

ELECTRICAL ENGINEERING – ENERGY – ICT –  
NETWORK

COLLECTIVE AGREEMENT  
2010–2013

FINNISH ENERGY INDUSTRIES (ET)  
THE EMPLOYERS' ASSOCIATION TIKLI  
THE FINNISH ELECTRICAL WORKERS' UNION  
THE TRADE UNION FOR THE PUBLIC AND WELFARE SECTORS (JHL)

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**FINNISH ENERGY INDUSTRIES (ET)  
THE EMPLOYERS' ASSOCIATION TIKLI  
THE FINNISH ELECTRICAL WORKERS' UNION  
THE TRADE UNION FOR THE PUBLIC AND WELFARE SECTORS (JHL)**

**SIGNING MINUTES OF THE COLLECTIVE AGREEMENT**

**Date** 12 March 2010

**Place** Helsinki

**Present**

**ET**

Juha Naukkarinen  
Tuomas Aarto  
Pertti Laukkanen  
Urpo Pietikäinen  
Olavi Rissanen  
Päivi Urkola  
Soili Vaimala  
Kari Laaksonen  
Tapani Jylhä  
Anna-Maria Wassman

**TIKLI**

Harri Hietala  
Elisa Lindroth  
Sari Saantola  
Lasse Sevä

**THE FINNISH ELECTRICAL  
WORKERS' UNION**

Martti Alakoski  
Timo Punkki  
Sauli Väntti  
Juha Lujanen  
Jouni Leppänen  
Mika Junnila  
Henry Träff  
Matti Vuorela  
Pertti Landen  
Seppo Saari  
Kuisma Laukkola  
Jouko Schwartz  
Jukka-Pekka Saarinen  
Paavo Karinkanta

**JHL**

Tuire Santamäki-Vuori  
Jarkko Eloranta  
Hannu Salminen  
Reijo Karisaari  
Arto Rantanen  
Reijo Hakamäki  
Jarmo Tiihonen

**1 Basic principles**

It was noted that a negotiated settlement applying to a new collective agreement was achieved between the parties to the agreement on 26 February 2010, and a decision was made to sign it. It was further noted that this agreement replaces previously valid agreements between the parties.

It was agreed that the minutes would be scrutinised at this meeting and signed by the parties to the agreement.

**2 Term of agreement**

The new collective agreement shall take effect on 15 March 2010 and shall remain valid until 31 January 2013.

### **3 Wages and wage increases**

#### **3.1 General increase: 1 September 2010**

The employees' hourly wages (wage according to requirement + personal pay component, excluding further qualification allowance) shall be increased by 0.8 per cent as of the start of the pay period beginning on 1 September 2010 or soonest thereafter.

Monthly salaries (salary according to requirement + personal pay component, excluding further qualification allowance) shall be increased by 0.8 per cent.

#### **3.2 Company-specific component**

3.2.1 Wages shall be increased by a company-specific component of 0.4 per cent as of the start of the pay period beginning on 1 January 2011, calculated on the basis of hourly/monthly wages.

3.2.2 The company-specific component shall be distributed using the competence assessment system of the wage system. Prior to the distribution of the component, the functionality of the assessment system, the amount of the component as well as the distribution criteria shall be established jointly with the chief shop steward. If the chief shop steward has reasonable grounds for contesting the functionality of the system and the distribution of the component based thereon, then the component shall be distributed as a percentage increase across the board.

3.2.3 In the member enterprises of the Finnish Energy Industries, the company-specific component may be used for additional costs incurred due to changes in travel regulations. If the consequent rise in costs is smaller than the said component, the remainder shall be used for adjusting personal pay components in compliance with the distribution criteria for the company-specific component. The additional costs shall be verified jointly between the chief shop steward and the employer on the basis of reliable calculations.

3.2.4 In the member enterprises of the Employers' Association TIKLI, half of the company-specific component may be used for additional costs incurred as a result of combining collective agreements. If the consequent rise in costs is smaller than the said component, the remainder shall be used for adjusting personal pay components in compliance with the distribution criteria for the company-specific component. The additional costs shall be verified jointly between the chief shop steward and the employer on the basis of reliable calculations.

3.2.5 An agreement may be concluded locally with the chief shop steward to defer or waive the increases in wages and job-based wages, in whole or in part, at workplaces where jointly verified financial, order book or employment problems so require. The matter must be agreed with all staff groups. Such agreement shall be concluded in writing and the federations concerned shall be notified thereof.

#### **3.3 Special allowances: 15 March 2010 and 1 September 2010**

Additional allowances shall be increased as of 1 September 2010 by 0.8 per cent.

As of the pay period beginning on 15 March 2010 and 1 September 2010 or soonest thereafter, special allowances shall be as follows:

| 2010  | 15 March 2010 |           | 1 September |           |
|---|---------------|-----------|-------------|-----------|
|   | EUR/hr        | EUR/month | EUR/hr      | EUR/month |
| <b>Further qualification allowances</b>                       |               |           |             |           |
| • Further qualification                                       | 0.67          | 116.41    | 0.68        | 117.34    |
| • Specialist qualification or higher vocational qualification | 1.26          | 218.05    | 1.27        | 219.79    |
| <b>Unusually dirty work allowance</b>                         |               |           |             |           |
| Increased   | 0.43          |           | 0.43        |           |
|   | 0.95          |           | 0.96        |           |
| <b>Foreman's allowance, size of work group</b>                |               |           |             |           |
| • 2   | 0.36          |           | 0.36        |           |
| • 3–6   | 0.63          |           | 0.64        |           |
| • 7–  | 1.04          |           | 1.05        |           |
| <b>Heat allowance</b>   |               |           |             |           |
|   | 0.44          |           | 0.44        |           |
| <b>Mast allowance</b>   |               |           |             |           |
| • Over 25 m and up to 30 m                                    | 1.72          |           | 1.73        |           |
| • Over 30 m and up to 70 m                                    | 4.65          |           | 4.69        |           |
| • Over 70 m and up to 130 m                                   | 5.58          |           | 5.62        |           |
| • Over 130 m  | 6.28          |           | 6.33        |           |
| <b>Welding qualification allowance</b>                        |               |           |             |           |
|   | 0.44          |           | 0.44        |           |
| <b>Shift work bonus</b>                                       |               |           |             |           |
| • Evening shift   | 1.79          |           | 1.80        |           |
| • Night shift   | 3.42          |           | 3.45        |           |
| <b>Tunnel allowance</b>                                       |               |           |             |           |
|   | 96.78         |           | 97.55       |           |

### 3.4 Contract prices: 1 September 2010

Fixed contract prices and current contracts in place for the uncompleted amount of work shall be increased by 0.8 per cent as of the start of the pay period beginning on 1 September 2010 or soonest thereafter.

### 3.5 Wages according to job requirement: 15 March 2010 and 1 September 2010

As of the pay period beginning on 15 March 2010 or soonest thereafter, wages according to job requirement shall be as follows:

| Requirement level | EUR/hr | EUR/month |
|-------------------|--------|-----------|
| 1                 | 9.20   | 1,601     |
| 2                 | 10.04  | 1,747     |
| 3                 | 10.90  | 1,897     |
| 4                 | 11.74  | 2,043     |
| 5                 | 12.56  | 2,185     |
| 6                 | 13.42  | 2,335     |
| 7                 | 14.26  | 2,481     |
| 8                 | 15.11  | 2,629     |

As of the pay period beginning on 1 September 2010 or soonest thereafter, new wages according to job requirement shall be as follows:

| <b>Requirement level</b> | <b>EUR/hr</b> | <b>EUR/month</b> |
|--------------------------|---------------|------------------|
| 1                        | 9.27          | 1,613            |
| 2                        | 10.12         | 1,761            |
| 3                        | 10.99         | 1,912            |
| 4                        | 11.83         | 2,058            |
| 5                        | 12.66         | 2,203            |
| 6                        | 13.53         | 2,354            |
| 7                        | 14.37         | 2,500            |
| 8                        | 15.23         | 2,650            |

### **3.6 Wage increases in 2011 and 2012**

3.6.1 The federations shall negotiate in 2011 and 2012 by no later than 15 May of each year on wage adjustments to be implemented as of 1 September 2011 and 1 September 2012.

3.6.2 If no agreement on the wage adjustments can be reached in the manner described above by 15 May, each party may on 31 May 2011 or 31 May 2012 give notice to terminate the agreement on 31 August 2011 and 31 August 2012.

## **4 Text of the agreement**

The text of the new collective agreement is attached to these signing minutes

## **5 Local bargaining**

The federations shall jointly organise training concerning local bargaining during the term of the collective agreement. The training shall be directed to all shop stewards and employers' representatives who negotiate on local agreements. The federations shall prepare common training material for the use of the companies.

The federations shall seek to foster the development of local bargaining and shall provide expert assistance to local parties, if so requested, in bargaining to achieve a consensus.

## **6 Working groups**

### **6.1 Information to be provided to chief shop stewards**

The federations shall appoint a working group to provide an explanation to chief shop stewards by 21 December 2010 of the detailed content of the information to be provided on employees' wages and wage structure and the procedures used in providing the said information.

### **6.2 Agency Workers' Directive**

The federations shall appoint a working group to investigate by 30 April 2011 the impacts of the Directive on Temporary Agency Work (2008/104/EC) on the provisions concerning

temporary agency work in the collective agreement and to agree upon any amendments required by the Directive.

### **6.3 Continuous three-shift work**

The federations shall appoint a working group to harmonise the provisions concerning continuous three-shift work with the provisions of the salaried employees' agreement. The new provisions shall take effect on 1 January 2011. Hours of work shall be scaled back such that the annual hours of continuous three-shift work in the Finnish energy industries and the IT and network technology sector are shortened on 1 January 2011, 1 January 2012 and 1 January 2013 by eight hours, calculated from the current practice stated in the collective agreement. In conjunction with this scaling back, the eight-hour work shift of hourly paid employees shall change to paid shift leave, such that no loss of earnings occurs.

The systems in question shall remain valid in companies which apply three-shift work systems in accordance with the collective agreement for energy communities or the municipal sector or a local agreement based thereon.

### **6.4 Packaged issues**

The federations shall appoint a working group to harmonise clauses common to the unusually dirty work allowance, tunnel allowance and overtime compensation (rounding rule).

## **7 Compensation for travel expenses**

Compensation amounts for travel expenses shall be determined during the term of the agreement by the compensation decisions of the Finnish Tax Administration.

A partial per diem allowance in accordance with the table in paragraph 80.3 of the collective agreement (Travel at least 40 km and more than 6 hrs) shall be introduced in companies referred to in section 1, paragraph 1.1, of the collective agreement (member enterprises of the Finnish Energy Industries) on 1 January 2011.

## **8 Transition from the collective agreement for the municipal sector to the terms of this agreement**

8.1 When a company becomes subject to this collective agreement in consequence of an incorporation of a public utility, the local parties shall review the impact on the terms of employment of that amendment to the collective agreement as well as of local practices. The parties to the collective agreement recommend that in amendment situations, the principles of the transitional provision of the energy communities, attached to the Collective Agreement for Employees in Energy Industries, shall be followed, where appropriate.

8.2 This agreement shall not change the transitional provisions of the Collective Agreement for Employees in Energy Industries 17.10.2007–31.1.2010.

## **9 Updating training material**

It was agreed that the common training material applying to personal competence and the pay component of the wage system shall be updated with regard to situations where a job requirement changes.

## **10 Tutustu työelämään ja tienaa (“Get acquainted with working life and earn money”) summer trainee programme**

It was noted that an agreement had been concluded between the parties on continuing the summer trainee programme “Tutustu työelämään ja tienaa” (“Get acquainted with working life and earn money”) during 2010–2012 in accordance with the recommendation issued by the national labour and employer confederations on 20 December 2006.

## **11 Study of developing the collective agreement structure**

The parties to the agreement shall investigate the possibility to develop a wider collective agreement for the energy and electricity industries during the term of the agreement.

## **12 Unusually dirty work allowance**

The following items in the list of examples shall not apply to payment of unusually dirty work allowance in companies referred to in section 1, paragraph 1.1, of the collective agreement (member enterprises of the Finnish Energy Industries).

- Work carried out in cable wells, heating channels or cable conduits, watery cable trenches as well as in foundries
- Cable coupling and cable repair carried out in soil pits
- Oil change for emergency generators of spare power units.

## **13 Tunnel allowance**

The provision of the collective agreement concerning payment of tunnel allowance shall apply only to companies referred to in section 1, paragraph 1.2, of the collective agreement (member enterprises of the Employers’ Association TIKLI).

## **14 Overtime rounding rule**

In payment of overtime, the ten-minute rounding rule shall apply only to companies referred to in section 1, paragraph 1.1, of the collective agreement (member enterprises of the Finnish Energy Industries).

## **15 Further qualification allowances**

The change in the levels of further qualification allowances shall be implemented in member enterprises of the Finnish Energy Industries by cutting the share of the personal pay component by the difference between the allowances in the Collective Agreement for IT and Network Technology Sector and the Collective Agreement for Employees in Energy Industries.

## **16 Standby time**

In current local standby agreements, paragraphs 19.6 and 19.7 of the Collective Agreement for Employees in Energy Industries 17.10.2007–31.1.2010 shall apply to member enterprises of the Finnish Energy Industries unless otherwise locally agreed.

## **17 Locally agreed allowances**

Locally agreed allowances shall be increased by 0.8 per cent as of the start of the pay period beginning on 1 September 2010 or soonest thereafter, unless otherwise locally agreed.

## **18 Wage system**

18.1 The parties to this agreement emphasise that for the effectiveness of the wage system, the results of the competence assessments are used in personal pay component adjustments.

18.2 The parties to this agreement agree that a rise in the job requirement level shall lead to a wage increase, which shall be determined by the requirement of the new job as well as the assessment of the employee's competence and performance.

## **19 Group life insurance**

The employer shall arrange and defray the costs of group life insurance for the employees in the manner agreed between the national labour and employer confederations.

Examined by

FINNISH ENERGY INDUSTRIES (ET)

Juha Naukkarinen

Kari Laaksonen

THE EMPLOYERS' ASSOCIATION TIKLI

Harri Hietala

THE FINNISH ELECTRICAL WORKERS' UNION

Martti Alakoski

Timo Punkki

Sauli Vääntti

THE TRADE UNION FOR THE PUBLIC AND WELFARE SECTORS (JHL)

Tuire Santamäki-Vuori

Jarkko Eloranta

# **EMPLOYEE COLLECTIVE AGREEMENT**

## **I GENERAL REGULATIONS**

### **1 Scope of this agreement**

1.1 The regulations of this collective agreement shall apply to employment relationships of the member enterprises of Finnish Energy Industries.

1.2 The regulations of this collective agreement shall apply to employees who are employed by member enterprises of the Employers' Association TIKLI and who work in the communications, information or network technology industries or in industries substantially linked as well as comparable thereto.

1.3 The parties to this agreement shall undertake that no parallel agreements within the scope of this collective agreement are concluded.

### **2 Freedom of association**

2.1 The employer and employee shall have the right to freely decide on joining an association and to be active therein. Freedom of association is determined according to the Finnish Constitution and the Employment Contracts Act (*Työsopimuslaki*).

2.2 The parties to this agreement note that the purpose of association is to promote the managing of matters of employment as well as maintaining industrial peace and, therefore, they adopt a positive attitude towards the association of the other party.

### **3 Industrial peace obligation**

3.1 This collective agreement shall bind the signatory federations and their affiliated associations as well as employers and employees who are or have been members of the said associations during the term of this agreement.

3.2 During the term of this agreement, it shall not be permitted to engage in any industrial action referred to in the Collective Agreements Act.

3.3 The federations and their affiliated associations shall be required to ensure that their member associations, employers or employees to whom this agreement applies refrain from engaging in any action in a manner contrary to the preceding paragraph or from otherwise infringing the terms and conditions of this collective agreement.

3.4 The national conciliator, the employer's federation and the employees' trade union shall be notified, where possible, no later than four days before any political or sympathetic industrial action is taken. Such notification shall specify the causes of the intended industrial action, the time when it will begin and the scope of the action.

## **4 Local bargaining**

### **4.1 Conditions for bargaining**

Local bargaining requires candid and trust-building dialogue between employer and staff. Readiness to take the initiative in finding optimal solutions that further the interests of both the company and the staff and to harmonise them in a manner allowing for local needs must be adopted as the primary operating format. The parties will be expected to take responsibility for the success of their own workplace.

### **4.2 Company-specific objectives**

4.2.1 Co-operation and local bargaining as an element thereof seek to maintain and improve a company's productivity, competitiveness and employment. This also creates conditions for improving occupational wellbeing. Local bargaining should be perceived specifically as an instrument for improving operations.

4.2.2 The objectives of local bargaining shall be jointly defined at each workplace. In a rapidly changing operating environment, objectives will have to be reassessed as necessary. Local bargaining procedures and means shall be agreed once the company-specific objectives and targets have been jointly clarified. As a mode of operation, local bargaining will affect the entire work community.

### **4.3 Local bargaining procedures**

4.3.1 Other arrangements for matters specially mentioned in the collective agreement may, within the law, be settled by local bargaining. In matters that apply to the employees collectively, a local agreement shall be concluded between the employer and the chief shop steward or the shop steward. A matter concerning an individual employee shall be agreed between the employer and the employee concerned.

4.3.2 The development of local bargaining also requires assessment of the quality and success of bargaining. When bargaining on procedures, the parties should pay attention to the fact that the added value provided by local agreement to different projects or entities shall be reviewed subsequent to or during these projects or entities.

4.3.3 A local agreement may be concluded for a fixed period or until further notice. An agreement concluded until further notice may be terminated with two months' notice unless otherwise agreed. A local agreement must be concluded in writing if either of the parties thereto so requests.

### **4.4 Sustained effects of local bargaining**

4.4.1 A local agreement shall form a part of a collective agreement and shall be applied even after the expiry of the rest of the collective agreement. During this period and within one month of the entry into force of the new collective agreement, a local agreement concluded for a fixed period may also be terminated.

#### **4.5 Commitment of parties to this agreement (federations)**

The federations shall undertake to foster the development of local bargaining and support companies/places of business in finding solutions based on local needs.

## **II EMPLOYMENT**

### **5 General regulations**

5.1 The employer shall have the right to hire and dismiss employees and to determine the management of work. An employment contract shall be concluded in writing at the start of the employment. The contract may also be in electronic format.

The employer shall, on request, provide information on the principal terms of work (Chapter 2, section 4 of the Employment Contracts Act), unless they are laid down in an employment contract.

5.2 At the start of the employment, the employer shall notify the employee of the names and contact information of the shop steward and the occupational safety and health representative and advise of any other necessary matters of employment.

### **6 Regular workplace**

6.1 The term “regular workplace” refers to the place of business where the employee has been hired or where the employee actually works on a regular basis. The regular workplace of an employee who has been hired solely to carry out specific work at a worksite shall be the said worksite. The regular workplace shall be agreed in the employment contract.

6.2 An agreement may be concluded between the employer and the employee on a change of regular workplace. The employer must open negotiations on the transfer of a regular workplace as early as possible. A written agreement shall be concluded on the transfer, signed by the employer’s representative and the employee, stating the following:

- the new regular workplace
- reason for transfer
- date of transfer
- any other issues related to the matter.

6.3 Should no agreement be reached on the transfer, it may only be implemented if statutory reasons exist for it and if no less than the period of notice required by this agreement has passed from the end of the above-mentioned negotiations.

6.4 The regulations of this section may be agreed otherwise locally.

### **7 Termination of employment and lay-offs**

#### **7.1 Changes in the conditions for offering work**

A local agreement may be concluded on procedures which enable flexibility in reacting to changes in the conditions for offering work. The aim of such agreement is to assist employees in finding employment and safeguard the company’s opportunities to carry on operations. The agreed procedures may be connected, for example, to a co-operation procedure and related periods as well as to offering temporary work in lay-off situations.

A competitive situation may result in a company's work moving to another company. A local agreement may also be concluded on a procedure which investigates the possibilities for the employees threatened with lay-offs to find employment in the company to where the work has moved, if the said company needs to increase its workforce.

7.2 The employer shall not terminate an indefinitely valid employment contract for a reason arising from the employee or related to the employee's person without proper and weighty reason, as referred to in the Employment Contracts Act.

7.3 The employer shall not cancel an indefinitely valid employment contract without an extremely weighty reason as referred to in the Employment Contracts Act.

7.4 In the event that an employee is dismissed or laid off for reasons of finance or production, procedures referred to in the Employment Contracts Act (Chapters 5 and 9) shall apply. The lay-off notification period shall be no less than 14 days. There shall be no obligation to provide an advance explanation of a lay-off.

7.5 The employee shall be notified in writing of a lay-off and termination and cancellation of employment.

7.6 Should work become available during the lay-off notification period, then the employer may cancel the lay-off before it begins.

7.7 If the work that arises during the lay-off notification period is temporary, lay-off may be deferred without a new lay-off notice on one occasion and for no more than the duration of the work.

7.8 Should temporary work arise after the lay-off has already begun, an agreement on the interruption of the lay-off may be concluded between the employer and the employee so that the layoff continues after the work has been performed without issuing a new layoff notice. At the same time, the estimated duration of the work should be investigated.

7.9 Staff dismissals and lay-offs not due to the individual employee shall, where possible, comply with a regulation whereby the last individuals to be dismissed or laid off shall be employees who are vital to the operations of the enterprise and necessary for specialised functions, and those who have lost part of their working capacity working for the same employer. In addition to this provision, attention shall be paid to length of employment and to the number of dependants of the employee in question.

7.10 An agreement may be concluded between the employer and the employee to set aside the re-employment provision referred to in Chapter 6, section 6 of the Employment Contracts Act.

7.11 Cases mentioned in Chapter 1, section 4(4); Chapter 7, sections 5, 7 and 8; and Chapter 8, section 3 of the Employment Contracts Act shall fall outside of the scope of the collective agreement provisions under paragraph 7 (trial period cancellation, assignment of the enterprise, reorganisation, bankruptcy or death of the employer as well as cancellation of the employment contract). Disputes arising in these cases shall be heard before the general courts in accordance with the Employment Contracts Act.

7.12 The provisions of this section may be agreed otherwise locally, with the exception of paragraphs 7.2, 7.3, 7.4 and 7.5.

## 8 Notice periods

8.1 When terminating an employment contract, the employer shall observe the following notice periods, unless otherwise agreed at the time of termination of employment:

| <b>Length of continuous employment:</b>          | <b>Notice period:</b> |
|--|-----------------------|
| up to one year                                   | fourteen days         |
| more than one year, no more than four years      | one month             |
| more than four years, no more than eight years   | two months            |
| more than eight years, no more than twelve years | four months           |
| more than twelve years                           | six months            |

8.2 When terminating an employment contract, the employee shall observe the following periods of notice, unless otherwise agreed at the time of termination of employment:

| <b>Length of continuous employment:</b> | <b>Notice period:</b> |
|---|-----------------------|
| up to five years                        | fourteen days         |
| more than five years                    | one month             |

## III WORKING HOURS

### 9 Harmonisation of the needs of enterprises and employees when agreeing on working hours

The productivity and success of companies and the possibility to offer work require expedient arrangement of working hours. In the arrangement of working hours by local agreement, attention should be paid to matters including the seasonal nature of the work, the positioning of working hours during a working day and week, length of work shifts as well as the reference periods of average working hours.

### 10 Working week and working day

The working week shall begin on Monday. In day work, the working day shall begin when the regular working hours begin, and in two- and three-shift work the working day shall begin when the morning shift begins, unless otherwise agreed locally.

### 11 Regular working hours in daytime and two-shift work

11.1 Regular working hours shall not exceed 8 hours per working day or 40 hours per working week unless an average number of working hours has been arranged according to law or collective agreement.

11.2 The regular daily working hours may be increased to a maximum of 12 hours by local agreement. Working hours must be averaged during a period of not more than 52 weeks to the same number of working hours as in day work over a similar period.

11.3 For working hours based on an average, a system for adjusting working hours shall be created in advance for work, at least for the period during which regular working hours are averaged, unless otherwise agreed locally.

## **12 Arrangement of working hours**

12.1 Unless otherwise agreed locally, regular working hours shall be arranged in day work between 6 am and 6 pm.

12.2 The employer shall prepare a work schedule indicating the beginning and end of regular working hours and daily rest periods.

12.3 Notification of permanent changes in the work schedule shall be given as early as possible and no later than seven days prior to the changes. Notification of a temporary change shall be given no less than four days prior to the change. Both the notification date and the effective date of the change shall be included in the above-mentioned period.

12.4 In cases of sickness and emergency work and other comparable situations, the change may, however, be implemented as quickly as practicable.

12.5 In urgent repair and maintenance work and other work of comparable importance, the arrangement of working hours may be implemented by observing a 24-hour advance notice period.

12.6 A local agreement may also be concluded on shorter advance notice periods than those mentioned above.

## **13 Night work and flexible working hours**

Other arrangements for provisions concerning night work as well as flexible working hours and the maximum accumulation referred to in the Working Hours Act may be agreed locally.

## **14 Daily rest periods**

14.1 The length of a daily rest period (meal break) shall be one hour, unless a local agreement has been concluded on a shorter period, which may not be less than half an hour.

14.2 In shift-based work, employees must be allowed a rest period of at least half an hour or an opportunity to eat while they are working.

14.3 An employee shall be entitled to two refreshment breaks included in working hours during his/her shift.

14.4 For overtime lasting at least one hour, an employee shall be entitled to a similar refreshment break after the end of regular working hours and subsequent breaks every two hours.

## **15 Daily rest period**

An employee must be given a daily rest period referred to in section 29 of the Working Hours Act unless otherwise agreed locally.

## **16 Weekly free time**

In the event that it has not been possible to grant the employee any weekly free time during the working week, as referred to in the Working Hours Act, work carried out during that time shall be compensated by paying an hourly paid employee his/her average hourly earnings on top of his/her regular wage, and a monthly paid employee twice his/her regular hourly wage for the hours concerned in addition to his/her monthly salary, or by granting a corresponding amount of paid leave no later than within three months from the completion of the work. Other arrangements for this paragraph may be settled by local agreement.

## **17 Days off**

17.1 In day work, Christmas Eve and Midsummer Eve as well as Saturdays and Sundays shall be days off. If work is performed on Saturdays, Monday shall be given as the day off in addition to Sunday.

17.2 If the company's activities relevant to the employee's work continue on no less than six days in a week, the day to be given as the day off in addition to Sunday may vary. Even in such cases, efforts shall be made to give Saturday or Monday as the day off in addition to Sunday.

17.3 If the company's activities also continue on Sundays on the grounds referred to in section 33 of the Working Hours Act, two consecutive days off shall be given in a week. Any weekday public holidays falling on a work day shall not be included in the days off referred to above.

17.4 Other arrangements for the regulations of this section may be settled by local agreement.

## **18 Continuous three-shift work (see the signing minutes)**

### **19 Overtime and additional work**

19.1 Work done in addition to regular working hours according to the work schedule shall be compensated as overtime.

19.2 A regular hourly wage shall be paid for additional work in part-time work.

19.3 An hourly paid employee shall be paid an hourly wage as the basic amount for overtime including any additional allowances. The increase shall be calculated from the average hourly earnings.

19.4 A monthly paid employee shall be paid an hourly wage as the basic amount for overtime. The increase shall be calculated from the hourly wage. Additional allowances payable on overtime shall be paid at a higher rate.

### **20 Daily and weekly overtime**

20.1 The wage payable for the first two hours of daily overtime shall be the regular wage plus 50 per cent and, for subsequent hours, the regular wage plus 100 per cent. The wage payable for the first eight hours of weekly overtime shall be the regular wage plus 50 per cent and, for subsequent, the regular wage plus 100 per cent.

20.2 By local agreement, wages and the increase payable for overtime may be either completely or partly converted into paid time off in lieu of hours worked.

20.3 The calendar year shall be used as the review period for the maximum overtime amount referred to in the Working Hours Act.

20.4 The wage for one hour and the overtime increase shall also payable for each additional hour of overtime if the working hours exceed a full working hour by at least ten minutes. This rounding rule must not lead to unfounded extension of working hours. (For application, see the signing minutes, paragraph 14.)

20.5 Other arrangements for the provisions of this section may be settled by local agreement.

## **21 Time comparable to working time**

When remunerating overtime, time off in lieu of hours worked, as well as other absences for which the employer pays a wage or compensation for loss of earnings, regardless of whether they are granted as full days or reduced daily working hours, shall be compared to working hours completed.

## **22 Work performed on Sundays and public holidays**

22.1 The wage payable for Sunday work shall be twice the regular wage.

22.2 The wage payable for work performed on New Year's Day, Epiphany, Good Friday, Easter Sunday, Easter Monday, 1 May, Ascension Day, Midsummer Eve, Midsummer Day, Finnish Independence Day, Christmas Eve, Christmas Day and Boxing Day shall be four times the regular wage, which includes any increase for overtime and Sunday work and an increase payable for emergency work.

22.3 Other arrangements for the provisions of this section may be settled by local agreement.

## **23 Work performed on Saturdays in weeks including a weekday public holiday**

23.1 The wage payable to an employee for work performed on Easter Saturday or the Saturday after Easter or Ascension Day, as well as the Saturday following New Year's Day, 1 May, Finnish Independence Day and Boxing Day in the same calendar week, shall be twice the regular wage. The wage shall also include any remuneration payable on overtime.

23.2 Work performed on the Saturday following Epiphany in the same calendar week shall be remunerated as weekly overtime unless it is otherwise remunerated as overtime.

23.3 Other arrangements for the regulations of this section may be settled by local agreement.

## **24 Compensation for weekday public holidays and wage for Finnish Independence Day**

24.1 A monthly paid employee shall be entitled to his/her full monthly salary for months including weekday public holidays and Independence Day.

24.2 An hourly paid employee shall be paid the employee's personal wage for time-based work calculated in accordance with average hourly earnings as weekday public holiday compensation for New Year's Day, Epiphany, Good Friday, Easter Monday, 1 May, Ascension Day, Midsummer Eve, Finnish Independence Day, Christmas Eve, Christmas Day and Boxing Day, subject to the conditions mentioned below.

24.3 The compensation shall be paid for regular working hours according to the employee's work schedule, if the mentioned weekday public holidays would otherwise have been the employee's work days or working time averaging days.

24.4 Employees on average working hours shall be paid a weekday public holiday compensation based on the number of hours agreed in the employment contract on regular daily working hours in accordance with their average hourly earnings.

24.5 Weekday public holiday compensation shall be paid on the condition that the employee was working according to the work schedule on the last working day immediately preceding or on the first working day immediately following the weekday public holiday or on one of these two days, if the absence from work is based on a permission from the employer or on paid absences included in this collective agreement.

24.6 Finnish Independence Day shall be governed by the Act on Celebrating Finnish Independence Day as a Public Holiday (*Laki itsenäisyyspäivän viettämisestä yleisenä juhla- ja vapaapäivänä*).

24.7 Compensation for weekday public holidays shall also be paid to an employee otherwise entitled to weekday public holiday compensation for the period of annual holidays and paid absence arising from sickness that has lasted no more than three months prior to the weekday public holiday, or from the sickness of a child, as well as for weekday public holidays falling between the days for reduction in working hours.

24.8 Weekday public holiday compensation shall not be paid for weekday public holidays falling on days off.

24.9 If the employee is working on a weekday public holiday, then the weekday public holiday compensation shall not be paid.

24.10 Other arrangements for the regulations of this section may be settled by local agreement.

## 25 Emergency work

25.1 “Emergency work” refers to work carried out on the basis of a call to emergency work and where the employee, having already left the workplace, has to return to work outside his/her regular working hours and before the beginning of his/her next regular shift – but within 24 hours from the receipt of the call.

25.2 An emergency allowance shall be paid for emergency work, determined by the time the call was issued as follows:

| <b>Call issued</b>                          | <b>Emergency allowance</b> |
|---|----------------------------|
| during regular working hours or before 9 pm | Hourly wage for two hours  |
| between 9 pm and 6 am                       | Wage for four hours        |

25.3 Emergency allowance shall be paid only once for calls issued within the same hour.

25.4 If the call was issued after the end of regular working hours, the employee shall be paid twice the regular hourly wage for the working time in addition to the regular wage, including any remuneration payable on overtime. At most, the increase shall be paid until the beginning of the following shift or regular working hours in use in the company.

25.5 The wage for one hour shall be paid for working time of less than one hour.

25.6 Travel time shall be included in working time.

25.7 Other arrangements for the regulations of this section may be settled by local agreement.

## 26 Standby time

26.1 An employee who, under a separate agreement that must specify the length of any standby time, is required to remain at home, from where the employee may be called to work if necessary, shall be paid for the time the employee remains ready but not performing work at a rate of half of the employee's hourly wage or corresponding basic wage of the monthly wage for such standby time, not including the standby time in regular working hours.

26.2 A local agreement may be concluded on different standby systems, grounds for compensation and the conversion of the compensation for standby time into paid leave comparable working hours.

26.3 Regulations on emergency work shall not apply to the person on standby.

## **27 Reduction in working hours**

27.1 Working hours shall be reduced in the form of working hours by 8 hours per working day / 40 hours per working week or the above in average provided that the employee's annual holidays do not exceed 30 days and working hours are otherwise only reduced by religious holidays, Midsummer Eve, Finnish Independence Day, Christmas Eve, New Year's Eve and 1 May. The amount of reduction in working hours shall be 100 hours in a calendar year.

27.1.1 If the reduction in working hours has been implemented by reducing daily or weekly working hours, then the annual working hours reduced in this way must correspond with working hours referred to in paragraph 1.

**Example:** *the working hours of an employee working 38.25 hours per week with annual holidays in accordance with the Annual Holidays Act without additional leave are reduced by 23 hours per year.*

27.1.2 The provision in paragraph 27.1.1 shall apply to those employees for whom the length of their annual leave is determined according to the Annual Holidays Act without additional leave.

27.2 Annual leave arrangements not based on the Annual Holidays Act and annually recurring additional days off shall be deducted from the amount of reduction in working hours.

27.2.1 The provision in paragraph 27.2 shall not apply to additional leave granted on the basis of transitional provision to employees within the scope of the collective agreements for energy communities or the municipal sector.

27.3 Unless otherwise agreed locally, reduction in working hours shall accumulate for a calendar month during which the employee has accumulated at least 17 days at work. Days for which the employer pays a wage or compensation for loss of earnings are counted as time at work. Attendance to duties as a local elected official referred to in paragraph 49 shall also be counted as time at work. The portion of the annual reduction in working hours that accumulate during the calendar month described above shall correspond to that month.

27.4 Accumulated leave shall be granted at a time determined by the employer no later than by the end of August of the following calendar year. The leave shall primarily be

granted as whole shifts. Other arrangements for granting and compensating accumulated leave may be agreed locally.

27.5 Unless otherwise agreed locally, notification of the granting of leave shall be given no later than seven days in advance. Notification of a deferment of leave for which notification has already been given shall be given no less than four days earlier. Both the notification date and the date of leave granted shall be included in the above-mentioned period.

27.6 If leave for which notification has already been given cannot be taken for a reason due to the employee, during which time the employer is required to pay compensation for loss of earnings under the collective agreement, then the leave shall be deferred to a later time if the impediment occurs before the beginning of the leave.

27.7 An hourly paid employee shall be paid compensation for loss of earnings during the leave in accordance with his/her average hourly earnings, unless the said compensation is included in the wage of completed working hours in accordance with earlier collective agreement practice. A monthly paid employee shall be paid a full monthly wage during the leave.

27.8 Other arrangements for the regulations of this section may be settled by local agreement.

## **28 General annual holiday provisions**

28.1 Annual holidays shall be determined according to the Annual Holidays Act (*Vuosilomalaki*).

28.2. Other arrangements for the holidays season referred to in the Annual Holidays Act may be agreed locally.

28.3 In addition to days at work referred to in the Annual Holidays Act, work days shall be considered to be the equivalent of days at work when the employee has been absent from work during employment:

- due to leave for reduction in working hours
- to participate in trade union training arranged by the employer, up to a maximum of one month
- to participate in collective bargaining or in the work of a working group agreed under the collective agreement
- due to absence arising from the sickness of a child under 10 years of age
- due to the employee's 50<sup>th</sup> or 60<sup>th</sup> birthday that coincides with a work day
- due to short-term temporary leave granted for a sudden illness in the employee's family or the death of a close relative of the employee
- due to annual holiday bonus converted into paid leave
- to participate in a meeting of the employee's trade union and a meeting of its delegate council, commission or equivalent administrative body
- to participate in the delegate conference or general council meetings of the Central Organisation Of Finnish Trade Unions (SAK).

## **29 Holiday pay**

29.1 Continually or regularly recurring allowances and increases as well as fixed remuneration shall be taken into account in accordance with the Annual Holidays Act (*Vuosilomalaki*) in the holiday pay of a monthly paid employee.

29.2 The employee's average hourly earnings shall be the basis for calculating the holiday pay and holiday compensation for an hourly paid employee. These shall be calculated such that the pay received by the employee, or the employee's pay in arrears, for the time at work during the holiday credit year, excluding any increase payable for emergency work and statutory or agreed overtime work on top of the basic salary, is divided by the number of corresponding working hours. An employee's holiday pay and holiday compensation shall be calculated by multiplying the employee's average hourly earnings by a multiplier determined according to the number of days of holiday referred to in the Annual Holiday Act as per the following table:

| <b>Number of days holiday</b> | <b>Multiplier</b> | <b>Number of days holiday</b> | <b>Multiplier</b> |
|-------------------------------|-------------------|-------------------------------|-------------------|
| 2                             | 16.0              | 16                            | 116.0             |
| 3                             | 23.5              | 17                            | 123.6             |
| 4                             | 31.0              | 18                            | 131.2             |
| 5                             | 37.8              | 19                            | 138.8             |
| 6                             | 44.5              | 20                            | 146.4             |
| 7                             | 51.1              | 21                            | 154.4             |
| 8                             | 57.6              | 22                            | 162.4             |
| 9                             | 64.8              | 23                            | 170.0             |
| 10                            | 72.0              | 24                            | 177.6             |
| 11                            | 79.2              | 25                            | 185.2             |
| 12                            | 86.4              | 26                            | 192.8             |
| 13                            | 94.0              | 27                            | 200.0             |
| 14                            | 101.6             | 28                            | 207.2             |
| 15                            | 108.8             | 29                            | 214.8             |
|                               |                   | 30                            | 222.4             |

29.3 If the number of regular daily working hours during the holiday credit year has been less than eight hours, holiday pay and holiday compensation shall, however, be calculated by correspondingly multiplying the average hourly earnings by the figure arrived at by multiplying the above multipliers by the quotient obtained by dividing the number of regular working hours in a week by 40.

29.4 If the number of days of holiday exceeds 30, the multiplier is increased by 7.2 for each day of holiday.

29.5 Holiday pay shall be paid on normal paydays, unless otherwise agreed locally.

29.6 When calculating monthly holiday compensation for a monthly paid employee, the divisor shall be 25.

### **30 Holiday bonus**

30.1. An hourly paid employee shall be paid 50 per cent of the holiday pay as holiday bonus.

The holiday bonus payable to a monthly paid employee shall be 50 per cent of the sum calculated by dividing the monthly wage (monetary pay) by 25 and multiplying the quotient so obtained by the number of days of holiday.

Half of the holiday bonus shall be paid at the time of the holiday pay and half on the company's regular pay day immediately after the holiday, unless otherwise agreed locally or unless this is precluded by the company's previous practice.

30.2 Holiday bonus shall also be paid on any holiday compensation to an employee retiring on old age or disability pension or taking up military service.

30.3 A local agreement may be concluded on granting the holiday bonus or a part of it as paid leave equivalent to time at work.

## **IV INCAPACITY FOR WORK**

### **31 Illness or accident**

31.1 An employee shall be paid for work days or shift leave days included in a period of incapacity for work caused by illness or accident:

| <b>Length of continuous employment</b> | <b>Wage</b>      |
|--|------------------|
| less than one month                    | for one week     |
| up to one month but less than one year | for four weeks   |
| one year but less than five years      | for five weeks   |
| five years or longer                   | for three months |

31.2 An hourly paid employee shall be paid a wage in accordance with average hourly earnings. The salary of a monthly paid employee shall not be reduced due to illness.

31.3 If an employee becomes ill during the working day, sick pay shall also be paid for the remaining hours of the work day.

31.4 The condition for the payment of wages is that the employee authorises the employer to draw the share of the per diem allowance to which the employee would be entitled under the Sickness Insurance Act (*Sairausvakuutuslaki*, 1224/2004) during the paid period of incapacity for work and that the incapacity for work has not been caused through the employee's own gross negligence.

31.5 If the employee is prevented from performing his/her work within the scope of this collective agreement due to an accident occurring at work carried out under an employment relationship elsewhere, the employer shall not be obliged to pay sick pay.

31.6 An employee who becomes incapacitated for work shall be obliged to notify the employer thereof and of the estimated duration of the incapacity without delay.

31.7 If so requested by the employer, the employee shall present a medical certificate issued by the company's occupational health physician or in some other manner acceptable to the employer. If the employer has not approved a medical certificate presented by an employee and refers the employee for examination by another physician, the employer shall pay compensation for the costs thus incurred.

31.8 Should the employee's incapacity for work recur due to the same illness within 30 days from the date for which the employee was last paid sick pay or sickness allowance, then the employee shall not be entitled to a new sick pay period referred to above; rather, the sick pay shall be paid in total for not more than the period mentioned above. If the employer's obligation to pay wages has already been fulfilled during the previous period of incapacity for work, the employer shall, however, pay wages for one waiting day in accordance with the Sickness Insurance Act.

31.9 If an employee falls ill during a posting elsewhere, the employer shall pay the employee a per diem allowance under this collective agreement for the waiting period under the Sickness Insurance Act or shall take care of the employee's transport back to his/her regular workplace.

31.10 Other arrangements for the provisions of this section may be settled by local agreement.

## **32 Statutory medical examinations**

32.1 The employer shall compensate the employee for loss of earnings due to work-related statutory medical examinations or medical examinations ordered by the employer or for related travel.

32.2 Travel allowance with respect to statutory medical examinations shall be paid in accordance with the principles on travel allowances of this collective agreement.

32.3 Other arrangements for the provisions of this section may be settled by local agreement.

## **33 Other medical examinations**

33.1 The employer shall pay compensation for loss of earnings in the case of illness or accident necessitating an urgent medical examination.

33.2 Loss of earnings shall be compensated in other cases of illness or accident if a surgery appointment cannot be secured outside working hours within a reasonable time.

33.3 Laboratory and X-ray examinations prescribed by a physician shall be comparable to other medical examinations. A medical examination performed for the purpose of determining treatment for a previously diagnosed illness shall also be comparable to other medical examinations.

33.4 The employee must notify the employer in advance of a visit to a physician. If this is not possible, then notification must be made at the earliest opportunity. The employee shall present an account of the medical examination, waiting and travel times as well as, if needed, of the fact that the employee was unable to secure an appointment outside working hours.

33.5 The wage paid as a compensation for loss of earnings shall be determined by sick pay calculation and harmonisation rules.

33.6 Other arrangements for the provisions of this section may be settled by local agreement.

## **34 Family leave**

34.1 Wages shall be paid for three months during maternity leave if the employment has continued uninterrupted for not less than six months before childbirth and the employee authorises the employer to draw the share of the per diem allowance to which the employee would be entitled under the Sickness Insurance Act (*Sairausvakuutuslaki*, 1224/2004) during the paid maternity leave.

34.1.2 The employee shall be paid the regular hourly wage for a period of six (6) days' paternity leave. The same provisions apply to the payment of paternity leave wages as to the payment of maternity leave wages.

34.2 A female employee who adopts a child of less than school age shall be granted three months of paid leave equivalent to maternity leave, to be taken at the immediate time of the adoption and under the same conditions.

34.3 A local agreement shall be concluded on the procedures and the creation of an overall plan with regard to taking family leave and child care leave.

34.4 In the event of any sudden illness of a child under ten years of age, the mother or the father shall be paid in accordance with the provisions of this collective agreement concerning sick pay compensation for a short temporary absence (1–4 days) necessary to care for the child or to arrange such care. A parent not living in the same household as the child shall have the same entitlement. It shall be a condition of payment that both parents are in employment or one of the parents is prevented from participating in caring for the child due to illness, travel or studies in another locality or that the person concerned is a single parent.

34.5 After reaching prior agreement with the employer, an employee whose child suffers from a serious illness referred to in Chapter 10 of the Sickness Insurance Act giving entitlement to special treatment allowance, shall be entitled to leave of absence in order to take part in the paediatric treatment or rehabilitation referred to in the said Chapter.

## V WAGES

### 35 Determination of earnings

35.1 The wages of an employee shall be composed of wages according to job requirement, a personal pay component based on competence and performance, and any additional allowances.

35.2 The requirement classification and the wage determined thereby shall also apply to apprentices, but not to trainees or summer employees, unless they have already qualified for a profession and work in duties commensurate with their qualifications.

### 36 Wages according to job requirement

36.1 The job requirement shall be assessed by using a requirement assessment system for employees. The requirement category shall be determined by the total number of requirement points as follows:

| <b>Job requirement category</b> | <b>Points</b> |
|---------------------------------|---------------|
| 1                               | 135–155       |
| 2                               | 160–185       |
| 3                               | 190–215       |
| 4                               | 220–245       |
| 5                               | 250–275       |
| 6                               | 280–305       |
| 7                               | 310–335       |
| 8                               | 340 - 360     |

36.2 The requirement shall be assessed on the basis of written job descriptions. The superior and employee shall jointly draw up the job description and assess the requirement within four months from the beginning of the employment relationship. The superior must ensure that the job description and assessment of the job requirement are performed in accordance with this wage system.

36.3 Should the employee disagree on the job requirement, the employee can submit the matter to be considered in accordance with the negotiating procedure of this collective agreement. The federations that are parties to this agreement shall establish a working group with the task of considering classification disagreements that have been submitted to the federations. The result of the assessment cannot be brought before a court of arbitration or a labour court.

36.4 In the case of significant changes in an employee's job, the requirement category shall be adjusted in accordance with the new job description within four months from the change. Any increase in the employee's wage shall, however, be implemented as of the job change.

36.5 The functionality of the requirement assessment system shall be reviewed annually, if necessary, between the representatives of the employer and employees.

36.6.1 As of the pay period beginning on 15 March 2010 or soonest thereafter, wages according to job requirement shall be as follows:

| Requirement level | EUR/hr | EUR/month |
|-------------------|--------|-----------|
| 1                 | 9.20   | 1,601     |
| 2                 | 10.04  | 1,747     |
| 3                 | 10.90  | 1,897     |
| 4                 | 11.74  | 2,043     |
| 5                 | 12.56  | 2,185     |
| 6                 | 13.42  | 2,335     |
| 7                 | 14.26  | 2,481     |
| 8                 | 15.11  | 2,629     |

36.6.1 As of the pay period beginning on 1 September 2010 or soonest thereafter, wages according to job requirement shall be as follows:

| Requirement level | EUR/hr | EUR/month |
|-------------------|--------|-----------|
| 1                 | 9.27   | 1,613     |
| 2                 | 10.12  | 1,761     |
| 3                 | 10.99  | 1,912     |
| 4                 | 11.83  | 2,058     |
| 5                 | 12.66  | 2,203     |
| 6                 | 13.53  | 2,354     |
| 7                 | 14.37  | 2,500     |
| 8                 | 15.23  | 2,650     |

36.7 A new employee of a company may be paid for a period not exceeding four months a wage which is 85 per cent of the wage according to the requirement level in question. This is subject to the condition that the duty has been previously assessed using a requirement assessment system for employees.

36.8 In conjunction with a general wage increase, wages according to job requirement shall be increased by the percentage of the general wage increase.

36.9 If working on high masts or poles is an essential part of the job, this shall be taken into account in the assessment of the job requirement, and no additional mast allowance shall be paid.

36.10 It shall be agreed locally whether an additional allowance in accordance with the collective agreement is to be paid for a welder's qualification or whether the welding skill required by the job is to be taken into account in the assessment of the job requirement.

36.11 Working as a foreman will be taken into account in the job requirement assessment or by paying an additional allowance for this work.

36.12 If an employee's duties include providing occupational instruction and guidance in accordance with a programme defined in advance to apprentices or to students in a work-based module at a secondary-level vocational institution, this shall be taken into account in the job requirement assessment.

## REQUIREMENT ASSESSMENT MODEL FOR EMPLOYEES' DUTIES

Company: \_\_\_\_\_

Job: \_\_\_\_\_ Date of assessment: \_\_\_\_\_

| SKILLS REQUIRED BY DUTIES |  | A1, SIGNIFICANCE OF DUTIES FOR RESULT/OPERATIONS  |     |                                       |     |                                    |     |
|---------------------------|--|---|-----|---------------------------------------|-----|------------------------------------|-----|
|                           |  | Limited   |     | Significant                           |     | Extensive                          |     |
| A                         | <b>LEVEL 1</b><br>The job is composed of a few similar tasks   | 75  | 85  | 100                                   | 110 |                                    |     |
|                           | <b>LEVEL 2</b><br>The job is generally composed of work involving one field of competence  | 100   | 110 | 125                                   | 135 |                                    |     |
|                           | <b>LEVEL 3</b><br>The job is composed of work involving at least two fields of competence or is a demanding specialised job                                    |   |     | 150                                   | 160 | 175                                | 185 |
|                           | <b>LEVEL 4</b><br>The job is composed of work involving at least two level 3 duties or is a highly demanding specialised job                                   |   |     | 175                                   | 185 | 200                                | 210 |
| B                         | <b>REQUIRED PROFESSIONAL EXPERIENCE</b>  | <b>Professional experience required by duties</b> |     |                                       |     |                                    |     |
|                           |  | Up to one year                                    |     | 1–5 years                             |     | More than 5 years                  |     |
| C                         | <b>EFFORT</b><br>These refer to the special factors recurrently relating to work that are caused by the difficulty, monotony and degree of engagement required | 20  |     | 35                                    |     | 50                                 |     |
|                           |  | Work effort is normal                             |     | Work requires more effort than normal |     | Work requires high level of effort |     |
| D                         | <b>SIGNIFICANCE OF INTERACTION</b><br>This measures the complexity of influencing the company's own personnel and outsiders                                    | 20  |     | 35                                    |     | 50                                 |     |
|                           |  | Limited   |     | Significant                           |     | Extensive                          |     |

Classification result: \_\_\_\_\_ points

Person working in the job: \_\_\_\_\_

Classification takes into account:

- Working on high masts or poles
- Qualification of a welder
- Working as a foreman
- Occupational instruction and guidance

# REQUIREMENT ASSESSMENT MODEL FOR EMPLOYEES' DUTIES

Explanations of requirement factors

## A DIFFICULTY LEVEL OF DUTIES, REQUIRED SKILLS

### Level 1

- The job is composed of a few similar tasks
- The work is governed by simple instructions
- The job does not require vocational qualification-level knowledge
- The content of the job and individual tasks can be learned with the help of brief professional guidance

### Level 2

- The job is generally composed of work involving one field of competence
- The work is governed by the employer's general instructions and established modes of operation
- The job generally requires mastery of vocational qualification-level knowledge
- The job requires knowledge of the network, equipment or processes of the field of activity concerned

### Level 3

- The job is composed of work involving at least two fields of competence or is a demanding, specialised job
- The guidance for the job tends to be general in nature
- Goals agreed with the superior and the company's principles of operation guide the work
- The job always requires mastery of vocational qualification-level knowledge of the field
- The job requires thorough knowledge of the network, equipment or process in question

### Level 4

- The job is composed of work involving at least two level 3 duties or is a highly demanding, specialised job
- Set goals and modes of operation guide the work more than instructions
- The employee generally decides on the work arrangements himself/herself. The work often consists of planning, interaction and creative thinking
- The job requires mastery of more than vocational qualification-level knowledge of the field
- The job requires a wide knowledge of the company's network, equipment or processes

# REQUIREMENT ASSESSMENT MODEL FOR EMPLOYEES' DUTIES

Explanations for requirement factors

## A1 IMPACT OF DUTIES ON OPERATIONS

### 1 Limited

- The result or time of the decision has little significance for the work of others
- The duties mainly affect the result of the employee's own work or the work of a small work group

### 2 Significant

- The job requires some innovative development work
- The job mainly affects the results of the operational sector

### 3 Extensive

- Decisions must often be made by combining theoretical information, experience and established modes of operation
- The job clearly affects the results of the entire operation

## C EFFORT

### 1 Work effort is normal

- The physical effort of the work is normal, and it does not involve a significant mental load

### 2 Work requires more effort than normal

- The work partly requires moderately heavy effort, or the work is light but it entails some mental load

### 3 Work requires high level of effort

- The work requires continuous, moderately heavy effort or short-term, recurrent, significant effort, or the mental load of the work is considerable

## D SIGNIFICANCE OF INTERACTION

### 1 Limited

- Contacts are normal and require interaction with fellow workers

### 2 Significant

- The job requires mainly internal communication on an expert level, primarily in the employee's own operation

### 3 Extensive

- The job requires a significant amount of communication on one's own initiative with customers, experts and demanding stakeholders

### 37 Personal pay component

37.1 The employee's personal characteristics that are relevant to his/her performance of the job in question, shall be taken into account in the assessment of the employee's competence and performance. The assessment shall be carried out with the assessment system supporting the company's operations and its objectives and the development of its personnel. Factors to be assessed include the workload, quality of work and ability to co-operate. In addition to these, the system may contain, at the company's discretion, other factors supporting the above objectives. The assessment result shall be discussed between the employee and the superior as necessary, but at least once a year.

37.2 The personal pay component for an employee whose employment has continued for five years shall be at least 3% of the wage according to job requirement.

37.3 If an employee is entitled to a further qualification allowance in accordance with paragraph 42.1.1, it constitutes a personal pay component which is not included in the minimum component in accordance with paragraph 37.2.

37.4 An example of a simple competence assessment system:

|                           | Learning level | Basic level | Target level |
|---------------------------|----------------|-------------|--------------|
| Factors                   |                |             |              |
| Workload                  |                | x           |              |
| Quality of work           | x              | o           |              |
| Ability to co-operate     |                | x           | o            |
| Company-specific factor 1 |                |             | x            |
| Company-specific factor 2 |                | x           |              |
| Company-specific factor 3 | x              | o           |              |

x = the person's assessment result  
o = target for the next period

Learning level = The level required by the job has not yet been reached

Basic level = The level required by the job

Target level = The good level required by the job

### 38 Wage concepts

| Concept                             | Explanation   |
|-------------------------------------|---|
| Wage according to job requirement   | Wage according to job requirement level   |
| Personal pay component              | A pay component paid on the basis of the person's competence and performance (includes the further qualification allowance)                       |
| Hourly wage<br>Monthly salary       | Wage according to job requirement + personal pay component  |
| Hourly earnings<br>Monthly earnings | Hourly wage + additional allowances<br>Monthly salary + additional allowances   |
| Average hourly earnings             | Average hourly earnings calculated for a specific period  |
| Basic wage                          | Wage per hour paid for a monthly paid employee, calculated by dividing the monthly salary including fringe benefits by the monthly salary divisor |

### **39 Modes of payment**

The modes of payment shall be pay at time-based pay and performance-based pay. The corresponding terms for work are time-based work and performance-based work.

#### **40 Time-based work**

An hourly wage in accordance with pay regulations, including any additional allowances, shall be payable to the employee in time-based work.

#### **41 Performance-based work**

41.1 Performance of work at piece rates or as other performance-based work may be locally agreed.

41.2 In work where it is difficult to apply direct piecework pay rates, the employer and employee may agree to use other forms of performance-based pay. In such cases, regulations on contract work shall be observed where appropriate.

41.3 Special allowances mentioned in section 42 must not be included in performance-based pay, but shall be paid separately.

41.4 Contract pricing must be such that, at a normal pace for contract work, piece-rate pay rises 30% above the wage according to the requirement and increases as performance improves in at least similar proportions.

41.5 The portion of the pay at piece rates that exceeds the wage according to requirement is called contractual profit.

41.6 In contract work, the hourly wage + 15% is guaranteed. Such guarantee does not, however, apply to cases where the employee / work group has repeatedly failed to achieve the contractual profit in accordance with the contract guarantee even though working conditions have been normal and no other impediments resulting from work arrangements or contract pricing have occurred.

41.7 In contract work, the objective should generally be to keep the contract price unchanged when factors affecting it remain unchanged.

41.8 If the employer or employee has not been able to estimate the contract price correctly due to the uniqueness or novelty of the work or lack of time and, therefore, the employee has not achieved a 30% contractual profit at a normal pace for contract work, or if the same reasons have led to overcharging, the contract price may be reviewed.

41.9 Unless consensus can be achieved on the contract price in local bargaining, the case shall be referred to the federations for decision in accordance with the negotiating procedure of this collective agreement. The federations' decision shall be binding on both parties. This must not be a basis for a slower pace for contract work.

41.10 For contract work without a fixed contract price list, a contract price shall be agreed before work begins, and proof of that contract price and information on the bases for

calculation shall be given to the employee. Contracts should be divided into short milestones so far as is possible.

41.11 Work included in the contract price must be defined in advance. Separate payment must be made for all additional work caused by changes, as well as for removal from storage, return and transport of materials.

41.12 In a joint contract, the employee receives his/her share of the contract profit by a proportion relating to his/her hourly wage and to the number of hours of work by which he/she has participated in the joint contract. Derogations from the above principle are permissible only if so agreed by all employees who participated in the contract.

41.13 When a joint contract is divided between employees who participated in the contract, further qualification allowances shall not be counted as being included in hourly wages but shall be paid separately outside the contract.

41.14 If a company's employees work in duties for which the provisions in this collective agreement applying to performance-based pay rate are inappropriate, the use of other modes of performance-based pay rates shall be agreed upon locally.

41.15 The application of electric contract pricing in indoor installation work in new buildings in the electrical installation industry may also be locally agreed.

## **42 Additional allowances**

### **42.1 Further qualification allowances**

42.1.1 A further qualification allowance shall be paid to an employee who has successfully completed a further qualification or specialist qualification confirmed or controlled by the National Board of Education and who works in a job commensurate with the qualification. A specialist qualification allowance shall be paid for a successfully completed specialist qualification for work supervision technician (*työtekniikko*), provided that the person works in a job commensurate with the qualification. The allowance shall be paid for one qualification.

42.1.2 Payment of the allowance begins as of the beginning of the first pay period following the date on which the diploma or certificate was signed.

42.1.3 The employer shall grant the employee an opportunity to participate in examinations for qualifications mentioned under the section entitled "Further qualification allowances".

42.1.4 The employee shall be compensated for any loss of earnings caused by the participation in an examination for further qualification and for related actual costs, provided that the employee has agreed with the employer in advance on his/her participation and provides an account of the result attained for the completed qualification. The above-mentioned compensations shall be paid once for a theoretical examination and once for a practical examination. The employee shall be granted an opportunity to resit the qualification, however, without the above compensation.

### **42.2 Unusually dirty work allowance**

42.2.1 An unusually dirty work allowance shall be paid for work which is clearly distinguishable from dirty work in the relevant industry and where protective clothing

provided by the employer does not ensure sufficient protection. (Paragraphs 42.2.2 – 42.2.4.)

42.2.2 Work is considered unusually dirty when its dirtiness is comparable to the following jobs (limited application with regard to the three last items in the list, see paragraph 12 of the signing minutes):

- Creosote phase in pole treatment
- Working on wet creosote poles
- Scraping and painting of poles
- Repair work inside steam boilers
- Working in coal and coke depots
- Oil change of transformers and oil circuit-breakers
- Maintenance and repair of brush equipment of electric machines
- Work carried out at a fire location after a fire
- Repairing old piping and valves insulated with mass-impregnated insulation or mineral wool
- Installation and maintenance work carried out in animal quarters
- Work carried out in cable wells, heating channels or cable conduits, watery cable trenches as well as in foundries
- Cable coupling and cable repair carried out in soil pits
- Oil change of emergency generators for spare power units.

42.2.3 An increased allowance for unusually dirty work shall be paid when work takes place

- within steam plant boilers in combustion gas heat exchangers and electric filters as well as in desulphuration equipment (does not apply to those under construction or separately cleaned)
- in the waterways and groundwater wells of hydroelectric power plants
- in complete cleanout work of empty cooling water tunnels of thermal power stations
- in sampling work relating to peat reception in peat-fired power plants and in removal of blockages of peat conveyors
- in maintenance and repair work of the end product treatment equipment of the Lifac desulphuration system, when the equipment must be opened
- in extension work of grease cables.

42.2.4 The unusually dirty work allowance shall always be paid for a minimum of four hours.

42.2.5 A per-working-hour allowance may be replaced with a fixed average allowance.

42.2.6 It may be agreed locally to create lists of work considered unusually dirty, specific to a company or place of business.

### **42.3 Heat allowance**

42.3.1 Heat allowance shall be paid if air temperature in the workplace exceeds +37 °C when work is carried out inside.

42.3.2 The heat allowance mentioned in the preceding paragraph shall be paid three-fold if air temperature in the workplace exceeds +70 °C when work is carried out inside a steam plant.

#### **42.4 Mast allowance**

42.4.1 When work takes place on masts or poles higher than 25 m above ground level and this has not been taken into account in the job requirement assessment, a mast allowance shall be paid for the working period in accordance with the table below, unless otherwise locally agreed.

42.4.2 When work takes place on masts located on roofs, the payment of a height allowance shall be agreed upon separately in each case.

42.4.3 When work takes place on poles or masts as set out above, no other additional allowances for working conditions shall be paid.

#### **42.5 Shift work bonus and evening and night work bonus**

42.5.1 An additional allowance shall be paid to employees in two- and three-shift work.

42.5.2 The allowance payable for shift work shall also be deemed to be fulfilled if the total additional compensation paid for a 24-hour period corresponds with the euro amounts agreed upon here, even if divided in other ways among different shifts.

42.5.3 The following additional allowance shall be paid for the hours of work not constituting shift work, overtime or emergency work and carried out during working hours that differ from the company's prevailing working hours of single-shift day work (evening and night work):

##### **Evening work bonus**

An evening shift bonus shall be paid for the hours of work performed between 6 pm and 10 pm.

##### **Night work bonus**

A night shift bonus shall be paid for the hours of work performed between 10 pm and 6 am.

#### **Welding qualification allowance**

42.6.1 If a local agreement has been concluded to pay an allowance for the qualification of a welder as an additional allowance, such allowance shall be paid to a welder from whom the employer requires Class 4, 5 or B welding skills with a welding process defined by the employer and who is qualified to use this procedure. The qualification must be attested with a valid, standard certificate required for the job.

42.6.2 A welding qualification allowance shall be paid, provided that the necessity of the qualification has been agreed upon in advance with the employer. Payment of the allowance shall begin as of the beginning of the pay period following the date of the accepted completion of the qualification, and payment of the allowance shall end at the end of the validity of the qualification.

42.6.3 The employee shall be compensated for any loss of earnings incurred as a result of participating in an examination for further qualification and for related actual costs. Such compensation shall only be paid for successful completion.

#### 42.7 Foreman’s allowance

42.7.1 If working as a foreman has not been taken into account in the job requirement assessment, a foreman’s allowance shall be paid to a foreman who has been assigned for the work group and who organises and controls the work of the group and is responsible for it. As a representative of the employees, the foreman shall also monitor the group’s occupational health and occupational safety conditions.

42.7.2 Payment of the allowance shall begin when the foreman’s duties begin and end when the employer gives notification of the termination of the foreman’s duties. The amount of the allowance depends on the number of employees in the work group and the number of users of the construction machinery.

#### 42.8 Tunnel allowance

(Limited application: see paragraph 13 of the signing minutes.)

A monthly tunnel allowance shall be paid to an employee who continuously works in underground rock tunnels or other similar underground equipment shelters for a minimum of 6 hours per day and a minimum of 12 days per calendar month.

If duties of the person concerned change such that the person no longer works in the above-mentioned conditions, the allowance shall be discontinued.

#### 42.9 Combination allowance

42.9.1 A local agreement may be concluded on replacing the additional allowances referred to in paragraphs 42.1 – 42.8 of this collective agreement with an average allowance which is determined by taking into account the allowances to be replaced and the extent to which the employee works in the relevant conditions. An average allowance shall be paid per actual work hour.

42.9.2 When the grounds for the payment of the said average allowance change, the allowance amount shall be redefined or its payment shall be terminated.

#### 42.10 Additional allowances

|   | 15 March 2010 |           | 1 September 2010 |           |
|---|---------------|-----------|------------------|-----------|
|   | EUR/hr        | EUR/month | EUR/hr           | EUR/month |
| <b>Further qualification allowances</b>                     |               |           |                  |           |
| Further qualification                                       | 0.67          | 116.41    | 0.68             | 117.34    |
| Specialist qualification or higher vocational qualification | 1.26          | 218.05    | 1.27             | 219.79    |
| <b>Unusually dirty work allowance</b>                       |               |           |                  |           |
| Increased   | 0.43          |           | 0.43             |           |
|   | 0.95          |           | 0.96             |           |

|  |       |       |
|--|-------|-------|
| <b>Foreman's allowance, size of work group</b> |       |       |
| 2  | 0.36  | 0.36  |
| 3-6  | 0.63  | 0.64  |
| 7 -  | 1.04  | 1.05  |
| <b>Heat allowance</b>                          | 0.44  | 0.44  |
| <b>Mast allowance</b>                          |       |       |
| Over 25 m and up to 30 m                       | 1.72  | 1.73  |
| Over 30 m and up to 70 m                       | 4.65  | 4.69  |
| Over 70 m and up to 130 m                      | 5.58  | 5.62  |
| Over 130 m                                     | 6.28  | 6.33  |
| <b>Welder qualification allowance</b>          | 0.44  | 0.44  |
| <b>Shift work bonus</b>                        |       |       |
| Evening shift                                  | 1.79  | 1.80  |
| Night shift                                    | 3.42  | 3.45  |
| <b>Tunnel allowance</b>                        | 96.78 | 97.55 |

### **43 Average hourly earnings of an hourly paid employee**

43.1 The average hourly earnings of an employee shall be calculated by dividing the employee's earnings for time worked under different modes of payment during the three previous months, including any additional allowances but excluding bonuses for overtime and Sunday work, by the total number of hours worked during the same period.

43.2 The calculation period begins and ends in accordance with pay periods.

43.3 If the average hourly earnings are smaller than the hourly wage, then any pay calculated on the basis of the average hourly earnings must comply with the hourly wage.

43.4 When calculating average hourly earnings, the total earnings received from a long-term contract that is divided over more than one financial period may be divided between the financial periods in question in proportion to hours worked.

43.5 Supplements for work done by an hourly paid employee as overtime, on a Sunday and a public holiday, on the Saturday of a week including a public holiday and as emergency work under paragraphs 20.1, 22.1, 22.2, 23.1, 23.2 and 25.4 shall be calculated on the basis of average hourly earnings.

### **44 Compensation for loss of earnings of a monthly paid employee**

When a monthly paid employee is compensated for loss of earnings, the wage paid is the amount the employee would have earned during regular working hours.

(= Sick pay, absence due to the illness of a child, pay during maternity leave and paternity leave, training.)

### **45 Monthly salary divisor and basic wages**

For the calculation of the wage of a monthly paid employee for work done as overtime, on a Sunday or a public holiday, on the Saturday of a week including a public holiday and as emergency work under paragraphs 20.1, 22.1, 22.2, 23.1, 23.2 and 25.4, the basic wage shall be calculated by dividing the monthly salary, including fringe benefits, by 160 if the regular working hours are 40 or 38.25 hours per week, and by 158 if regular working hours are 37.5 hours per week. If regular working hours are other than the above, the divisor shall be the similarly calculated average of the actual number of working hours spent on regular work in a month.

### **46 Calculating the part-time wages of monthly paid employees**

When calculating the wage payable for part-time work, the wage payable per hour shall be calculated by dividing the monthly salary by the number of regular scheduled working hours included in the month in question.

### **47 Performance-based rewards and profit bonuses**

The employer may supplement wages payable under this collective agreement with productivity rewards, which will generally be based on operational objectives, such as achievement of performance and development targets, and with profit bonuses, which are essentially based on the financial results, such as the turnover, gross operating profit and net profit.

The adoption, change and termination of a performance reward and profit bonus scheme shall be considered in co-operation procedures. Current instructions issued by The Finnish Centre for Pensions shall be observed in any cash profit bonus and profit distribution.

Performance rewards and profit bonuses shall not be taken into account when calculating employees' annual holiday pay and annual holiday compensation, compensations for overtime and additional work or other wages, allowances and compensations under this collective agreement. General wage increase regulations under this collective agreement shall not apply to performance rewards and profit bonuses.

#### **48 Local agreement**

The provisions of this chapter (V. Wages) may be agreed otherwise locally.

### **VI MISCELLANEOUS COMPENSATIONS**

#### **49 Local government duties**

49.1 The employer shall compensate an employee who is an acting member of a local council or government as well as an election board or committee statutorily appointed for general or local elections for loss of earnings from regular working hours in such a way that the employee receives full pay benefits together with the compensation for loss of earnings paid by the municipality.

49.2 The compensation shall be payable after the employee has provided the employer with an account of the compensation for loss of earnings paid by the municipality.

#### **50 50<sup>th</sup> or 60<sup>th</sup> birthday**

An employee whose uninterrupted employment has continued for not less than three months shall be entitled on his/her 50<sup>th</sup> or 60<sup>th</sup> birthday to paid leave corresponding to regular working hours, if the birthday coincides with the employee's work day.

#### **51 Conscription**

51.1 The employer shall pay an employee participating in mandatory military service his/her wage for eight hours for the conscription day.

If the employee also works on the day of conscription, then regular wages for the time at work shall also be paid.

51.2 An employee participating in a special medical examination for the purpose of conscription shall be compensated for loss of earnings for the time that, according to an acceptable explanation, the employee has to be absent from work during his/her regular working hours due to the examination.

#### **52 Military reserve refresher course**

The employer shall compensate an employee participating in a military reserve refresher course and an employee called as a reservist to undergo training in special civil defence

functions for the loss of earnings by making up the difference between the amount paid by the State in reservist pay and the employee's full pay benefits.

### **53 Illness or death of a close relative**

The death of an employee's parents, spouse or children as well as sudden serious illness of an employee's parents or spouse shall entitle the employee to a day off with pay.

### **54 Grounds for compensation of an hourly paid employee**

Compensation referred to under paragraphs 49–53 shall be calculated for an hourly paid employee on the basis of average hourly earnings.

### **55 Collective bargaining and meetings of trade unions and national labour and employer confederations**

An employee shall be entitled to participate in collective bargaining between unions and in the meetings of working groups agreed under this collective agreement. An employee shall also be entitled to participate in the meetings of the employee's trade union and the board and council meetings of the employee's national labour and employer confederation where matters concerning the collective agreement are discussed. These days shall not be counted as days of absence when determining reduction of working hours, and with respect to regular working hours they are comparable to regular working hours when calculating remuneration payable for overtime.

## **VII WORKING CONDITIONS**

### **56 Occupational safety and health, and tools and equipment**

56.1 To ensure adequate occupational safety and health, the necessary occupational safety and health procedures must be taken into account in a manner required by the Occupational Safety and Health Act (*Työturvallisuuslaki*) in planning, preparing and managing as well as performing work. Refusal to perform work in which appropriate safety measures have not been taken shall not be deemed to be refusal to work.

56.2 If work performed alone features characteristics of hazardous lone work, then special attention shall be paid to occupational safety and health procedures and safe working conditions. An employee working alone shall be equipped with necessary means of communication when no other communications are available, for example, when the area is uninhabited. An employee must not be sent alone to an uninhabited area, with the exception of work performed from the ground during daylight that may be performed alone safely, taking occupational safety and health aspects into account.

56.3 An employee shall carefully comply with his/her statutory and contractual obligations and shall use designated protective equipment for the prevention of accidents and health hazards, and otherwise exercise necessary caution at work.

56.4 Appropriate work gloves and protective clothing appropriate for the working conditions shall be provided when necessary for use by current employees (for example, protective overalls, rubber boots, thermal underwear, thermal protective overalls, rainwear, protective clothing approved for electric work with danger of electric arcs and protective footwear).

## **VIII CO-OPERATION**

### **57 Development activity**

57.1 In accordance with the principles of this agreement, employees and their representatives shall be able to take part in developing and implementing any change in work organisations, technology, working conditions and duties at work.

57.2 The improvement process in industry and any associated application of new technology at work must seek more meaningful, varied and progressive duties for employees and improved productivity. This will facilitate the personal development of employees at work and improve their ability to undertake new duties.

57.3 The measures adopted must not result in an increase in the overall burden on the employee that jeopardises the health and safety of the employee. Progress in productivity and production and staff development shall be monitored at the workplace through co-operation at regular intervals. The necessary monitoring systems and key figures shall be agreed locally.

### **58 Shop steward**

General

The term “shop steward” refers to the chief shop steward elected by employees who are members of the union branches of the trade unions that have signed the collective agreement, the negotiating shop steward for a group, the district chief shop steward and the shop steward elected for a department of a company / place of business or corresponding unit, and their deputies, when they deputise for the chief shop steward or shop steward.

Election

#### **58.1 Chief shop steward**

Employees shall be entitled to elect one of their number to serve as chief shop steward and another to serve as deputy chief shop steward.

#### **58.2 District chief shop steward**

When an enterprise operates over a wide area nationally, a local agreement may be concluded on electing chief shop stewards and their deputies to serve for expediently-sized district entities instead of electing the above-mentioned chief shop steward.

#### **58.3 Shop steward for a work department or corresponding unit**

At the employees' proposal, a local agreement shall be concluded on the election of a shop steward and a deputy shop steward to serve for a department of a company / place of business or corresponding unit.

#### **58.4 Negotiating shop steward for a corporate group**

A local agreement may be concluded on the election of a negotiating shop steward and deputy negotiating shop steward for a corporate group.

It may additionally be locally agreed that a negotiating shop steward for a corporate group will serve as chief shop steward for some or all of the companies of the group in question.

### **58.5 Spheres of responsibility**

When agreeing on shop stewards, their sphere of responsibility shall be of expedient size and scope to promote the consideration of matters in accordance with the bargaining system.

**Implementation regulation:** *If members of both signatory unions are in the service of the company, attending to the business of members of the union left without a chief shop steward shall also be taken into account when the necessity of a departmental shop steward is being considered. A departmental shop steward may then be elected for this purpose if it is established that this is justified, taking into account the expedient arrangement of duties and the meaningfulness of the field of duties.*

58.6 Unless otherwise agreed locally, the shop steward shall be an employee of the company concerned who works in the workplace and is conversant with conditions in the workplace as its employee. A district chief shop steward shall also work in the district entity concerned, and a departmental shop steward shall work in the department concerned or corresponding unit.

58.7 It may be agreed locally that the chief shop steward or a district chief shop steward may attend to the duties of the occupational safety and health representative or vice versa and that the departmental shop steward may attend to the duties of the occupational safety and health agent or vice versa.

58.8 Employees shall be entitled to arrange the election of a shop steward at the workplace. However, the organisation and completion of the election must not interfere with the work. The time and venue for the election shall be agreed with the employer no later than 14 days before the election takes place.

58.9 The shop steward shall represent employees and their organisations in matters concerning the application of the collective agreement and labour legislation and generally in issues regarding the relations between the employer and the employee. The shop steward shall also endeavour to maintain and improve negotiations and co-operation as well as local bargaining between the company and the staff.

58.10 With consent, the shop steward may represent temporary agency workers in matters between the user company and the temporary agency worker.

### **59 Occupational safety and health**

59.1 The sphere of responsibility of an occupational safety and health representative shall be the same as that of the chief shop steward concerned, unless otherwise agreed locally.

59.2 Unless other duties have been agreed locally, it shall be the duty of an occupational safety and health agent to participate in processing and implementing matters of occupational safety and health co-operation falling within the sphere of responsibility of the said agent.

59.3 The selection, number, duties and spheres of responsibility of occupational safety and health agent shall be agreed locally in accordance with the same criteria as agreed above for a departmental shop steward. The employees concerned shall elect one of their numbers to serve as occupational safety and health agent.

## 60 Notifications

60.1 The employer shall be notified in writing of elected shop stewards, when a deputy deputises for the chief shop steward, when an occupational safety and health representative or an occupational safety and health agent performs the duties of shop steward or shop stewards perform occupational safety and health duties.

60.2 An occupational safety and health representative shall notify the employer in writing when a deputy deputises for the occupational safety and health representative.

60.3 The employer shall notify shop stewards of the persons who will negotiate with them on behalf of the company.

## 61 Release from work

61.1 Temporary, regularly recurrent or permanent release from work shall be arranged as necessary for the chief shop steward and the occupational safety and health representative for the purpose of attending to the duties thereof. Temporary release from work shall be arranged as necessary for other shop stewards than the chief shop steward, an occupational safety and health agent and for other staff representatives who are involved in co-operation between the company and the staff under this agreement.

61.2 Assessment of the need for such release from work shall allow for such factors as the number of employees in the staff group concerned, the nature of production and operations and the volume of duties required.

61.3 Unless precluded by the company's practice or otherwise agreed locally, a chief shop steward and an occupational safety and health representative whose sphere of responsibility includes no fewer than 10 employees shall be granted release from work referred to in this agreement as follows:

### **No. of employees at the beginning of the year Hours per year**

|         |     |
|---------|-----|
| 10–25   | 120 |
| 26–75   | 240 |
| 76–100  | 360 |
| 101–150 | 480 |
| 151–200 | 600 |
| 201–250 | 720 |
| 251–300 | 840 |
| 301     | 960 |

61.4 In power plants, however, the release of occupational safety and health representatives shall be 70 per cent of the above table unless otherwise locally agreed.

61.5 Time allocation of a chief shop steward and an occupational safety and health representative shall be arranged in such a way that it is distributed in a sufficiently even

manner over different weeks during the year. A chief shop steward and an occupational safety and health representative shall present their time allocation plan for the approval of the employer. If a chief shop steward or an occupational safety and health representative has been released from work for regularly recurrent periods, then the chief shop steward or an occupational safety and health representative shall, as a principal rule, attend to the duties thereof at these times. However, the management shall also grant release from work at other times that are suitable from the point of view of the said work in order to attend to essential business. The employer shall pay compensation for the earnings lost by a chief shop steward and an occupational safety and health representative for the times mentioned above.

61.6 In the event that the same person performs combined shop steward and occupational safety and health duties, this shall be deemed a factor tending to increase the agreed length of release from work.

## 62 Compensation for loss of earnings

62.1 The employer shall pay compensation for the earnings lost by a staff representative referred to in this agreement through working hours spent either in local bargaining with the employers' representatives or in serving in other functions agreed with the employer. The grounds for compensation for loss of earnings of an hourly paid employee shall be his/her average hourly earnings in accordance with the collective agreement. The monthly salary of a monthly paid employee shall not be reduced.

62.2 If a shop steward, an occupational safety and health representative, an occupational safety and health agent or a member of an occupational safety and health committee or a co-operation body corresponding to an occupational safety and health committee performs duties agreed with the employer outside regular working hours, then remuneration payable for overtime shall be paid for the time so spent, or some other form of additional compensation shall be agreed with the person concerned. What has been agreed on travel regulations in the collective agreement shall apply in other respects.

## 63 Other types of remuneration

63.1 A chief shop steward and an occupational safety and health representative shall receive the following remuneration:

| <b>No. of employees at the<br/>EUR/month<br/>end of the previous year</b> | <b>1 April 2010 EUR/month</b> | <b>1 September 2010</b> |
|---|-------------------------------|-------------------------|
| 5–9   | 55.80                         | 56.25                   |
| 10–24   | 87.19                         | 87.89                   |
| 25–50   | 115.08                        | 116.00                  |
| 51–100  | 162.84                        | 164.14                  |
| 101–200   | 192.07                        | 193.61                  |
| 201–400   | 226.68                        | 228.49                  |
| 401–600   | 255.74                        | 257.79                  |
| 601–  | 299.96                        | 302.36                  |

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## 64 Status

64.1 The employer shall arrange an appropriate place for the chief shop steward and the occupational safety and health representative to keep the materials that are required to perform their duties in this capacity. Additionally, the employer shall arrange for the chief shop steward and the occupational safety and health representative who has been granted regular relief from work appropriate premises at which confidential discussions which are necessary for performing their duties in this capacity may be conducted.

64.2 The chief shop steward and the occupational safety and health representative shall be entitled to use the office and similar equipment customarily used at the company, such as computer equipment, associated software and Internet connections (e-mail) that are generally used in the company, to attend to the duties of chief shop steward and occupational safety and health representative. The practical arrangements shall be agreed locally.

64.3 The conditions referred to above shall also be arranged for a shop steward referred to in the implementation regulation in paragraph 58.5.

64.4 The chief shop steward shall, upon agreement with the employer, be entitled to invite shop stewards of his/her sphere of responsibility to a joint negotiation as necessary, but at least once during the term of this agreement.

64.5 The opportunities of a shop steward or an occupational safety and health representative for personal development and professional advancement must not be impaired on account of the duties concerned. An employee serving as a shop steward or an 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 said employee was elected to serve as a shop steward or an occupational safety and health representative. Nor may the said employee be transferred to work of lower value if the employer is capable of offering the employee other work corresponding to the vocational skills of the said employee.

64.6 If the working duties of a person elected to serve as a chief shop steward or an occupational safety and health representative hamper his/her attendance to the duties of chief shop steward or occupational safety and health representative, then other work shall be arranged for the said employee, having regard to conditions at the workplace and to the vocational skills of the person. Arrangements of this kind must cause no reduction in the pay of the shop steward. The earnings of a chief shop steward and an occupational safety and health representative shall progress at least in the manner corresponding to the progress of earnings in the company.

64.7 After the term of office of a chief shop steward or an occupational safety and health representative has ended, the said employee and the employer shall jointly determine whether maintenance of the employee's vocational skills requires vocational training for the said employee's former duties or for corresponding duties. The employer shall arrange any training required by the said determination. When deciding the content of such training attention shall be paid to release from work, to the length of the term of office and to any changes in working methods that have occurred during the said period.

## **65 Security of employment**

65.1 In the event that the workforce of the company is dismissed or laid off for reasons of finance or production, such measures must not affect the chief shop steward or the occupational safety and health representative unless the operations of the production unit are entirely discontinued. This provision shall not apply, however, if it is jointly established with the chief shop steward or the occupational safety or health representative that no work can be offered thereto that corresponds to the said employee's vocation or is otherwise suitable for the said employee.

65.2 The employment contract of another shop steward than the chief shop steward may be terminated, or the shop steward may be laid off, in accordance with Chapter 7, section 10(2) of the Employment Contracts Act only when the work ceases entirely and the employer is unable to arrange work for the shop steward that corresponds to the said employee's vocational skills or is otherwise suitable for the said employee or to retrain the employee for other duties in the manner referred to in Chapter 7, section 4 of the Employment Contracts Act.

65.3 The employment contract of a shop steward or an occupational safety and health representative must not be terminated for individual reasons pertaining to the shop steward or the occupational safety and health representative without the consent of a majority of the employees that the said shop steward or the occupational safety and health representative represents, as required by Chapter 7, section 10(1) of the Employment Contracts Act.

65.4 The employment contract of a shop steward or an occupational safety and health representative must not be cancelled in a manner contrary to the provisions in Chapter 8, sections 1–3 of the Employment Contracts Act. Cancellation of an employment contract on the grounds that a shop steward or an occupational safety and health representative has infringed administrative rules shall not be possible unless the said employee has also repeatedly or substantially failed to perform his/her work obligations, despite being cautioned in this regard.

65.4.1 If the employer terminates the employment contract of the deputy chief shop steward or the first deputy of the occupational safety and health representative or lays off the said employee at a time when the employee is not deputising for the chief shop steward or the occupational safety and health representative or does not otherwise enjoy the status of a shop steward or an occupational safety and health representative, then the said termination or lay-off shall be deemed due to the employee's duties of chief shop steward or occupational safety and health representative, unless the employer can prove that it was due to some other reason.

65.5 The foregoing regulations on security of employment shall also apply to a duly nominated candidate for the position of chief shop steward whose candidature has been notified in writing to the employer and to a candidate for the position of an occupational safety and health representative whose candidature has been notified in writing to an occupational safety and health committee or to some other corresponding co-operation body. However, protection of candidates shall begin no sooner than three months before the start of the term of office of chief shop steward or the occupational safety and health representative to be elected and shall expire with respect to a candidate who is not elected when the outcome of the election has been established.

65.6 The regulations on security of employment shall also continue to apply to an employee who has served as a chief shop steward or an occupational safety and health representative for a further period of six months after the said employee's duties as chief shop steward or occupational safety and health representative come to an end.

65.7 If the employment contract of a shop steward or an occupational safety and health representative has been terminated in a manner contrary to this agreement, then the employer shall pay compensation of no less than 10 months' and no more than 30 months' wages to the employee concerned. The compensation shall be determined according to the principles set out in Chapter 12, section 2(2) of the Employment Contracts Act. Infringement of rights under this agreement shall be considered an aggravating factor that increases the compensation payable. The foregoing compensation shall be no less than 4 months' wages and no more than the compensation determined according to Chapter 12, section 2(1) of the Employment Contracts Act when no more than 20 employees and salaried employees work regularly at a production unit or corresponding operating unit.

65.8 Compensation for unfounded lay-off under this agreement shall be determined according to Chapter 12, section 1(1) of the Employment Contracts Act.

65.9 If the employment contract of a chief shop steward or an occupational safety and health representative is cancelled and the chief shop steward or the occupational safety and health representative disputes the cancellation, then the employee shall pay the chief shop steward or the occupational safety and health representative the sum corresponding to one month's salary in addition to any other compensations, if a claim in the matter is filed in court within four weeks from the cancellation of the employment contract.

65.10 The status of a chief shop steward and an occupational safety and health representative shall continue as such, notwithstanding assignment of business operations, if the assigned business or part thereof retains its independence. If a business or part thereof to be assigned loses its independence, then the chief shop steward and the occupational safety and health representative shall be entitled to protection against termination as referred to in Chapter 7, section 10 of the Employment Contracts Act for six months as of the end of the term of office arising from the assignment of business operations.

65.11 The regulations of this Chapter shall apply to a deputy chief shop steward and a deputy occupational safety and health representative for the period during which they are serving as deputies in accordance with the notification required by this agreement.

## **66 Information**

66.1 Unless otherwise locally agreed, a chief shop steward shall be entitled for the purpose of attending to the duties thereof to obtain information corresponding to the quarterly statistics of the Confederation of Finnish Industries (EK) about the wage level and structure of the employees in the chief shop steward's sphere of responsibility immediately after EK's wage statistics have been compiled, provided that a statistical grouping can be created for the branch from the wage information collected in the company. Wage information concerning employee groups with fewer than six employees shall be combined into a larger group for each company. If the workplace does not have wage statistics containing the information required above, the wage information to be given to the chief shop steward shall be agreed upon separately.

66.2 Additionally, if so requested, a chief shop steward shall be given information in writing

on an employee's wage and its structure, with the consent of the employee concerned.

66.3 A chief shop steward shall also be entitled to receive, in writing, the name and wage category or corresponding information, as well as the date of commencement of employment, of the employees in the chief shop steward's sphere of responsibility, unless otherwise agreed locally or by the branch. This information shall be provided twice a year for employees employed by the company at that time.

66.4 A chief shop steward shall be entitled to examine the current work pricing systems in the company and the rules governing the application and calculation of the working condition bonuses used in various manners of payment.

66.5 A chief shop steward and an occupational safety and health representative shall be entitled to details of any subcontractors operating in the sphere of responsibility of the said chief shop steward and the occupational safety and health representative and of the workers serving the said subcontractors at the workplace.

66.6 A chief shop steward shall be given the above information as confidential for the purpose of attending to the duties thereof.

66.7 If the employees or staff representatives of a company have in accordance with this agreement obtained information relating to the employer's business and trade secrets, this information may only be discussed between the employees and staff representatives concerned unless otherwise agreed between the employer and those entitled to obtain information. When giving notification of the duty of confidentiality, the employer shall identify the information covered by the duty of confidentiality and the duration of confidentiality of the said information. Before the employer gives notification that the information shall be deemed a business and trade secret, the grounds for confidentiality shall be clarified for the employee or staff representative concerned.

## **67 Interaction between staff**

67.1 A registered association affiliated to the signatory federation of the collective agreement applicable at the workplace and any department or workshop collective shall be entitled to arrange meetings at the workplace or other agreed facilities in order to transact business pertaining to labour market issues or employment relationships at the workplace in the manner agreed between the national labour and employer confederations or by the branch or in accordance with an established practice at the workplace.

67.2 The staff union mentioned in the foregoing paragraph shall have the right outside of working hours (either before the hours of work begin, during meal breaks or after working hours) and in a canteen, changing room or other corresponding facility agreed with the employer outside the regular workplace, for example, outside the factory floor or similar, to distribute to its members meeting notifications, written notifications pertaining to employment at the workplace or labour market issues in general. The name of the distributor must be stated upon the notification.

## **IX TRAINING**

### **68 Training referred to in provisions**

68.1 This agreement shall apply to vocational training designated by the employer for its staff, and to trade union training arranged by trade unions for their members.

68.2 The nature of the training and the extent to which it is reimbursable shall be established before enrolment.

### **69 Vocational training**

69.1 Forms of vocational training shall include apprenticeship, further vocational education and induction. Vocational training shall serve as a means of staff development for maintaining and improving professional abilities of staff at work and in the work community in order to achieve the objectives of the company and the targets of the service activity.

69.2 The company's development requirements and opportunities shall form the basis for the objective to enhance the effectiveness of vocational training, taking into account the view of the staff of the need to develop their skills.

### **70 Further vocational training**

70.1 The purpose of further vocational training is to maintain and improve the vocational skills of an employee. Further vocational training is closely connected with work duties and their development. Assessment of the need for further vocational training shall principally be based on the company's objectives.

70.2 If the employer considers participation in training to be essential for those duties, then the employer may order the employee to participate in training. In this case, the employer shall pay compensation for any loss of earnings incurred, as well as for travel expenses and training costs. No wages shall be paid for travel time.

70.3 If the employee does not consider participation in the training to be essential, the employer may nevertheless grant the employee the right to participate in the training and contribute at the employer's discretion towards compensation for the loss of earnings and travel expenses and other training costs.

### **71 Induction**

The objectives of the employee's work community shall be introduced to the employee by providing induction regarding the employee's working environment and working conditions, and training shall be provided to the employee in the employee's duties. Induction shall be carried out in conjunction with the employee's duties and during working hours.

### **72 Trade union training and right to participate**

72.1 Trade union training shall include shop steward or occupational safety and health training arranged for their members by SAK or the signatory federations to this collective agreement, as well as other training arranged by the said organisations.

72.2 An employee shall be granted leave for the purpose of participating in shop steward or

occupational safety and health training, if the EK – SAK training task force has approved the course and participation in the training is not significantly detrimental to the company's operations or the employee's duties.

72.3 Leave shall be granted for the purpose of participating in other training referred to in paragraph 72.1, if participation in the course is not significantly detrimental to the company's operations or the duties. No compensation shall be paid for loss of earnings for this period.

72.4 In the event that the employee cannot be granted leave for the purpose of participating in trade union training, the said employee shall be entitled to an explanation for the grounds for the refusal no later than 10 days before the beginning of the course, if this is possible considering the time the request for participation was presented. The possibility of participating in training at a later date shall be investigated in this connection.

72.5 The employer's representative shall be provided an opportunity to address the trade union course.

### **73 Eligibility for a wage during trade union training and compensation**

73.1 If an employee has been granted leave for the purpose of participating in trade union training approved by the EK – SAK training task force, an hourly paid employee shall be paid compensation for the loss of earnings incurred as a result of participation in the training, calculated in accordance with his/her average hourly earnings. The salary of a monthly paid employee shall not be reduced due to participation in the training.

73.2 The employer shall be required to pay the foregoing compensation only once to the same person for the same training event or a for training event of comparable content.

73.3 A current meal allowance shall be paid to the training organiser for each course day for which compensation is paid for loss of earnings to the employee.

73.4 Up to four weeks of shop steward training and up to two weeks of occupational safety and health training may be granted to an employee in a calendar year.

73.5 The employee shall apply for release from work at the earliest opportunity and where possible, no later than four weeks before the beginning of the course.

### **74 Persons entitled to trade union training**

74.1 A chief shop steward, district chief shop steward, deputy chief shop steward and departmental shop steward as well as the chairperson of the signatory federation's union branch operating in the company concerned shall be entitled to participate in shop steward training.

74.2 An occupational safety and health representative, deputy representative, occupational safety and health agent and a member of an occupational safety and health committee, or if one does not exist, a member of a corresponding local co-operation body shall be entitled to participate in occupational safety and health training.

## **75 Social benefits**

Participation in training referred to in this agreement for no longer than one month shall cause no loss of annual holiday, pension or other comparable benefits.

## **X USE OF OUTSIDE LABOUR**

### **76 Use of outside labour**

76.1 There are two types of outside labour used by companies that are parties to this agreement. One type of outside labour is based on a contract between two independent entrepreneurs for e.g. sales, supply, piecework, lease, commission and/or work where the required work is carried out by an external entrepreneur without the other contracting party having anything to do with the performance. Activity based on this type of contract is generally called subcontracting.

76.2 The other type of outside labour is based on agency staffing, in which case the hired workers provided by agencies work for another company under the direction and supervision of the said employer.

76.3 Situations mentioned above in the first paragraph shall be referred to below as “subcontracting”, and situations mentioned above in the second paragraph shall be referred to below as “temporary agency workers”.

76.4 A term shall be included in any contracts concerning subcontracting or temporary agency work whereby the subcontractor or the temporary-work agency undertakes to comply with the general collective agreement in its industry and with labour and social legislation.

76.5 The employer shall advise the chief shop steward or the shop steward concerned in advance of any outside labour involved in production, maintenance and/or construction work. The notification shall specify the planned extent of such labour, the duties in question and the duration of the contract. If this is not possible on account of the urgency of the work or for some similar reason, then the said advice may exceptionally be given afterwards and without delay. The occupational safety and health representative shall also be advised, where possible, of the above information. On request, the duties of any outside labour and the possibilities of having the work done by the company’s own employees shall be reviewed together with the chief shop steward.

### **77 Subcontracting**

77.1 If any exceptional need arises to reduce the staffing of the company due to subcontracting, then the company shall endeavour to assign the staff concerned to other duties within the company and, should this not be possible, the company shall urge the subcontractor, if the latter is in need of labour, to hire for the said work, on their previous pay and benefits, the released staff who are suitable for the subcontracted work.

77.2 An employment contract shall not be given the form of a piecework contract between independent entrepreneurs when the contract is in fact an employment contract.

77.3 A chief shop steward and an occupational safety and health representative shall be entitled to details of any subcontractors operating in the sphere of responsibility of the said chief shop steward and the occupational safety and health representative and of the labour serving the said subcontractors at the workplace.

## **78 Temporary agency workers**

78.1 The company shall limit the use of temporary agency workers to meeting exceptionally high workloads or otherwise to duties that are so limited in duration and nature that they cannot be assigned to its own employees due to the urgency of the work, its limited duration, its vocational requirements, special equipment requirements or other corresponding factors.

78.2 The use of temporary agency workers assigned by various temporary-work agencies to perform the normal work of the company alongside its permanent employees and under the same management for an extended period shall constitute improper temporary agency work.

78.3 Other arrangements for the use of temporary agency workers may be settled by local agreement, notwithstanding the provisions of this section.

78.4 Companies using temporary agency workers shall, if so requested, furnish the chief shop steward with an account of all issues pertaining to the work of such employees.

## **XI TRAVEL**

### **79 General**

79.1 An employee shall be required to travel for work when his/her duties so require. The employee shall be provided with details of the travel in advance.

79.2 The employer shall pay for all actual costs incurred in travel, including e.g. tickets for travel by rail, inclusive of any sleeping berths in second class, and by air, ship and coach in a corresponding class, kilometre allowances as well as other transportation costs and luggage costs.

79.3 A travel day shall refer to a period not exceeding 24 hours which begins when the employee departs for the business trip either from his/her regular workplace or from home. A travel day shall end when the employee returns from the business trip to the employee's regular workplace or returns home.

79.4 Working trips made with a means of transport in the employee's possession shall be separately agreed in writing, with the exception of individual trips.

### **80 Per diem allowance for work in Finland and meal allowance**

80.1 Per diem and partial per diem allowances shall be payable only for such a day when the temporary place of employment is located at least 40 kilometres away from either the employee's regular workplace or the employee's home, depending on where the travel begins, as measured along public highways.

80.2 If the actual distance between the temporary place of employment and the regular workplace is at least 2 kilometres and the employee is unable to have a meal during the meal break at the employee's normal eating place because of work, the employee shall be paid a meal allowance as compensation for the meal expenses. This meal allowance shall be doubled if the time between the departure for the working trip and the return from it exceeds 10 hours.

80.3 The "normal eating place" refers to a staff canteen or contracted eating place in connection with the regular workplace or the temporary place of employment or, in the absence of such a place, the employee's regular workplace. The normal eating place at the regular workplace shall be deemed not available if the actual distance to the temporary place of employment is at least 2 kilometres. This regulation shall not amend locally agreed practices.

| Item   | Condition   | EUR   |
|--|---|-------|
| Per diem allowance   | Travel at least 40 km and more than 10 hrs  | 36.00 |
| Per diem allowance   | Travel at least 40 km and the last full travel day is exceeded by more than 6 hrs | 36.00 |
| Partial per diem<br>(see the signing minutes, paragraph 7) | Travel at least 40 km and more than 6 hrs   | 16.00 |
| Partial per diem   | Travel at least 40 km and the last full travel day is exceeded by at least 2 hrs  | 16.00 |
| Meal allowance   | Travel at least 2 km and less than 10 hrs   | 9.00  |
| Double meal allowance                                      | Travel at least 2 km and more than 10 hrs   | 18.00 |
| Half of per diem   | Two free meals  | 18.00 |
| Half of partial per diem                                   | One free meal   | 8.00  |

80.4 If the work day in the company has ended in accordance with the regular working hours in use in the company and the employee has to return to work, the above table shall be valid during the latter work period such that the travel is deemed a new working trip. If the duration of the work is at least four hours, the meal allowance shall then be paid in accordance with the table up to the maximum daily amounts of tax-exempt allowances for travel expenses.

## 81 Kilometre allowances

| Compensation  | EUR  |
|---|------|
| Kilometre allowance for the use of the employee's own passenger car | 0.45 |
| Increase for an additional person or corresponding amount of goods  | 0.03 |
| Increase for a trailer  | 0.07 |

## 82 Compensation of overnight travel expenses

If lodgings are needed during the travel, accommodation expenses shall be compensated in accordance with the maximum amounts of hotel allowances defined in the Finnish State's travel regulations. The maximum amounts shall not apply to cases where a more expensive hotel is used for staying overnight by the order of the employer.

| <b>Maximum amount of hotel allowance</b>      | <b>EUR/day</b> |
|---|----------------|
| Helsinki, Espoo, Vantaa, Kauniainen           | 158.00         |
| Elsewhere in Finland                          | 98.00          |
| No accommodation invoice: overnight allowance | 10.00          |

### **83 Daily working trips**

83.1 Travelling during regular working hours shall be counted as working hours and compensated in accordance with the hourly wage. The salary of a monthly paid employee shall not be reduced.

83.2 If working hours begin directly at the temporary place of employment, travel time wage shall be paid for travel and calculated such that either the employee's regular workplace or home is assumed to be the place of departure and return for the working trip, depending on which is nearer the temporary place of employment. If the distance from the employee's home to the temporary place of employment is shorter than to the regular workplace, no travel time wage shall be paid.

83.3. If the employee begins the working trip from his/her regular workplace, a travel time wage shall be paid based on the time spent on travel outside regular working hours.

### **84 Temporary work assignments**

#### **84.1 Travel to assignment location**

Travel time compensation for up to 8 hours on a weekday shall be paid for travel outside the regular working hours in use in the company. On Sundays and public holidays as well as on days off, compensation shall be paid for a maximum of 16 hours. Compensation shall not be paid for time between 10 pm and 7 am if a sleeping berth has been paid for on behalf of the employee. Time spent travelling shall not be counted as working hours.

## **84.2 Travel at assignment location**

When the employee is on an assignment, the portion of daily travel between the place of accommodation and the work site that exceeds one hour shall be counted as working hours.

## **84.3 Visits home during an assignment**

84.3.1 The employer shall arrange and pay for the employee one monthly return trip in Finland from the assignment location to the employee's place of residence. The first such trip, however, shall not take place before one month has passed from the beginning of the assignment trip.

84.3.2 The employer may obligate the employee to take care of work-related business in conjunction with the trip. The above shall apply on the condition that if the employee has to visit the location of the regular workplace for work-related reasons and is also able visit home at this time, such a visit shall be deemed to correspond to a visit referred to in the foregoing paragraph. Visits mentioned above are meant to be arranged during weekends. In this case, travel costs and the per diem allowance shall be paid to the employee in accordance with this collective agreement, excluding compensation for travel time.

84.3.3 An employee who has been on a continuous work assignment for not less than three weeks before Easter, Midsummer Day or Christmas Day shall be entitled to travel home for the said public holiday, provided that the technical nature of the work or other compelling reasons constitute no impediment to so doing, in which cases the employer shall compensate the employee under this collective agreement for tickets to the regular workplace and back to the temporary place of employment. The employee shall also be paid a per diem allowance and travel time compensation for the hours spent travelling.

## **85 Work abroad**

85.1 This collective agreement shall apply to short-term work assignments abroad, including maintenance and repair work or other short-term installation work comparable with these in terms of duration, unless the legislation or conditions of the country of posting provide otherwise. Travel time wage shall not, however, be paid for the hours spent on travel outside regular working hours.

85.2 A written assignment agreement shall be concluded between the employer and the employee on any long-term assignment abroad. The agreement shall clarify issues relating to wages, working hours, accommodation, insurance, cases of illness, taxation, visits home, annual holidays and similar issues.

85.3 The per diem allowance in each country is the tax-exempt allowance determined annually by the Finnish Tax Administration.

## **86 Other provisions**

86.1 Travel time outside working hours shall be calculated by rounding it to the nearest half hour.

86.2 Time spent travelling outside working hours may be agreed with the employee to be either completely or partly compensated by granting a corresponding amount of paid time off.

86.3 When the employee has to go on a working trip lasting more than two weeks, the employer shall notify the employee of the trip no less than one week beforehand, apart from urgent cases.

86.4 If the employee transports other employees in the employer's vehicle or the car is equipped with tools required for the work, the travel time outside regular working hours shall

be counted as working time for the driver of the car in accordance with the Labour Council Statement (TN 1396-04).

86.5 Except where otherwise agreed in this collective agreement, the current decision of the Finnish Tax Administration on the criteria for and amounts of allowances for travel expenses to be considered exempt from tax shall be observed.

## **87 Staff facilities at worksites and accommodation**

### **87.1 Staff facilities**

87.1.1 Where the conditions or the worksite duration so require, appropriately equipped staff facilities shall be provided for the use of the employees.

87.1.2 In mobile work, the vehicle of the work group may be used for meals if it has an appropriate space for dining. If the space in, and equipment of, the vehicle do not meet the requirements set for an eating place, an agreement shall be made on a case-by-case basis on arranging meal times.

### **87.2 Accommodation**

87.2.1 On work assignments, no more than two persons shall be accommodated in the same room in the accommodation complex.

87.2.2 In work assignments continuing for longer than one week, accommodation shall be arranged in single rooms, where possible, taking local conditions into account.

87.2.3 The standard of accommodation shall not differ significantly from the general accommodation standard. Practical arrangements shall be agreed locally, when necessary, before work begins.

## **88 Other arrangements**

The regulations related to travel may be locally agreed otherwise.

## **XII MISCELLANEOUS REGULATIONS**

### **89 Resolution of disputes**

89.1 If a dispute arises concerning a matter related to employment or this collective agreement and/or concerning any separate agreements attached thereto between the employer or the employer's representative and one or more employees, the said parties shall seek to settle the dispute in local negotiations.

89.2 If no settlement is reached, the employer or the employer's representative and the chief shop steward or shop steward shall negotiate, calling in expert assistance, if necessary. The shop steward shall be provided with all the information necessary for settling the case.

89.3 If no agreement is reached, the matter may be referred for settlement by the signatory federations at the request of either party. Each party shall prepare memorandums of the matter that caused the dispute, specifying their point of view on the matter and their opinion on the reasons for the dispute. The above-mentioned memorandums shall be submitted without delay to the signatory federations, and the local parties shall be provided with their own copies of the memorandum.

89.4 If the federations cannot settle the matter by applying the negotiating procedure, the matter may be submitted to a labour court or a court of arbitration for settlement, as agreed in the special protocol.

## **90 Collection of trade union membership subscriptions**

90.1 When so authorised by an employee, the employer shall withhold the membership subscriptions of the signatory labour organisations and shall credit the said subscriptions in each pay period to the bank accounts designated by the said organisations.

90.2 Withholding shall be arranged in the manner separately agreed by the Finnish Employers' Confederation (STK) and the Central Organisation of Finnish Trade Unions (SAK) in the accord signed on 13 January 1969.

90.3 A certificate of the sum withheld shall be given to the employee for taxation purposes after the end of the calendar year or the end of the employment.

90.4 If the employee does not submit a notice of cancellation of the membership subscription at the end of the employment, the employer shall remind the employee to do so.

## **91 Validity of this agreement**

91.1 This collective agreement shall take effect on 15 March 2010 and shall remain valid until 31 January 2013. Thereafter this agreement shall remain valid for one year at a time unless a written notice of termination has been issued no later than two months before the said termination takes effect.

91.2 The regulations of this collective agreement shall remain valid during negotiations for a new collective agreement until the new collective agreement has been signed or the collective bargaining has otherwise terminated.

## **92 Agreement copies**

This collective agreement has been prepared in four identical originals, one for each party.

Helsinki,

FINNISH ENERGY INDUSTRIES (ET)  
THE EMPLOYERS' ASSOCIATION TIKLI  
THE FINNISH ELECTRICAL WORKERS' UNION  
THE TRADE UNION FOR THE PUBLIC AND WELFARE SECTORS (JHL)

**FINNISH ENERGY INDUSTRIES (ET)  
THE EMPLOYERS' ASSOCIATION TIKLI  
THE FINNISH ELECTRICAL WORKERS' UNION  
TRADE UNION FOR THE PUBLIC AND WELFARE SECTORS (JHL)**

**PROTOCOL OF THE ESTABLISHMENT OF A COURT OF ARBITRATION**

It was noted that if the federations which are parties to the agreement separately so agree on a case-by-case basis, a dispute related to the collective agreement may be brought to arbitration proceedings for settlement if the federations cannot settle the matter by applying the negotiating procedure.

**1** The signatory federations shall agree that breaches of industrial peace contrary to section 3.2 of the collective agreement may be submitted to a court of arbitration for settlement, subject to the conditions stated above.

The competence of a court of arbitration, subject to the conditions stated above, shall also include cases where violation of the regulations of the collective agreement occur wittingly and the supervisory duty is defaulted in matters which according to this protocol should be settled by a court of arbitration.

Disputes related to the interpretation and application of the collective agreement shall, subject to the conditions stated above, be settled by a court of arbitration with the following limitations:

The following sections of the collective agreement shall be excluded from arbitration proceedings:

- 7 Termination of employment and lay-off (with the exception of paragraphs 7.2 and 7.3)
- 49 – 52 Miscellaneous compensation
- 89 Resolution of disputes
- 90 Trade union membership subscriptions
- 91 Validity of agreement.

Should the court of arbitration consider a matter submitted to it for settlement, with the exception of matters mentioned above in the first paragraph, so broad in its scope that it should be settled by a labour court, the court of arbitration shall notify the parties concerned thereof, whereafter the said parties shall be entitled to bring an action before a labour court.

**2** The organisations concerned shall appoint the arbitrators; the Finnish Electrical Workers' Union and JHL each one and ET two, and one deputy for each. A person who could be challenged according to section 10 of the Arbitration Act (*Välimiesmenettelystä annettu laki*, 23 October 1992/967) may also act as an arbitrator. Arbitrators shall be appointed for a term of two years at a time.

The arbitrators shall, for a term of office, appoint a chairman and a deputy chairman who shall be persons who are familiar with industrial relations, legally trained and impartial.

If the arbitrators cannot agree on the chairman or deputy chairman, these shall be appointed by the state conciliator at the request of a party to the agreement.

The arbitrators shall convene in the City of Helsinki, unless they decide to convene elsewhere.

**3** Should a union wish to refer a matter for arbitration, the union shall give notice thereof in writing to the other party and furnish the chairman or deputy chairman of the arbitrators with a copy of the notice.

In cases of breach of industrial peace where, when the notice arrives, industrial action is still ongoing or a threat of a repeat is apparent, the chairman of the arbitrators shall convene the arbitrators and the parties at the earliest opportunity and no later than on the fourth day after the arrival of the notice to settle the breach of industrial peace referred for arbitration.

In urgent interpretation disputes, local- and federation-level negotiations shall be held without delay, and the court of arbitration shall convene within 10 days from the arrival of the notice. Breaches of industrial peace that have already ended shall also be considered within 10 days. A court of arbitration shall have the possibility to consider a combination of matters mentioned in this paragraph.

In other interpretation disputes, arbitrators shall convene within 30 days from the notice of using a court of arbitration.

**4** The arbitrators' chamber expenses shall be equally distributed between the employer and employee parties. Other expenses arising from arbitration proceedings shall be compensated as prescribed in the arbitration award.

**5** The principles of the Collective Agreements Act (*Työehtosopimuslaki*) shall apply for a compensatory fine in such a way that a compensatory fine for breaches of industrial peace may be imposed, even on the basis that a breach of industrial peace has taken place. The amount of the compensatory fine is bound to the current collective agreement. The compensatory fine may be repeated if the breach continues regardless of the judgement issued.

**6** The arbitration award shall be final and shall not be subject to appeal.

**7** Unless otherwise provided in this agreement, the provisions of the Arbitration Act shall apply to the consideration and resolution of a dispute referred to arbitration.

**8** The organisations shall undertake to comply with the foregoing regulations and to obligate also their members to comply with them as well as with all decisions based thereon.

Helsinki, xx March 2010

## **FINNISH ENERGY INDUSTRIES (ET)**

Juha Naukkarinen

Kari Laaksonen

## **THE EMPLOYERS' ASSOCIATION TIKLI**

Harri Hietala

## **THE FINNISH ELECTRICAL WORKERS' UNION**

Martti Alakoski

Timo Punkki

Sauli Väntti

## **TRADE UNION FOR THE PUBLIC AND WELFARE SECTORS (JHL)**

Tuire Santamäki-Vuori

Jarkko Eloranta

## **EMPLOYMENT CONTRACTS ACT 26.1.2001/55**

(not part of the collective agreement)

### Chapter 1

#### **General provisions**

##### **Section 1**

##### **Scope of application**

This Act applies to contracts (employment contract) entered into by an employee, or jointly by several employees as a team, agreeing personally to perform work for an employer under the employer's direction and supervision in return for pay or some other remuneration.

This Act applies regardless of the absence of any agreement on remuneration, if the facts indicate that the work was not intended to be performed without remuneration.

Application of the Act is not prevented merely by the fact that the work is performed at the employee's home or in a place chosen by the employee, or by the fact that the work is performed using the employee's implements or machinery.

##### **Section 2**

##### **Derogations from scope of application**

This Act does not apply to:

- 1) employment relations or service obligations subject to public law;
- 2) ordinary hobby activities;
- 3) such contracts on work to be performed which are governed by separate provisions by law.

##### **Section 3**

##### **Form and duration of employment contract**

An employment contract may be oral, written or electronic.

An employment contract is valid indefinitely unless it has, for a justified reason, been made for a specific fixed term. Contracts made for a fixed term on the employer's initiative without a justified reason, and consecutive fixed-term contracts concluded without a justified reason, shall be considered valid indefinitely.

##### **Section 4**

##### **Trial period**

The employer and the employee may agree on a trial period of a maximum of four months starting from the beginning of the work. If the employer provides specific, work-related training for the employee, lasting for a continuous period of over four months, a trial period of no more than six months may be agreed on.

If a fixed-term employment relationship is shorter than eight months, the trial period may not exceed 50 per cent of the duration of the employment period.

If a collective agreement applicable to the employer contains a provision on a trial period, the employer must inform the employee of the application of this provision at the time the contract is concluded.

During the trial period, the employment contract may be cancelled by either party. The employment contract may not, however, be cancelled on the grounds referred to in chapter 2, section 2, paragraph 1, or on grounds which are otherwise inappropriate with regard to the purpose of the trial period. The employer may not cancel an employment contract when it has neglected the obligation to inform laid down in paragraph 3 of this section.

## **Section 5**

### **Benefits depending on the duration of the employment relationship**

If the employer and the employee have concluded a number of consecutive fixed-term employment contracts under which the employment relationship has continued without interruption or with only short interruptions, the employment relationship shall be regarded as having been valid continuously when benefits based on the employment relationship are specified.

## **Section 6**

### **Contracts of employment with minors and other legally incompetent persons**

Provisions concerning the right of a person under 18 years of age to conclude a contract of employment and the right of the person having the care and custody of a young employee to cancel a contract of employment concluded by a minor are laid down in the Young Workers' Act (998/1993).

A person who has been declared legally incompetent or whose competence has been limited under the Act on Guardianship (442/1999) may conclude and terminate a contract of employment on his own behalf.

## **Section 7**

### **Transfer of rights and obligations**

The parties to the contract of employment shall not assign any of their rights or obligations under a contract of employment to a third party without the other party's consent, unless otherwise provided below.

A claim that has fallen due may, however, be so assigned without the consent of the other party. If, with the employee's consent, the employer assigns an employee for use by another employer (user enterprise), the right to direct and supervise the work is transferred to the user enterprise together with the obligations stipulated for the employer directly related to the performance of the work and its arrangement. 3

## **Section 8**

### **The employee's assistant**

If, with the employer's consent, the employee has hired an assistant to help him/her to fulfil his/her obligations under the contract of employment, the person hired as assistant also has an employment relationship with the employer which has thus given consent.

## **Section 9**

### **Employer's representative**

The employer may assign another person to direct and supervise the work as the employer's representative. If, in the exercise of these functions, such representative causes a loss to the employee through fault or negligence, the employer shall be liable for the loss.

## **Section 10**

### **Assignment of business**

Assignment of the employer's business refers to assignment of an enterprise, business, corporate body, foundation or an operative part thereof to another employer, if the business or part thereof to be assigned, disregarding whether it is a central or ancillary activity, remains the same or similar after the assignment.

When an enterprise is assigned as referred to in paragraph 1 above, rights and obligations and employment benefits related to them under employment relationships valid at the time of the assignment devolve to the new owner or proprietor. The assignor and the assignee are jointly and severally liable for the employee's pay or other claims deriving from the employment relationship that have fallen due before the assignment. Unless otherwise agreed, however, the assignor is liable to pay the assignee employee claims that have fallen due before the assignment. (943/2002).

Where an enterprise is assigned by a bankrupt's estate, the assignee is not liable for the employee's pay or other claims deriving from the employment relationship that have fallen due before the assignment, except if controlling power in the bankrupt enterprise and in the assignee enterprise is or has been exercised by the same persons on the basis of ownership, agreement or other arrangement.

## **Chapter 2**

### **Employer's obligations**

#### **Section 1**

##### **General obligation**

The employer shall in all respects work to improve employer/employee relations and relations among the employees. The employer shall ensure that employees are able to carry out their work even when the enterprise's operations, the work to be carried out or the work methods are changed or developed. The employer shall strive to further the employees' opportunities to develop themselves according to their abilities so that they can advance in their careers.

## **Section 2**

### **Prohibition of discrimination, and equal treatment**

The employer shall not exercise any unjustified discrimination against employees on the basis of age, health, disability, national or ethnic origin, nationality, sexual orientation, language, religion, opinion, belief, family ties, trade union activity, political activity or any other comparable circumstance. Provisions on the prohibition of discrimination based on gender are laid down in the Act on Equality between Women and Men (609/1986). The definition of discrimination, prohibition on sanctions and burden of proof in cases concerning discrimination are laid down in the Non-Discrimination Act (21/2004). (23/2004)

Without proper and justified cause less favourable employment terms than those applicable to other employment relationships must not be applied to fixed-term and part-time employment relationships merely because of the duration of the employment contract or working hours.

The employer must otherwise, too, treat employees equally unless there is an acceptable cause for derogation deriving from the duties and position of the employees.

The employer must observe the prohibition of discrimination laid down in paragraph 1 also when recruiting employees.

## **Section 3**

### **Occupational safety and health**

The employer must ensure occupational safety and health in order to protect employees from accidents and health hazards, as provided in the Occupational Safety Act (738/2002). (750/2002)

If the working duties or conditions of a pregnant employee endanger the health of the employee or the foetus and if the hazard cannot be eliminated from the work or working conditions, the employee shall if possible be transferred to other duties suitable in terms of her working capacity and skills for the period of pregnancy. Provisions on the employee's right to special maternity leave are laid down in chapter 4, section 1.

## **Section 4**

### **Information on principal terms of work**

The employer shall present an employee whose employment relationship is valid indefinitely or for a term exceeding one month with written information on the principal terms of work by the end of the first pay period at the latest, unless the terms are laid down in a written employment contract. If an employee repeatedly concludes fixed-term employment relationships of less than one month with the same employer on the same terms and conditions, the employer must provide information on the principal terms of work within a maximum of one month from the beginning of the first employment relationship. If the employment relationships continue to be repeated, the information shall be given once only, unless otherwise provided in paragraph 3. In work carried out abroad for a minimum of one month, the information shall be provided in good time before the employee leaves for the working location.

Such information may be given in one or several documents or by a reference to legislation or a collective agreement applicable to the employment relationship. The information shall include at least:

- 1) the domicile or business location of the employer and the employee;
- 2) the date of commencement of the work;

- 3) the duration of a fixed-term employment contract and the justification for specifying a fixed term;
- 4) the trial period;
- 5) the place where the work is to be performed or, if the employee has no primary fixed workplace, an explanation of the principles according to which the employee will work in various work locations;
- 6) the employee's principal duties;
- 7) the collective agreement applicable to the work;
- 8) the grounds for the determination of pay and other remuneration, and the pay period;
- 9) the regular working hours;
- 10) the manner of determining annual holiday;
- 11) the period of notice or the grounds for determining it;
- 12) in the case of work performed abroad for a minimum period one month, the duration of the work, the currency in which the monetary pay is to be paid, the monetary remunerations and fringe benefits applicable abroad, and the terms for the repatriation of the employee.

The employer shall also present the employee as soon as possible with written information on any changes in the terms of work, though not later than the end of the pay period following the change, unless said change derives from an amendment in the legislation or a collective agreement.

## **Section 5**

### **Employer's obligation to offer work to a part-time employee**

If the employer requires more employees for duties suitable for employees who are already doing part-time work for the employer, the employer shall offer such employment to these part-time employees, regardless of chapter 6, section 6.

If accepting the work referred to in paragraph 1 calls for training that the employer can reasonably provide in view of the aptitude of the employee, the employer shall provide the employee with such training.

## **Section 6**

### **Information on vacancies**

The employer shall provide information on vacancies in accordance with practice generally adopted in the enterprise or at the workplace in order to ensure that part-time and fixed-term employees have the same opportunity of applying for these jobs as permanent or full-time employees.

## **Section 7**

### **General applicability of collective agreements**

The employer shall observe at least the provisions of a national collective agreement considered representative in the sector in question (generally applicable collective agreement) on the terms and working conditions of the employment relationship that concern the work the employee performs or nearest comparable work.

Any term of an employment contract that is in conflict with an equivalent term in the generally applicable collective agreement is void, and the equivalent provision in the generally applicable collective agreement shall be observed instead.

In derogation from what is laid down in paragraph 1, an employer which is required under the Collective Agreements Act (436/1946) to observe a collective agreement in which the other contracting party is a national employee organization is allowed to apply the provisions of this collective agreement.

## **Section 8**

### **Confirmation and validity of general applicability**

Provisions on confirmation of the general applicability of a collective agreement, on the validity of the general applicability and the availability of agreements are laid down in the Act on Confirmation of the General Applicability of Collective Agreements (56/2001).

## **Section 9**

### **The collective agreement applicable to the employment relationships of hired employees**

If the employer has hired its employee to work for another employer (user enterprise), and the employer which hired its employee is neither bound by a collective agreement as referred to in section 7, paragraph 3, nor required to observe a generally applicable collective agreement in its employment relationships, at least the provisions of the collective agreement, applicable to the user enterprise, which is either an agreement referred to in section 7, paragraph 3, or a generally applicable agreement, shall be applied to the employment relationship of the hired employee.

## **Section 10**

### **Minimum pay in the absence of a collective agreement**

If neither a collective agreement binding under the Collective Agreements Act nor a generally applicable collective agreement is applicable to an employment relationship, and the employer and the employee have not agreed on the remuneration to be paid for the work, the employee shall be paid a reasonable normal remuneration for the work performed.

## **Section 11**

### **Pay during illness**

Employees who are prevented from performing their work by an illness or accident are entitled to pay during illness. If the employment relationship has lasted for a minimum of one month, the employee is entitled to full pay for the period of disability up to the end of the ninth day following the date of falling ill, but only up to the point at which the employee's right to national sickness allowance under the Sickness Insurance Act [364/1963] (1224/2004) comes into effect. In employment relationships that have continued for less than one month employees are correspondingly entitled to 50 per cent of their pay.

Employees are not entitled to pay during illness if they have caused said disability wilfully or by gross negligence. On request, employees shall present the employer with a reliable account of their disability.

When the employer has paid an employee pay for the period of illness, it is entitled to receive for a corresponding period the daily sickness allowance due to the employee under the Sickness Insurance Act or the Employment Accidents Insurance Act (608/1948), though not more than an amount equivalent to the pay extended.

## **Section 11 a (460/2006)**

### **Part-time absence due to illness**

Provisions on an employee's entitlement to a part-time sickness allowance and the fixed-term contract on part-time work on which it is based are contained in Chapter 8, Section 11 of the Sickness Insurance Act. The purpose of a part-time absence due to illness is to support the employee's return to work on his or her own initiative after a long-term sick leave. A part-time employment contract will be concluded based on a report on the employee's state of health.

Changing a part-time employment contract during the term of the contract shall be subject to agreement. A contract for a fixed term will, however, be terminated during the term of the contract, in case the employee because of his or her illness no longer is able to cope with the part-time work.

Once a part-time employment contract comes to an end, the employee shall be entitled to revert to the terms and conditions of the full-time employment contract preceding the part-time contract.

## **Section 12**

### **The employee's right to pay in the case of impediment to work**

Unless otherwise agreed, the employer is required to pay the employee full pay if the employee has been available to the employer in accordance with the contract, but has been prevented from working by circumstances for which the employer is responsible.

If the employee is prevented from working by a fire, an exceptional natural event or another similar event affecting the workplace beyond the employer's control, the employee is entitled to pay for the period of the impediment, though not for more than a maximum of 14 days. If the impediment beyond the control of the parties to the employment contract is caused by industrial action by other employees which is independent of the employee's employment terms or working conditions, the employee is, however, entitled to pay for a maximum of seven days.

The employer may deduct from the pay due to employees under paragraphs 1 and 2 amounts that the latter have saved because their work performance has been impeded and amounts the employees have earned doing other work or chosen intentionally not to earn. In making the deduction, the employer shall observe the provisions of section 17 of this chapter on limitation of the set-off right.

## **Section 13**

### **Payday and pay period**

Pay shall be paid on the last day of the pay period, unless otherwise agreed. If the basis for a time rate is a period shorter than one week, payment must be made at least twice a month, otherwise once a month. If the pay rate is performance-based, the pay period must not exceed two weeks unless the performance-based pay is paid together with a monthly salary. If performance-based work lasts longer than one pay period, part of the pay determined on the basis of the time spent on the work must be paid for each pay period.

If part of the pay is determined as profit shares, commissions or on other similar grounds, the pay period for this part may be longer than stipulated above, though not more than 12 months.

## **Section 14**

### **Pay period on termination of employment relationship**

When an employment relationship ends, the pay period also ends. If payment of a debt arising from the employment relationship is delayed, the employee is entitled to full pay for the waiting days, though not for more than a maximum of six calendar days, in addition to the penalty interest referred to in section 4 of the Interest Act (633/1982).

If a debt arising from the employment relationship is not clear or uncontested or if the delay in payment is due to the employer's calculation error or other similar error, the employee is entitled to receive pay for the waiting days only if the employee has notified the employer of the delay in payment within one month of termination of the employment relationship and the employer has not made the payment within three working days of the notification. In such a case, entitlement to pay for the waiting days begins on the expiry of payment period granted to the employer.

## **Section 15**

### **Exceptional paydays**

If an employee's pay falls due on a Sunday, a religious holiday, Independence Day, May 1, Christmas or Midsummer Eve, or a Saturday that is not a holiday it shall be deemed to fall due on the preceding working day.

If an employee's pay falls due on a working day on which the payment systems generally used by banks for interbank payments are not available under a decision made by the European Central Bank or the Bank of Finland, as announced by a notice made by the Bank of Finland and published in the Statute Book, the immediately preceding working day shall as well be deemed the due day.

## **Section 16**

### **Payment of pay**

Pay shall be paid to the employee in cash or, if so agreed, to a financial institution designated by the employee. The employer shall bear the cost of the latter method. The payment shall be made or the pay shall be withdrawable on the due date.

On payment, the employer shall give the employee a calculation showing the amount of the pay and the grounds for its determination.

## **Section 17**

### **Employer's right of set-off and advance**

The employer shall not set off pay payable to an employee against counterclaims in so far as this is exempt from distraint under the Execution Act (37/1895) and the Decree on the protected amount in distraint of pay (1031/1989).

Advance pay extended as security on the contract or otherwise may be deducted from pay. Advance pay shall in the first place be deemed part of the protected amount referred to in paragraph 1.

## **Section 18 (579/2006)**

### **An employee's entitlement to have time off work in order to attend to a position of trust in the municipal government**

The employees are entitled to receive time off their work in order to attend to a position of trust in the municipal government as prescribed in Section 32 b of the Local Government Act (365/1995).

## **Chapter 3**

### **Employees' obligations**

#### **Section 1**

##### **General obligations**

Employees shall perform their work carefully, observing the instructions concerning performance issued by the employer within its competence. In their activities, employees shall avoid everything that conflicts with the actions reasonably required of employees in their position.

#### **Section 2**

##### **Occupational safety and health**

Employees shall observe the care and caution required by their work duties and working conditions and apply all available means to ensure their own safety and the safety of other employees at the workplace.

Employees shall notify the employer of any faults or deficiencies they may detect in the structures, machinery, equipment and work and protection implements of the workplace which may cause risk of accident or illness.

#### **Section 3**

##### **Competing activity**

Employees shall not do work for another party or engage in such activity that would, taking the nature of the work and the individual employee's position into account, cause manifest harm to their employer as a competing activity contrary to fair employment practices.

During the term of employment, employees shall not embark on any action to prepare for competing activities as cannot be deemed acceptable, taking into account what is stipulated in paragraph 1.

An employer which recruits a person whom it knows to be impeded from work on the basis of paragraph 1 is liable for any loss caused to the previous employer jointly with the employee.

#### **Section 4**

##### **Business and trade secrets**

During the term of employment, the employee may neither utilize nor divulge to third parties the employer's trade or business secrets. If the employee has obtained such information unlawfully, the prohibition continues after termination of the employment relationship.

Liability for any loss incurred by the employer is extended not only to the employee divulging confidential information but also to the recipient of this information, if the latter knew or should have known that the employee had acted unlawfully.

## **Section 5**

### **Agreement of non-competition**

For a particularly weighty reason related to the operations of the employer in the employment relationship, an agreement made at the beginning of or during the employment relationship (agreement of non-competition) may limit the employee's right to conclude an employment contract on work to begin after the employment relationship has ceased with an employer which engages in operations competing with the first-mentioned employer, and also the employee's right to engage in such operations on his or her own account.

In assessing the particular weight of the reason for instituting an agreement of non-competition, the criteria taken into account shall include the nature of the employer's operations and the need for protection related to keeping a business or trade secret or to special training given to the employee by the employer, as well as the employee's status and duties.

An agreement of non-competition may restrict the employee's right to conclude a new employment contract or to engage in the trade concerned for a maximum of six months. If the employee can be deemed to receive reasonable compensation for the restrictions imposed by the agreement of non-competition, a restriction period can be agreed on that extends over a maximum of one year. Instead of compensation for loss, the agreement may include a provision on contractual penalty, which shall not exceed the amount of pay received by the employee for the six months preceding the end of the employee's employment relationship.

An agreement of non-competition does not bind the employee if the employment relationship has been terminated for a reason deriving from the employer. What is provided above on restricting the duration of an agreement of non-competition and the maximum contractual penalty does not apply to employees who, in view of their duties and status, are deemed to be engaged in the direction of the enterprise, corporate body or foundation or an independent part thereof or to have an independent status immediately comparable to such managerial duties.

A restraint of trade agreement shall be void in so far as it is contrary to what is provided above. In other respects, the provisions in the Act on legal transactions pertaining to the law of property relations (228/1929, Legal Transactions Act) shall apply to the validity and mitigation of such agreements.

## **Chapter 4**

### **Family leave**

#### **Section 1 (533/2006)**

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

Employees shall be entitled to take leave from work during maternity, special maternity, paternity and parental benefit periods as referred to in the Sickness Insurance Act.

Employees shall be entitled to take parental leave in one or two periods, the minimum duration of which shall be 12 working days.

#### **Section 2**

##### **Work during maternity or parental allowance terms (1076/2002)**

During the maternity allowance term the employee is, with the employer's consent, entitled to perform work that does not pose a risk to her or to the unborn or newly born child. However, such work is not permitted during a period of two weeks before the expected time of birth and two weeks after giving birth. Both the employer and the employee have the right to discontinue work done during the maternity allowance term at any time.

The employer and the employee may agree on part-time work and its terms during the parental allowance period prescribed in section 23 (2), of the Sickness Insurance Act. The employee's right to partial parental allowance is prescribed in section 21 (4), of the Sickness Insurance Act. (1076/2002)

Agreement shall be reached on discontinuing part-time work or altering its terms. If agreement cannot be reached, the employee is entitled for a justified reason to discontinue part-time work and return either to the parental leave referred to in section 1 of this chapter or to his previous working hours. (1076/2002)

### **Section 3 (533/2006)**

#### **Child-care leave**

Employees are entitled to take child-care leave in order to care for their child or some other child living permanently in their household until the child reaches the age of three. The entitlement to child-care leave of a parent of an adopted child, however, continues until a period two years has elapsed from the adoption, or at the most until the time the child starts school.

Child-care leave can be taken in one or two periods of at least one month, unless the employee and the employer agree on more than two periods or a period shorter than one month. Only one parent or person having the care and custody of the child is entitled to child-care leave at one time. During maternity or parental leave, the other parent or person having care and custody is nonetheless entitled to take one period of child-care leave.

### **Section 3 a (533/2006)**

#### **Notification of maternity, paternity and parental leave and child-care leave**

The employee shall notify the employer of maternity, paternity or parental leave or child-care leave at least two months before the intended start of the leave. In case the duration of this leave is no more than 12 working days, however, the period of notification is one month.

When giving notification of leave to care for an adopted child, the notification period prescribed above should be observed whenever possible.

In case observing the notification period of two months is not possible because of the spouse starting employment and the consequent need for child care arrangements, the employee shall be entitled to take parental leave one month from the date of the notification, unless this results in a serious inconvenience to production or service operations of the workplace. If the employer feels unable to consent to the notification period of one month, the employer shall inform the employee of the grounds for this refusal.

For a justified reason, the employee shall have the right to change the time and duration of the leave by notifying the employer thereof no later than one month before the change takes effect. However, the employee shall have the right to take maternity leave earlier than intended and to change the time of paternal leave intended to be taken in connection with childbirth, in case this is necessary because of the birth of the child or the state of health of the child, mother or father. In that case, the employer shall be notified of the change as soon as possible. The parent of an adopted child shall have the right to change the term of the leave before the leave starts for a justified reason by notifying the employer at the earliest possible date.

## **Section 4**

### **Partial child-care leave**

An employee who has been employed by the same employer for a total period of at least six months during the previous 12 months is entitled to take partial child-care leave in order to care of his or her child, or some other child living permanently in the employee's household, up to the end of the second year during which the child attends basic education. If the child is covered by the extended compulsory school attendance referred to in section 25(2) of the Basic Education Act (628/1998), however, partial child-care leave is available until the end of the child's third school year. The parent of a disabled child or a child with a long-term illness in need of particular care and support may be granted partial child-care leave until the time the child turns 18. Both of the child's parents, or persons having the care and custody of the child, are entitled to take partial child-care leave during the same calendar period, but not simultaneously. The employee must submit a proposal to the employer on partial child-care leave at the latest two months before the leave will begin. (533/2006)

The employer and the employee shall agree on partial child-care leave and the detailed arrangements concerning it as they see fit. The employer cannot refuse to agree on or grant such leave unless the leave causes serious inconvenience to production or service operations that cannot be avoided through reasonable rearrangements of work. The employer must provide the employee with an account of the grounds for its refusal.

If an employee is entitled to partial child-care leave, but it is not possible to reach agreement on the detailed arrangements, the employee shall be granted one period of partial child-care leave in a calendar year. The duration and timing of the leave shall be according to the employee's proposal. In such cases, the partial child-care leave shall be granted by reducing the regular working hours to 6 hours per day. The reduced working hours shall cover a continuous period, notwithstanding rest periods. If regular working hours have been arranged on the basis of an average, the average shall be reduced to 30 hours per week.

## **Section 5**

### **Interruption of partial child-care leave**

Any changes in partial child-care leave shall be agreed on. If it is not possible to reach an agreement, the employee has the right to interrupt partial child-care leave for a justified reason, observing a notice period of at least one month.

## **Section 6**

### **Temporary child-care leave**

If the employee's child or some other child who is under 10 years of age and who lives permanently in the employee's household falls suddenly ill, the employee shall be entitled to temporary child-care leave for a maximum of four working days at a time in order to arrange for care of the child or to care for the child personally. This entitlement also applies to a parent who does not live in the same household with the child. The parents of a child entitled to temporary child-care leave shall have the right to take temporary child-care leave during the same calendar period, but not simultaneously. (533/2006)

The employee shall notify the employer of temporary child-care leave and of its estimated duration as soon as possible. If the employer so requires, the employee shall present a reliable account of the grounds for temporary child-care leave.

## **Section 7**

### **Absence for compelling family reasons**

Employees shall be entitled to temporary absence from work if their immediate presence is necessary because of an unforeseeable and compelling reason due to an illness or accident suffered by their family.

Employees must notify the employer of their absence and its reason as soon as possible. If the employer so requests, employees must present a reliable account of the grounds for their absence.

## **Section 8**

### **Obligation to pay remuneration**

The employer is not required to pay the employee remuneration for the duration of a family leave referred to in this chapter.

Nonetheless, the employer shall compensate a pregnant employee for loss of earnings incurred from medical consultations prior to the birth if it is not possible to arrange the consultations outside working hours.

## **Section 9**

### **Return to work**

At the end of a leave referred to in this chapter, employees are in the first place entitled to return to their former duties. If this is not possible, employees shall be offered equivalent work in accordance with their employment contract, and if this is not possible either, other work in accordance with their employment contract.

## **Chapter 5**

### **Lay-offs**

#### **Section 1**

##### **Definition of lay-off**

Laying off means temporary interruption of work and remuneration on the basis of an employer decision or an agreement made on the employer's initiative, while the employment relationship continues in other respects. If the conditions laid down in section 2 are met, the employer is entitled to lay off employees either for a fixed period or indefinitely by interrupting the work completely or by reducing an employee's regular working hours prescribed by law or contract to the extent necessary in view of the grounds for laying off the employee.

Under restrictions arising from section 6, employees are entitled to take on other work during the lay-off. Chapter 13, section 5, contains provisions on the use of accommodation benefits during lay-offs.

#### **Section 2**

##### **Grounds for lay-offs**

The employer is entitled to lay off an employee if

1) the employer has a financial or production-related reason for terminating the employment contract, or

2) the work or the employer's potential for offering work have diminished temporarily and the employer cannot reasonably provide the employee with other suitable work or training corresponding to its needs; the work or the potential for offering work are considered to have diminished temporarily if they can be estimated to last a maximum of 90 days.

Notwithstanding what is provided in paragraph 1 and in section 4 of this chapter, the employer and the employee may, during the employment relationship, agree on a lay-off for a fixed period if this is needed in view of the employer's operations or financial standing.

The employer is entitled to lay off an employee in a fixed-term employment relationship only if the employee is working as a substitute for a permanent employee and if the employer would be entitled to lay off the permanent employee if the permanent employee were working.

The employer is not entitled to lay off a shop steward elected on the basis of a collective agreement or an elected representative referred to in chapter 13, section 3, except on the grounds laid down in chapter 7, section 10, paragraph 2.

### **Section 3**

#### **Advance explanation and hearing the employee**

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 4**

#### **Lay-off notice**

The employer shall notify employees of a lay-off in person a minimum of 14 days before the lay-off begins. If the notice cannot be given in person, it can be given by letter or electronically with the same minimum notice period. The notice shall include the grounds for lay-off, the date of commencement and the duration or estimated duration of the lay-off.

The obligation to give such notice does not exist if the employer is for the entire lay-off period on account of other absence from work free from the duty to pay the employee remuneration.

The representative of employees to be laid off shall be informed of the notice. If the lay-off concerns at least 10 employees, the employer shall also inform the employment authority unless the employer is under a similar obligation on the basis of another act.

### **Section 5**

#### **Lay-off certificate**

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.

## **Section 6**

### **Returning to work after lay-off**

If an employee has been laid off indefinitely, the employer shall notify the employee of resumption of work at least seven days in advance unless otherwise agreed.

Employees are entitled to terminate an employment contract made with another employer for the lay-off period, regardless of its duration, at five days' notice.

## **Section 7**

### **Termination of the employment relationship of a laid-off employee**

During a lay-off, employees are entitled to terminate their employment contract without notice regardless of its duration. If the date when the lay-off ends is known by the employee, this right shall not apply for seven days preceding the end of the lay-off period.

If the employer terminates a laid-off employee's employment contract by giving notice so that the contract ends during the lay-off, the employee is entitled to pay for the period of notice. The employer may deduct a pay sum due for 14 days from the pay for the notice period if the employee has been laid off using a law- or contract-based lay-off notification period of more than 14 days. Employees who terminate their employment contract after the lay-off has lasted continuously for a minimum of 200 days are entitled to their pay for the notice period as compensation, as provided in paragraph 2.

## **Chapter 6**

### **General provisions on the termination of an employment contract**

#### **Section 1**

##### **Fixed-term contracts**

Fixed-term employment contracts are terminated without giving notice at the end of the fixed period or on completion of the agreed work.

If the date of the termination of the employment contract is known only by the employer, the employer shall inform the employee of the termination of the employment contract without delay as soon as it learns the date concerned.

An employment contract concluded for longer than five years may, when five years have elapsed from the conclusion of the contract, be terminated on the same grounds and using the same procedure as an employment contract concluded for an indefinite period.

#### **Section 1a (1030/2004)**

##### **Retirement age**

An employee's employment relationship is terminated without giving notice and without a notice period at the end of the calendar month during which the employee becomes 68 years of age unless the employer and the employee agree to continue the employment relationship.

The employer and the employee may agree on a fixed-term continuation of an employment relationship regardless of chapter 1, section 3(2).

## **Section 2**

### **General provisions concerning periods of notice**

An employment contract which has been concluded for an indefinite period or is otherwise valid for an indefinite period is terminated by giving notice to the other contracting party.

The agreed notice period may not exceed six months. If a longer period has been agreed on, a six-month notice period shall be observed instead. The agreed employer's notice period may be longer than that of the employee. If the agreed notice period to be observed by the employer is shorter than that of the employee, the latter is entitled to observe the notice period agreed for the employer.

If an employment contract may be terminated without notice, the employment relationship shall end at the close of the working day or working shift during which the notice has been given to the other contracting party.

## **Section 3**

### **General notice periods**

Unless otherwise agreed, the notice periods to be observed by the employer are the following if the employment relationship has continued uninterruptedly:

- 1) 14 days, if the employment relationship has continued for up to one year;
- 2) one month, if the employment relationship has continued for more than one year but no more than four years;
- 3) two months, if the employment relationship has continued for more than four years but no more than eight years;
- 4) four months, if the employment relationship has continued for more than eight years but no more than 12 years;
- 5) six months, if the employment relationship has continued for more than 12 years.

Unless otherwise agreed, the notice periods to be observed by the employee are the following if the employment relationship has continued uninterruptedly:

- 1) 14 days, if the employment relationship has continued for no more than five years;
- 2) one month, if the employment relationship has continued for more than five years.

## **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.

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**

### **Tacit extension of the contractual relationship**

If the employer allows the employee to continue to work after expiry of the contract or notice period, the contractual relationship shall be deemed to have been extended indefinitely.

## **Section 6**

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

If an employee is given notice on the basis of chapter 7, sections 3 or 7, and the employer needs new employees within nine months of termination of the employment relationship for the same or similar work that the employee given notice had been doing, the employer shall offer work to this former employee if the employee continues to seek work via an employment office.

In derogation from chapter 1, section 10, paragraph 2, this obligation also applies correspondingly to the assignee referred to in chapter 1, section 10, where the assignor has given notice to terminate an employee's employment contract before the assignment.

## **Section 7**

### **Certificate of employment**

On termination of the employment relationship, the employee is entitled to receive, on request, a written certificate of the duration of the employment relationship and the nature of the work duties. At the specific request of the employee, the certificate shall include the reason for the termination of the employment relationship and an assessment of the employee's working skills and behaviour. The certificate shall not provide any information other than that obtainable from normal perusal.

The employer is required to provide the employee with a certificate of employment on request within 10 years of termination of the employment relationship. A certificate on the employee's working skills and behaviour shall, however, be requested within five years of termination of employment relationship.

If more than 10 years have elapsed from termination of the employment relationship, a certificate of the duration of the employment relationship and the nature of the work duties shall be given only if it does not cause the employer undue inconvenience. Subject to the same conditions, the employer shall issue a new certificate on request if the original has been lost or destroyed.

## **Chapter 7**

### **Grounds for termination of the employment contract by means of notice**

#### **Section 1**

##### **General provision on the grounds for termination of an employment contract**

The employer shall not terminate an indefinitely valid employment contract without proper and weighty reason.

## **Section 2**

### **Termination grounds related to the employee's person**

Serious breach or neglect of obligations arising from the employment contract or the law and having essential impact on the employment relationship as well as such essential changes in the conditions necessary for working related to the employee's person as render the employee no more able to cope with his or her work duties can be considered a proper and weighty reason for termination arising from the employee or related to the employee's person. The employer's and the employee's overall circumstances must be taken into account when assessing the proper and weighty nature of the reason.

At least the following cannot be regarded as proper and weighty reasons:

- 1) illness, disability or accident affecting the employee, unless working capacity is substantially reduced thereby for such a long term as to render it unreasonable to require that the employer continue the contractual relationship;
- 2) participation of the employee in industrial action arranged by an employee organization or in accordance with the Collective Agreements Act;
- 3) the employee's political, religious or other opinions or participation in social activity or associations;
- 4) resort to means of legal protection available to employees.

Employees who have neglected their duties arising from the employment relationship or committed a breach thereof shall not be given notice, however, before they have been warned and given a chance to amend their conduct.

Having heard the employee in the manner referred to in chapter 9, section 2, the employer shall, before giving notice, find out whether it is possible to avoid giving notice by placing the employee in other work.

What is provided in paragraphs 3 and 4 need not be observed if the reason for giving notice is such a grave breach related to the employment relationship as to render it unreasonable to require that the employer continue the contractual relationship.

## **Section 3**

### **Financial and production-related grounds for termination**

The employer may terminate the employment contract if the work to be offered has diminished substantially and permanently for financial or production-related reasons or for reasons arising from reorganization of the employer's operations. The employment contract shall not be terminated, however, if the employee can be placed in or trained for other duties as provided in section 4.

At least the following shall not constitute grounds for termination:

- 1) either before termination or thereafter the employer has employed a new employee for similar duties even though the employer's operating conditions have not changed during the equivalent period; or

2) no actual reduction of work has taken place as a result of work reorganization.

## **Section 4**

### **Obligation to offer work and provide training**

Employees shall primarily be offered work that is equivalent to that defined in their employment contract. If no such work is available, they shall be offered other work equivalent to their training, professional skill or experience.

The employer shall provide employees with training required by new work duties that can be deemed feasible and reasonable from the point of view of both contracting parties.

If an employer which in fact exercises control in personnel matters in another enterprise or corporate body on the basis of ownership, agreement or some other arrangement cannot offer an employee work as referred to in paragraph 1, it must find out if it is possible to meet the employer's obligation to provide work and training by offering the employee work in other enterprises or corporate bodies under its control.

## **Section 5**

### **Termination on assignment of the enterprise**

The assignee may not terminate an employee's employment contract merely because of assignment of the enterprise as referred to in chapter 1, section 10.

When an employer assigns its enterprise in the manner prescribed in chapter 1, section 10, employees shall be entitled to terminate their employment contracts as from the date of assignment regardless of the period of notice otherwise applied to the employment relationship or of its duration, if they have been informed of the assignment by the employer or the new proprietor of the enterprise no less than one month before the date of assignment. If employees have been informed of the assignment later than that, they are entitled to terminate their employment contract as from the date of assignment or from a date following it, though no later than within one month of having been informed of the assignment.

## **Section 6**

### **Assignee's responsibility**

If an employment contract is terminated because an employee's working terms are weakened substantially as a result of assignment of the enterprise, the employer is deemed to be responsible for termination of the employment relationship.

## **Section 7**

### **Termination in connection with a reorganization procedure**

If the employer is subject to a procedure referred to in the Act on Reorganization of Companies (47/1993), the employer shall be entitled, unless otherwise provided in section 4, to terminate the employment contract regardless of its duration at a notice of two months, if

1) the termination derives from an arrangement or measure to be carried out during the reorganization procedure which is necessary to avoid bankruptcy and which causes the work to cease or decrease in the manner referred to in section 3 or

2) the termination derives from a procedure in accordance with a confirmed reorganization plan that causes the work to cease or decrease in the manner referred to in section 3, or if the termination derives from an arrangement in accordance with the plan, which is attributed to financial grounds established in the confirmed reorganization plan, and calls for a reduction in personnel resources.

The employee shall observe a notice period of 14 days in connection with reorganization procedures, unless otherwise provided in chapter 5, section 7, paragraph 1.

## **Section 8**

### **Bankruptcy or death of the employer**

If the employer is declared bankrupt, the employment contract may be terminated by either party regardless of its duration. The period of notice is 14 days. The pay due for the period of bankruptcy shall be paid from the bankrupt's estate.

On the death of the employer, both the parties to the death estate and the employee are entitled to terminate the employment contract regardless of its duration. The period of notice is 14 days. The termination right shall be exercised within three months of the death of the employer.

## **Section 9**

### **Termination in the case of an employee who is pregnant or on family leave**

The employer shall not terminate an employment contract on the basis of the employee's pregnancy or because the employee is exercising his or her right to the family leave laid down in chapter 4. On request, the employee must present the employer with proof of pregnancy.

If the employer terminates the employment contract of a pregnant employee or an employee on family leave, the termination shall be deemed to have taken place on the basis of the employee's pregnancy or family leave unless the employer can prove there was some other reason.

The employer shall be entitled to terminate the employment contract of an employee on maternity, special maternity, paternity, parental or child care leave on the grounds laid down in section 3 only if its operations cease completely.

## **Section 10**

### **Protection against termination in the case of shop stewards and elected representatives**

The employer shall be entitled to terminate the employment contract of a shop steward elected on the basis of a collective agreement or of an elected representative referred to in chapter 13, section 3, on the basis of grounds referred to in section 2 of this chapter only if a majority of the employees whom the shop steward or the elected representative represents agree.

The employer shall be entitled to terminate the employment contract of a shop steward or an elected representative on grounds laid down in sections 3 or 7 or section 8, paragraph 1, only if the work of the shop steward or the elected representative ceases completely and the employer is unable to arrange work that corresponds to the person's professional skill or is otherwise suitable, or to train the person for some other work in the manner referred to in section 4.

## **Section 11**

### **Changing the employment relationship into a part-time relationship**

The employer is entitled to change the employment relationship unilaterally into a part-time relationship on the termination grounds referred to in section 3, and observing the period of notice.

## Section 12 (456/2005)

### An employee's right to employment leave

Unless an employer and employee have agreed otherwise after the employer has terminated a contract on grounds referred to in chapter 7, sections 3 and 4 or section 7, the employee has the right to leave with full pay in order to, during his/her period of notice, participate in the drawing up of an employment programme referred to in the Act on the Public Employment Service (1295/2002), in labour market training, practical training and on-the-job learning pursuant to it, or, at his/her own initiative or at the initiative of the authorities, in job-seeking and in a job interview, or in re-assignment coaching.

The duration of employment leave is determined in accordance with the duration of the period of notice as follows:

- 1) a maximum of five working days in total, if the period of notice does not exceed one month;
- 2) a maximum of 10 working days in total, if the period of notice is longer than one month but does not exceed four months;
- 3) a maximum of 20 working days in total, if the period of notice is more than four months.

Before taking employment leave or part thereof, the employee shall inform the employer regarding the leave and the grounds therefor as early as possible, and shall, upon request, present a reliable account on the grounds for each leave.

Taking employment leave shall not substantially inconvenience the employer.

## **Chapter 8**

### **Cancellation of the employment contract**

#### **Section 1**

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

The employer is only upon an extremely weighty cause entitled to cancel an employment contract with an immediate effect regardless of the applicable period of notice or the duration of the employment contract. Such a cause may be deemed to exist in case the employee commits a breach against or neglects duties based on the employment contract or the law and having an essential impact on the employment relationship in such a serious manner as to render it unreasonable to expect that the employer should continue the contractual relationship even for the period of notice.

Correspondingly, the employee shall be entitled to terminate the employment contract with immediate effect if the employer commits a breach against or neglects its duties based on the employment contract or the law and having essential impact on the employment relationship in such a serious manner as to render it unreasonable to expect that the employee should continue the contractual relationship even for the period of notice.

#### **Section 2**

##### **Lapse of cancellation right**

The right to cancellation lapses if the employment contract is not cancelled within 14 days of the date on which the contracting party is informed of the existence of the cancellation grounds referred to in section 1.

If cancellation is prevented for a valid reason, it may take place within 14 days of the date on which the impediment ceases to exist.

### **Section 3**

#### **Deeming the employment contract cancelled**

If the employee has been absent from work for a minimum of seven days without notifying the employer of a valid reason for the absence for this period, the employer is entitled to consider the employment contract cancelled from the date on which the absence began.

If the employer is absent from the workplace for a minimum of seven days without notifying the employee of a valid reason for this absence, the employee shall be entitled to consider the employment contract cancelled.

If it has been impossible to notify the other contracting party because of an acceptable impediment, the cancellation of the employment contract shall be null and void.

### **Chapter 9**

#### **Procedure for terminating an employment contract**

##### **Section 1**

#### **Appealing to the grounds for termination**

The employer must effect termination of the employment contract within a reasonable period after being informed of the existence of the grounds related to the person of the employee referred on in chapter 7, section 2.

##### **Section 2**

#### **Hearing the employee and the employer**

Before the employer terminates an employment contract on the grounds referred to in chapter 7, section 2, or cancels it for a reason referred to in chapter 1, section 4, or chapter 8, section 1, the employer shall provide the employee with an opportunity to be heard concerning the grounds for termination. The employee is entitled to resort to an assistant when being heard.

Before the employee cancels an employment contract on the grounds referred to in chapter 8, section 1, the employee must provide the employer with an opportunity to be heard concerning the grounds for cancellation.

##### **Section 3**

#### **Employer's duty to explain**

Before the employer terminates an employment contract on the grounds referred to in chapter 7, section 3 or 7, the employer must as early as possible explain to the employee to be given notice the grounds for and alternatives to termination, and the employment services available from the employment office. If the employment contract is terminated on the basis of chapter 7, section 8, the

bankrupt's or deceased's estate must present an explanation of the grounds for termination to the employees as soon as possible. That which is enacted in the Act on the Public Employment Service applies to the task of employment authorities to chart the necessary employment services in cooperation with the employer and representatives of the employees. (456/2005)

If the termination concerns more than one employee, the explanation may be given to a representative of the employees or, if no such representative has been elected, to the employees jointly.

If the employer is, under law, agreement or other binding provision, required to negotiate on the grounds for termination with the employees or their representatives, the employer is not required to provide the explanation referred to in paragraphs 1 and 2.

### **Section 3 a (456/2005)**

#### **An employer's notification to the employment office**

An employer who, on financial or production-related grounds referred to in chapter 7, section 3, 4, 7 or 8, terminates the employment contract of an employee who, before the period of notice ends, would accrue an employment history of a total of at least three years of employment with the same employer or with different employers, is obliged to notify the employment office regarding the termination without delay. The same obligation applies to an employer for whom, at the termination of employment, an employee has been in fixed-term employment for at least three consecutive years or in periods of fixed-term employment for at least 36 months during the preceding 42 months.

An employer shall, with the consent of the employee, attach to the notification referred to in subsection 1 information available to him/her on the education, work tasks and work experience of the employee.

### **Section 3 b (456/2005)**

#### **An employer's obligation to provide information on the employment programme and on the employment programme supplement**

In cases referred to in section 3 a, the employer is obliged to inform the employee on his/her right to the employment programme referred to in the Act on the Public Employment Service and right to the employment programme supplement referred to in the Unemployment Security Act (1290/2002).

### **Section 4**

#### **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 annual vacation in accordance with law or contract or on a holiday of at least two weeks given in order to balance out working hours, termination of the employment relationship based on a notice delivered by letter or electronically shall not be regarded as delivered until the date following the end of the vacation or holiday at the earliest.

If a notice terminating the employment contract is delivered by letter or electronically, it shall be deemed that the grounds referred to in chapter 1, section 4, and the grounds for termination of an employment contract referred to in chapter 8, section 1, have been referred to within the agreed or

required time if the notice has been handed in for delivery by mail or sent electronically within that period.

## **Section 5**

### **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.

## **Chapter 10**

### **Invalidity of employment contract and unreasonable terms**

#### **Section 1**

##### **Invalidity under the Legal Transactions Act**

If the employment contract does not bind the employee on the basis of invalidity grounds laid down in chapter 3 of the Legal Transactions Act, the employee is entitled, instead of resorting to the invalidity of the contract, to terminate the employment contract immediately, unless the invalidity grounds have lost their significance.

#### **Section 2**

##### **Unreasonable terms**

If application of a term or condition in the employment contract is contrary to good practice or otherwise unreasonable, the term or condition may be adjusted or ignored.

#### **Section 3**

##### **Impact of null and void terms**

If a term or condition in the employment contract is null and void on account of being in conflict with a provision protecting the employee, the employment contract shall be applied in other respects.

#### **Section 4**

##### **Invalidity based on legal incompetence**

The employer shall not appeal to invalidity of contract because of an employee's legal incompetence as long as the legally incompetent person meets his/her contractual obligations.

## **Chapter 11**

### **Employment contracts of an international nature**

#### **Section 1**

##### **Law applicable to employment contracts**

The law applicable to an employment contract with connections with more than one state shall be defined in accordance with the Convention On the Law Applicable to Contractual Obligations, signed

in Rome on June 19, 1980. (Treaty 80/934 of June 19, 1980 on the Law Applicable to Contractual Obligations)

## **Section 2**

### **Posted employees**

Provisions on the minimum terms and working conditions of employees posted to Finland are laid down in the Act on posted employees (1146/1999).

## **Chapter 12**

### **Liability for damages**

#### **Section 1**

##### **General liability**

If the employer intentionally or through negligence commits a breach against obligations arising from the employment relationship or this Act, it shall be liable for the loss thus caused to the employee.

In derogation from the provisions of paragraph 1 above, liability for termination of the employment contract contrary to the grounds laid down in chapter 1, section 4, or in chapters 7 or 8 is determined under section 2.

If the employee intentionally or through negligence commits a breach against, or neglects obligations arising from, the employment contract or this Act or at work causes a loss to the employer, the employee shall be liable to the employer for the loss thus caused in accordance with the grounds laid down in chapter 4, section 1, of the Compensation for Damages Act (412/1974).

The compensation for neglecting to observe the period of notice is determined under chapter 6, section 4. Chapter 5, section 7, paragraph 3 lays down provisions on the entitlement of an employee who has been laid off for a minimum of 200 days, and who terminates the employment relationship, to receive compensation equivalent to pay or part of it for the period of notice.

#### **Section 2**

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

If the employer has terminated an employment contract contrary to the grounds laid down in this Act, it must be ordered to pay compensation for unjustified termination of the employment contract. If the employee has cancelled the employment contract on the grounds laid down in chapter 8, section 1, arising from the employer's intentional or negligent actions, the employer must be ordered to pay compensation for unjustified termination of the employment contract. The exclusive compensation must be equivalent to the pay due for a minimum of three months or a maximum of 24 months. Nevertheless, the maximum amount due to be paid to shop stewards elected on the basis of a collective agreement or to elected representatives referred to below in chapter 13, section 3, is equivalent to the pay due for 30 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 remaining period of a fixed-term employment contract, the duration of the employment relationship, the employee's age and chances of finding employment corresponding to his or her 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.

If the employer has terminated the employment contract contrary to the grounds laid down in chapter 7, sections 3 or 7, or cancelled it contrary to the grounds laid down in chapter 1, section 4, or solely contrary to the grounds laid down in chapter 8, section 1, the provision in paragraph 1 on minimum compensation shall not apply.

### **Section 3**

#### **Impact of daily unemployment allowance on payment of indemnities and compensation**

Where a compensation ordered under section 2 above is compensation for loss of emoluments due to unemployment before a ruling is pronounced or delivered, the following deductions shall be made:

- 1) 75 per cent of the daily earnings-related unemployment allowance as referred to in the Act on Income Security for the Unemployed (602/1984) paid to the employee for the period in question;
- 2) 80 per cent of the basic unemployment allowance referred to in the Act on Income Security for the Unemployed paid to the employee for the period; and
- 3) the labour market subsidy paid to the employee for the period under the Act on Labour Market Subsidy (1542/1993).

A court may, if warranted by the amount of the compensation, the employee's financial and social circumstances and the insult suffered by him, reduce the amount deductible from the compensation referred to in paragraph 1 or waive the deduction in toto.

When processing a matter referred to in paragraph 1, subparagraph 1, above, a court shall provide the Unemployment Insurance Fund and the unemployment fund with an opportunity to be heard. The court must order the employer to pay the sum deducted from the compensation to the Unemployment Insurance Fund, and inform it of the legally valid ruling or decision in the matter. What is herein laid down pertaining to the Unemployment Insurance Fund shall correspondingly apply to the Social Insurance Institution when a matter referred to in paragraph 1, subparagraph 2 or 3, is processed.

When an agreement is made on the amount of the employer's liability, it must separately mention the total compensation agreed under section 2 and the compensation included therein paid to the employee for loss of emoluments due to unemployment before the agreement is made. The deductions prescribed in paragraphs 1 and 2 shall be made from the compensation. The employer is responsible for paying the sum deducted from the compensation to the Unemployment Insurance Fund or the Social Insurance Institution and for sending a copy of the agreement to the Unemployment Insurance Fund or the Social Insurance Institution.

What is laid down above on compensation ordered under section 2 also applies to compensation ordered under section 1, paragraph 1, for groundless lay-off.

## **Chapter 13**

### **Miscellaneous provisions**

#### **Section 1**

##### **Freedom of association**

Employers and employees have the right to belong to associations and to be active in them. They also have the right to establish lawful associations. Employers and employees are likewise free not

to belong to any of the associations referred to above. Prevention or restriction of this right or freedom is prohibited.

Any agreement contrary to the freedom of association is null and void.

## **Section 2**

### **Right of assembly**

The employer must allow employees and their organizations to use suitable facilities under the employer's control free of charge during breaks and outside working hours in order to deal with employment issues and matters forming part of the function of trade unions. Exercise of this right of assembly must not have a harmful impact on the employer's operations.

## **Section 3**

### **Elected representative**

Employees who do not have a shop steward referred to in a collective agreement applicable to the employer under the Collective Agreements Act may elect a representative from among themselves. The duties and scope of competence of such an elected representative are determined in the manner laid down separately in this Act and elsewhere in the labour legislation. The employees may further take majority decisions to authorize the elected representative to represent them in matters of employment relationships and working conditions specified in the authorization.

Elected representatives are entitled to any information that they need to carry out the duties referred to in law and to sufficient release from work obligations. The employer must compensate for any loss of earnings caused thereby. Release from work obligations in order for the elected representative to carry out other duties and compensation for any loss of earnings must be agreed on with the employer.

Chapter 7, section 10, lays down provisions concerning protection of elected representatives from termination.

## **Section 4**

### **Elected representatives and assignment of the enterprise**

Elected representatives retain the status laid down in section 3 if the enterprise or part thereof keeps its independence following assignment. If an elected representative's term comes to an end as a result of assignment of the enterprise, the representative has the protection against termination laid down in chapter 7, section 10, for six months from the end of his/her term.

## **Section 5**

### **Accommodation benefit**

The employee is entitled to use a dwelling provided as emolument for a period during which work has been interrupted for an acceptable reason and on termination of the employment relationship during the period laid down as the lessor's period of notice in section 92 of the Act on Residential Leases (481/1995). If the employment relationship is terminated on account of the employee's death, the members of the employee's family living in the dwelling are entitled to use the dwelling after the employee's death for the same period as the employee would have been entitled to do, though not for more than three months.

After termination of the employment relationship, the employer may not charge more per square metre for use of a dwelling than has been confirmed as the reasonable maximum housing cost per square metre in the locality in question under the Housing Allowance Act (408/1975). The employee or his/her family must be notified of such a charge. This remuneration may be charged as from the beginning of the month immediately following a period of 14 days after the notification.

Correspondingly, the employer is entitled to charge a remuneration for use of a dwelling if the employer's pay obligation is suspended while the employment relationship continues. Remuneration must not be charged before the beginning of the second full calendar month after cessation of the pay obligation. The employee must be notified of this remuneration at least one month before the obligation to pay such remuneration begins.

If an urgent reason exists, the employer may place another suitable dwelling at the disposal of the employee or the family of a deceased employee for the period of suspension of work referred to in paragraph 1 and for a period following termination of the employment relationship. Any consequent removal costs must be paid by the employer.

## **Section 6**

### **Mandatory nature of the provisions**

Any agreement reducing the rights of and benefits due to employees under this Act shall be null and void unless otherwise provided in this Act.

## **Section 7**

### **Derogation under a collective agreement**

In derogation from what is laid down in section 6, national employer and employee associations are entitled to agree on what is laid down in chapter 1, section 5 (benefits depending on the duration of employment relationship); chapter 2, section 5 (the employer's primary obligation to offer work to a part-time employee), section 11 (pay during illness) and section 13 (payday and pay period); chapter 5, section 3 (advance explanation and hearing the employee), section 4 (lay-off notice) and section 7, paragraph 2 (the employer's right to deduct the pay due for the lay-off notice period from the pay due for the period of notice in the case of termination); chapter 6, section 6 (re-employment of an employee) and chapter 9 (procedure for termination of employment contract). Collective agreements concluded between said associations may also be used to agree on the grounds of lay-offs referred to in chapter 5, section 2, paragraph 1, subparagraph 2, and paragraph 2, but not to extend the maximum duration of the lay-off referred to in paragraph 1, subparagraph 2, or to restrict the area covered by the obligation to offer work as laid down in chapter 7, section 4.

The employer may also apply the provisions laid down in collective agreements and referred to in paragraph 1 above to the employment relationships of employees who are not bound by collective agreement but in whose employment relationships the employer is required to observe the provisions of a collective agreement in accordance with the Collective Agreements Act. If so agreed in the employment contract, said provisions of the collective agreement may be observed after expiry of the collective agreement until a new collective agreement enters into force in employment relationships to which these provisions would apply if the collective agreement continued to be in force.

What is provided in this section on national associations of employers applies correspondingly to the State negotiating authority and other State contract authorities, the Local Government Agreements Committee, the Agreements Committee of the Evangelical Lutheran Church, the Orthodox Church of Finland, the Provincial Government of Åland and the municipal delegation for collective agreements of the Province of Åland.

## **Section 8**

### **Provisions in a generally applicable collective agreement in derogation from the Act**

Employers who are required to observe a generally applicable collective agreement as referred to in chapter 2, section 7, may observe the provisions referred to in section 7 of this chapter within the scope of application of this collective agreement if such application does not call for a local agreement. What is provided in section 7, paragraph 2, sentence 2, then applies.

## **Section 9 (743/2003)**

### **Limitation and period for court proceedings**

Employees' pay claims become statute-barred five years after the due date, unless the period of limitation has been interrupted before that time. The same period of limitation also applies to other claims referred to in this Act.

However, the period of limitation concerning bodily injury caused to an employee is ten years.

After the termination of employment, a claim as referred to in subsection 1 will expire unless suit is filed within two years of the date on which the employment ended. If the provisions of the collective agreement on which the employee's claims are based are manifestly ambiguous, however, the claim will become statute-barred as laid down in subsection 1.

### **Section 9, implementing provision:**

This Act shall enter into force on January 1, 2004.

This Act also applies to claims whose legal basis emerged before it enters into force. However, a claim will become statute-barred not sooner than three years after this Act enters into force unless said claim would also be statute-barred earlier under earlier provisions.

## **Section 10**

### **Availability**

The employer shall make this Act and the collective agreement referred to in chapter 2, section 7, freely available to employees at the place of work.

## **Section 11**

### **Penalties**

The penalty for violation of the non-discrimination provision laid down in chapter 2, section 2, is laid down in chapter 47, section 3, of the Penal Code (39/1889); the penalty for violation of the freedom of association provision stipulated in chapter 13, paragraph 1, is laid down in chapter 47, section 5, of the Penal Code; and the penalty for violation of the rights of shop stewards referred to in chapter 7, section 10, or of elected representatives referred to in chapter 13, section 3, is laid down in chapter 47, section 4, of the Penal Code.

If an employer or its representative intentionally or through negligence commits a breach of chapter 2, section 17 (restriction of the employer's right of set-off); chapter 6, section 7 (certificate of employment); chapter 13, section 2 (freedom of assembly) or 10 (availability), or who despite the request in violation of chapter 2, section 16, subsection 2, neglects to submit the payslip to the employee, a fine shall be imposed on the employer for violation of the Employment Contracts Act.

The liability of the employer and its representative, respectively, is determined on the basis of the grounds laid down in chapter 47, section 7, of the Penal Code. (304/2004)

## **Section 12**

### **Supervision**

The occupational safety and health authorities shall supervise the observance of this Act. In their supervisory functions, and in particular when supervising the observance of generally applicable collective agreements, these authorities must act in close cooperation with the employer and employee associations whose generally applicable collective agreements the employers are required to observe under chapter 2, section 7.

On request, the occupational safety and health authorities are entitled to be provided by the employer with copies of documents which they need for the supervision and a detailed report on agreements concluded orally.

## **Chapter 14**

### **Entry into force and transitional provisions**

#### **Section 1**

##### **Entry into force**

This Act shall come into force on June 1, 2001.

#### **Section 2**

##### **Provisions repealed**

This Act repeals the Employment Contracts Act issued on April 30, 1970 (320/1970) and later amendments thereto.

If another act or decree refers to the Employment Contracts Act valid at the time when this act comes into force, this Act must be applied instead.

#### **Section 3**

##### **Transitional provision**

In employment relationships in which the employer must observe or is allowed to observe a collective agreement concluded on the basis of section 17, paragraphs 1 and 2, of the Employment Contracts Act valid before this Act comes into force, the employer may apply its provisions derogating from this Act up to expiry of the collective agreement, unless the collective agreement is amended before that.

Section 17, paragraphs 1 and 2, of the Employment Contracts Act valid before this Act comes into force must be applied until the general applicability of the collective agreement has been confirmed in the manner referred to in the Act on Confirmation of the General Applicability of Collective Agreements, and the decision has become legally valid.

The employer's obligation as laid down in chapter 13, section 10 to make the generally applicable collective agreement referred to in chapter 2, section 7, available to employees begins from the date on which the decision on the confirmation of general applicability is delivered to the Statute Book maintained by the Ministry of Justice referred to in section 6 of the Act on collections of regulations

issued by ministries and other State authorities (189/2000) and the generally applicable collective agreement has been published in the manner laid down in section 14 of the Act on Confirmation of the General Applicability of Collective Agreements.