At least twice during the financial year, an account of the financial standing of the company stating the outlook for production, employment, profitability and cost structure.
- 3 An annual staffing plan including estimates of anticipated changes in the number, type and status of employees.

The company should promptly provide information on any substantial changes in any of the abovementioned aspects.

In companies with no fewer than 30 regular employees, the enterprise's financial statement data referred to in section 11, subsection 2 of the Act on Co-operation in Undertakings must be provided on request to the employee representatives in writing.

An employee group as referred to in this agreement has the right to organise, at the workplace or in some other agreed location, meetings to discuss labour market issues or matters that concern employment at the workplace or that pertain to the Act on Co-operation in Undertakings. Employee groups also have the right to distribute to their members meeting notifications and communications concerning employment at the workplace or labour market issues.

In addition to labour market issues, employee groups also have the right to communicate on general issues on the notice board or other customary information sharing channels of the company, as agreed locally.

In the event of any disputes relevant to the duties assigned to the shop steward or departmental shop steward under this agreement, the shop steward or departmental shop steward shall be advised of all details required for investigating the cause of complaint. The employer provides the shop steward with information on new employees recruited by the employer and the content of their duties. If any uncertainty of the matter arises at the workplace, the negotiating procedure laid down in the collective agreement is observed.

The shop steward must be provided with workplace-specific salary statistics once a year in writing immediately after the statistics on salaried employees under the statistical co-operation agreement have been completed, including the distribution of salaries based on the statistics.

- average salary by job requirement category and gender
- average earnings for each earning component by job requirement category and gender
- structural data including the distribution of job requirement and personal salary components as well as company (workplace) specific salary components by job requirement category and gender

The shop steward is provided with average monthly earnings data for employee groups of six or larger. If, as a result of the former, data cannot be provided for two or more salary category, it is combined with the data on the previous or next salary category, which then may be shared with the shop steward. The combined total salary is calculated as a weighted average.

A shop steward is reserved the opportunity to familiarise themselves with the salary bases and payroll systems adopted in the company for the area of operations. In addition, the shop steward has the right to familiarise himself with data on the emergency work and overtime performed by salaried employees within their area of operations as well as a list drawn up in accordance with the Working Hours Act on the remuneration paid for such work.

The shop steward receives the information referred to above as confidential for the purpose of performing the shop steward's duties. The data may not be disclosed to elected representatives of other companies or be otherwise disseminated.

## 7 ENTRY INTO FORCE

This agreement is valid from 1 January 2000 as part of the collective agreement for salaried employees belonging to Tekstiili- ja vaatetusteollisuus ry, Suomen Teollisuustoimihenkilöiden Liitto STL ry, Teknisten Liitto TL ry and Svenska Tekniska Funktionärsförbundet i Finland STAF rf.

Tampere, 28 January 2000

TEKSTIILI- JA VAATETUSTEOLLISUUS RY

SUOMEN TEOLLISUUSTOIMIHENKILÖIDEN LIITTO STL RY

TEKNISTEN LIITTO TL RY

SVENSKA TEKNISKA FUNKTIONÄRSFÖRBUNDET I FINLAND STAF RY

## ANNEX 7

FINNISH TEXTILE AND FASHION  
TRADE UNION PRO  
28.1.2020

### **Tutustu työelämään ja tienaa [Introduction to working life while earning] summer internship programme for 2020–2021**

The Finnish Textile and Fashion and Trade Union Pro wish to support the opportunities for comprehensive school pupils, upper secondary school students, tenth graders and students in preparatory education for vocational training (VALMA) to learn about working life through the Tutustu työelämään ja tienaa [Introduction to working life while earning] summer internship programme.

The purpose of the summer internship programme is to provide young people with first-hand experience of workplace activities in the industry, the different tasks in the industry, the personnel structure, the forms of cooperation and the opportunities offered by the sector and to offer young people an opportunity to engage in practical work suitable for them. Summer internships are applied for directly from companies in the field.

The parties have therefore agreed as follows:

1. The following provisions apply to comprehensive school pupils, upper secondary school students, tenth graders and VALMA students whose employment is based Tutustu työelämään ja tienaa [Introduction to working life while earning] summer internship programme.
2. The employment relationship under the summer internship programme, which lasts two weeks or ten working days, may take place from 1 June to 31 August in 2020–2021. A young person may have only one introductory work period per year based on this recommendation in the same job with the same employer.
3. In 2020 and 2021, total wages of EUR 360 will be paid for completing the Tutustu työelämään ja tienaa [Introduction to working life while earning] summer internship programme. The salary includes the holiday compensation accrued during the introductory period. Statutory social security contributions are paid from the wages, depending on the person's age.
4. The provisions of the existing collective agreement with respect to salaries, salary base and other benefits of monetary value shall not apply to persons whose employment is based on the summer internship programme referred to in this protocol. With the exception of the length of regular working hours, they will also not be governed by the provisions of the collective agreement on working time should this make it more difficult to implement the summer internship programme in practice.

Helsinki, 28 January 2020

Finnish Textile and Fashion

TRADE UNION PRO

## ANNEX 8

FINNISH TEXTILE AND FASHION  
TRADE UNION PRO

### USE OF INTERNS/SUMMER WORKERS IN THE INDUSTRIES GOVERNED BY THE AGREEMENTS OF THE FINNISH TEXTILE AND FASHION IN 2020–2021

The Finnish Textile and Fashion and Trade Union PRO agree that there is a great need for workplace/organised training in accordance with the qualification requirements for vocational education and training. It is desirable that companies in the industries represented by the Finnish Textile and Fashion could actively offer young people and students job opportunities and increase the knowledge about these industries among students and young people going forward.

As the aforementioned training that is essential for the completion of studies also takes place during the summer, the unions have discussed principles for companies to observe when hiring aforementioned interns in a situation where the company is likely to initiate proceedings leading to lay-offs and dismissals.

The unions agree that, regardless of the employer's obligation to offer employment or re-employment as provided in the Employment Contracts Act, an employer may also hire an intern in a situation where employees have been dismissed or laid off if on the condition that:

- the interns are not in an employment relationship
- if the intern is in an employment relationship:
  - the internship forms part of their training, or
  - the intern does not replace the employer's need for additional labour, or
  - the intern does not replace a dismissed or laid-off employee, or
  - the input and duties of the intern are not comparable in their content to a normal employee, or
  - the intern works under a short-term fixed-term employment relationship.

The unions recommend that the parties in the companies discuss the policies to be adopted in the companies. The shop steward must be informed of any interns hired in the company.

January 28/01/2020

Finnish Textile and Fashion

TRADE UNION PRO

## ANNEX 9

### Guidelines for remote working

The parties encourage companies to implement modern working time systems that increase productivity and wellbeing at work such as remote working. The parties encourage companies to pay attention to issues that should be considered in remote working.

In this context, remote working refers to work performed outside the actual place of work as agreed in the employment contract. However, remote working does not involve work that typically is performed outside the agreed place of work.

As a rule, remote working is governed the normal rules and regulations observed in the world of work. The workload and goals of a person working remotely are the same as in work performed at the workplace. In remote working, the employee has the same protection provided by the Employment Contracts Act, collective agreement and social insurance as when working in a normal workplace. Accident insurance is also valid in remote working. With regard to occupational safety and health, it should be noted that employers generally do not have the opportunity to influence the working environment outside the workplace, but the employer's general duty of care under the Occupational Safety and Health Act extends to all work activities.

The equal treatment of employees must also be considered when assigning remote working, unless otherwise required by the content of the duties.

Remote working can be based on the company's remote working guidelines, special remote working contracts or case-by-case agreements between the manager and the employee.

If remote working is regular and recurring from week to week, the parties recommend that following key issues for remote working are agreed upon:

- The amount of remote working
- duration and termination of the arrangement
- the duties carried out remotely and time management
- reporting on work completed remotely
- the time windows when the employee must be available
- communication with the workplace
- the responsibilities for the purchase and maintenance of office equipment
- Time tracking.

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