

# Welcome!



**The presentation material will be discussed in this event.**



You can ask **questions** through chat.

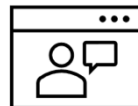


*After the webinar on Tuesday 25 January, the presentation material will be sent to all those who registered.*

*Questions received through chat will be discussed at the end of the event.*

*Due to the large number of participants, this will be a listen only meeting.*

*Microphones and cameras must be turned off throughout the event!*



*The event will be recorded!*





# NEW COLLECTIVE AGREEMENTS

## Consulting sector

- senior salaried employees
- salaried employees

**2022–2023**



## New collective agreements

- Technology Industry Employers of Finland has signed new collective agreements for salaried employees and senior salaried employees in the consulting sector
- The new collective agreements are binding on the member companies of Technology Industry Employers of Finland on the basis of their membership
- If the collective agreements are confirmed to be generally binding, they will also bind companies that operate in the same sector but are not members of Technology Industry Employers of Finland



# New collective agreements

- The CA for senior salaried employees is valid from 3 January 2022 to 30 November 2023
- The CA for salaried employees is valid from 21 January 2022 to 30 November 2023
- The structure of both collective agreements is 1 + 1
  - The salary settlement for 2022 has been agreed
  - The salary settlement for 2023 will be agreed between the federations by 30 September 2022
- If the salary settlement for the second year is not agreed by the end of September, the parties may terminate the CA so that it expires on 30 November 2022



## **Local salary settlement**

**Consulting sector – senior salaried employees**  
**Consulting sector – salaried employees**



## Salary settlements are to be negotiated locally

- With genuine negotiations at company or workplace level
  - success factors, requirements and change pressures are known
  - salary settlements are scaled to the company's situation
    - financial, order book and employment situation
    - cost competitiveness in the market
    - productivity enhancement
  - open discussion on the basis of the company's or workplace's situation
  - salary incentives, fair salary grading



## **Salary settlements are to be negotiated locally**

- A local settlement is facilitated by
  - a shared understanding of the company's situation
  - knowledge and understanding of what salary increases are based on
    - concerns the management, supervisors, shop stewards and employees
  - a shared understanding of the fairness and motivational aspects of compensation
  - appropriate action by management, supervisors and shop stewards



## Financial situation, order book and employment situation

- In good time before the start of local bargaining, the employer provides the shop steward with the required information on the order book and financial and employment situation of the company or workplace and of their anticipated development
- It would also be appropriate to provide information on the grounds for the proposed salary settlement to be used as the basis for negotiations
- Financial indicators based on up-to-date reports usually provide information on
  - the scope of operations
  - profitability
  - liquidity
  - solvency.
- The purpose of the financial analysis is to provide an overview of the company's future financial prospects.





## **Financial situation, order book and employment situation**

- The key indicators for the order book and employment forecast the future – although the company may not be able to influence some of these factors, its own actions will still play a key role in its success.
- How well a company copes is dependent on its capacity for renewal, the workplace atmosphere, its ability to cooperate, and factors relating to flexibility and quality.
- Every person contributes to the company's success. Management, supervisors and shop stewards should find ways to get everyone involved in the development of operations.



# Salary incentives

- Motivates senior salaried employees to develop their competence and professional skills
  - it is clear how employees can influence their own salary (individually and as part of a team)
  - feedback must be received
  - open dialogue with supervisors – how can competence be further developed
- Personal salary increases are used to reward competence, responsibility and good performance
  - competence, taking responsibility and good performance can only be rewarded at companies and workplaces at a grassroots level, close to those who are doing the actual work
  - productivity improves when pay increases can be allocated fairly and in a motivational manner
- Compensation management is a continual process
  - the company's compensation policy

# Salary settlements are to be negotiated locally

## Negotiations on the salary settlement and its criteria:

A review of the financial situation, order book and employment situation of the company or workplace



- Salary incentives, salary grading, enhancing productivity
- A solution that meets workplace needs

### Local salary settlement:

The following is agreed concerning salary increases:

- implementation method
- schedule
- scale



Implementation of the local settlement

### If no local salary settlement:

#### Senior salaried employees

- Agreement on the fallback option A or B
- In both options, the date of increase is 1 March 2022
- If not agreed otherwise, a salary settlement with a cost effect of 1.8%, incl. an individual minimum increase of 0.9%

#### Salaried employees

- A general increase of 1.1% and a company or employer-specific element of 0.8% 1 March 2022



## Local salary settlement (SENIOR SALARIED)

- The agreement will be made in writing with the senior salaried employees' shop steward **by 28 February 2022**
  - An extended bargaining period may be agreed locally. In this case, it must be agreed in advance what to do if no agreement can be reached even during the extended period.
- If no shop steward has been elected for the senior salaried employees, the agreement may be concluded with the senior salaried employees in a manner jointly agreed by them.
- Matters that can be agreed upon in a local salary settlement include the implementation method, schedule and scale of salary adjustments.
- The level of local settlements is open.



## **Local salary settlement (SENIOR SALARIED)**

- The shop steward has the right to be provided with a report on the allocation of the locally agreed salary settlement within a reasonable time from the salary increases.
- The report must provide the following information
  - number of senior salaried employees
  - how many received an increase
  - the average increase
  - total amount of salary increases for senior salaried employees (the payroll for senior salaried employees before and after the increase)



## Local salary settlement (SALARIED EMPLOYEES)

- Sufficient time must be allocated for the negotiations.
  - **By 18 February 2022**, unless an extended bargaining period is agreed upon
- Counterparty:
  - The salary settlement is negotiated and agreed with the shop steward.
  - If no shop steward has been elected, a local salary settlement is not an option.
- Matters that can be agreed upon in a local salary settlement include the implementation method, schedule and scale of salary adjustments.
- The level of local settlements is open.



## **Local salary settlement (SALARIED EMPLOYEES)**

- The shop steward has the right to be provided with a report on the allocation of the locally agreed salary settlement within a reasonable time from the salary increases.
- The report must provide the following information
  - number of salaried employees
  - how many received an increase
  - the average increase
  - total amount of salary increases for salaried employees (the payroll for salaried employees before and after the increase)



**If there is no local pay settlement  
(so-called fallback clause)**

**Consulting sector – senior salaried employees**





## No local salary settlement

- If a local salary settlement is not reached and no extended bargaining period is agreed upon locally, the so-called fallback clause will be applied
- A new fallback clause structure: options A and B
- Alternative models that may not be applied at the same time
- The options are very different:
  - A includes the cost effect and individual minimum increases
  - B is a so-called open model + individual clarification
- The employer and shop steward agree on the method for implementing the salary adjustments (A or B). If no shop steward has been elected, the selection is made with the senior salaried employees in a manner jointly agreed by them.
- If nothing else has been agreed, option A is applied.



## Option A

- The employer implements, in accordance with the company's salary policy, a salary settlement having a cost effect of **1.8%** no later than as of **1 March 2022** or from the beginning of the next pay period starting thereafter.
- The cost effect (1.8%) is calculated from the February 2022 payroll for senior salaried employees, including fringe benefits (monthly salaries, including fringe benefits)
- From this amount, the employer allocates personal increases to senior salaried employees
- When allocating increases, the employer must ensure that each senior salaried employee's salary, including fringe benefits, is increased by **at least 0.9%**



## Example of option A

- The payroll for senior salaried employees employed by the company in February 2022, including fringe benefits, amounts to a total of EUR 120,000. Of this amount, the sum corresponding to 1.8% indicates the total euro amount that is used for salary adjustments ( $\text{EUR } 120,000 \times 0.018 = \text{EUR } 2,160$ ).
- When allocating personal increases to senior salaried employees from the available amount, the employer must ensure that each senior salaried employee's salary, including fringe benefits, is increased by at least 0.9%.
- The cost effect of salary adjustments remains at 1,8% if the employer first implements the 0.9% increases and only after this the remaining amount is allocated in accordance with the pay policy.



## Option A

- If the company has paid senior salaried employees salary increases between 3 January 2022 and 28 February 2022, these increases – including individual increases such as merit increases – will be taken into account in the pay adjustments made in accordance with fallback clause A when the matter is referred to in connection with the increase.



## Example of option A

The senior salaried employee received an EUR 100 salary increase as of 1 February 2022. The employee's salary before the increase was EUR 4,000, with the salary being EUR 4,100 after the increase. When the increase was granted, the person was informed that the increase includes the 2022 CA increases.

The increased salary (EUR 4,100) is taken into account in the payroll for February. In this example, the amount corresponding to 1.8% is EUR 2,500.

When the company grants salary increases to senior salaried employees, the person in question is not granted any salary increase. The increase of EUR 100 that was previously granted to the employee is deducted from the EUR 2,500 pot to be allocated. The employer allocates the remaining difference, that is, EUR 2,400, to other senior salaried employees as salary increases. When allocating increases, the employer takes into account a minimum increase of 0.9% for each individual.



## Option A

- Increases are allocated in accordance with the employer's pay policy
  - The principal factors determining the distribution of personal increases should be the senior salaried employee's expertise and work performance
- The purpose of salary adjustments is to support
  - motivating pay formation
  - fair pay structure and pay grading
  - the implementation of the employer's pay policy
  - productivity improvements and
  - rectification of distortions (if any)



## Option A

- The shop steward has the right to be provided, within a reasonable time from the salary increases, with a report on the allocation of the salary settlement implemented by the employer.
- The report must provide the following information
  - number of senior salaried employees
  - how many received an increase
  - the average increase
  - total amount of salary increases for senior salaried employees (the payroll for senior salaried employees before and after the increase)



## Option B

- The use of option B requires that this has been agreed
- Open model: The employer implements the salary settlement in accordance with the company's pay policy no later than as of **1 March 2022** or from the beginning of the next pay period starting thereafter.
- No individual minimum increases





## Option B

- Increases are allocated in accordance with the employer's pay policy
- The purpose of salary adjustments is to support
  - motivating pay formation
  - fair pay structure and pay grading
  - the implementation of the employer's pay policy
  - productivity improvements and
  - rectification of distortions (if any)



## Option B

- New Element: individual clarification
- Senior salaried employees are explained their personal salary adjustment amount and the grounds for it within two months of the implementation of the salary adjustment, but no later than on **30 June 2022**.
- Such information is provided to each senior salaried employee regardless of whether the senior salaried employee has received an increase.
- Verbal or written clarification
- The purpose of such a clarification is to increase salary knowledge



## Option B

- The shop steward has the right to be provided, within a reasonable time from the salary increases, with a report on the allocation of the salary settlement implemented by the employer.
- The report must provide the following information
  - number of senior salaried employees
  - how many received an increase
  - the average increase
  - total amount of salary increases for senior salaried employees (the payroll for senior salaried employees before and after the increase)
  - *the main principles applied when allocating increases*



## Summary of options A and B

### Option A

- So-called ultimate fallback clause
- Cost effect 1.8%, incl. individual minimum increase of 0.9%
- Increase valid from 1 March 2022
- Report to the shop steward

### Option B

- Requires agreement
- Open model
- Increase valid from 1 March 2022
- Individual clarification
- Report to the shop steward

The federations recommend that both options are discussed. The appropriate model should be selected as soon as possible after it is clear to the parties that there will be no agreement on a local pay settlement.



## Remuneration of shop steward

- Unless agreed otherwise, the monthly remuneration of the shop steward is as follows starting from 1 March 2022:

Number of senior salaried employees represented	Remuneration EUR/month
10–50	131
51–100	183
more than 100	234



## Remuneration of an occupational safety and health representative

- Unless otherwise agreed, the monthly remuneration paid to the occupational safety and health representative will be EUR 66 starting from 1 March 2022. This remuneration will be paid if the representative represents at least 20 employees.



**If there is no local pay settlement  
(so-called fallback clause)**

**Consulting sector – salaried employees**



# No local salary settlement

## 2022, general increase

- If no local agreement is reached and no extended bargaining period is agreed upon locally, salaries will be adjusted by a general increase as specified in the salary settlement effective **no later than from 1 March 2022** or as of the start of the first subsequent pay period.
  - general increase 1.1%
    - Personal monthly salary, including fringe benefits

## Year 2022, company or employer-specific element

- **No later than as of 1 March 2022**
  - A company or employer-specific element of 0.8%,
    - of the payroll for the previous month (February), including fringe benefits.
  - Personal increases are allocated to salaried employees (no obligation to give an increase to everyone)





## Allocation of the salary settlement

- Report to be provided to the shop steward
- The shop steward has the right to be provided with a report on the allocation of the locally agreed salary settlement or element within a reasonable time and no later than within one month from the implementation of the salary settlement
  - number of salaried employees
  - how many received an increase
  - the average increase
  - the total amount of salary increases for salaried employees



## Table of minimum salaries 1 March 2022

REQUIREMENT CATEGORY	Score	Requirement category salary EUR/month	Requirement category salary EUR/month +3%
1	265...284	1,749	1,801
2	285...309	1,907	1,964
3	310...334	2,084	2,147
4	335...359	2,278	2,346
5	360...389	2,503	2,578
6	390...419	2,745	2,827
7	420...449	3,017	3,108
8	450...479	3,315	3,414
9	480...520	3,644	3,753



## Remuneration of shop steward

- Unless agreed otherwise, the monthly remuneration of the shop steward is as follows starting from 1 March 2022:

Years	as of 1 March 2022
Number of persons to be represented	EUR/month
10...19	32
20...25	50
more than 25	68



## **Remuneration of an occupational safety and health representative**

- Unless otherwise agreed, the monthly remuneration paid to the occupational safety and health representative will be EUR 66 starting from 1 March 2022.



## Seniority bonus

Years	As of 1 March 2022 EUR/month
10...19	32
20...25	50
more than 25	68



## Salary adjustments in 2023

- The federations will negotiate separately on the salary adjustment amounts related to the 2023 fallback clause by the end of September 2022.
- However, the procedures for 2023 salary adjustments are the same as in 2022.
- In 2023, the date of salary adjustments is 1 March 2023 or the beginning of the next pay period starting thereafter.
- The salary settlement for 2023 will be announced later in autumn 2022.



**Other content**

**Consulting sector – senior salaried employees**



## Weekly rest

- For senior salaried employees, weekly rest is determined in accordance with the Working Time Act
- A stipulation supplementing the Act has been included in the collective agreement:

*“On a weekend between two consecutive working weeks, weekly rest may be granted as a continuous period, which is included partly in the first working week and partly in the second working week, provided that the majority of the weekly rest is included in the week the weekly rest is related to.”*





## Fixed monthly compensation for additional work, overtime and Sunday work

- The new stipulation allows additional work, overtime and Sunday work to be compensated for with a separate fixed monthly compensation:
- *“It may be agreed with a senior salaried employee that additional work, overtime work and Sunday work is compensated for with a separate fixed monthly compensation based on the estimated amount of such work.  
Minutes of meeting entry:  
If necessary, the fixed monthly compensation may be adjusted.”*
- The possibility to agree on this applies to all senior salaried employees
- Agreed in an employment contract or during employment



## **Fixed monthly compensation for additional work, overtime and Sunday work**

- If necessary, the fixed monthly compensation may be increased or decreased if the estimate of the amount of additional work, overtime work or Sunday work on which the compensation is based changes.
  - It is recommended that the estimate of the amount of such work is updated from time to time
- The compensation to be agreed should be a specific euro amount.
- It is also a good idea to clearly agree which compensation types (additional work, overtime work and Sunday work) are included in the monthly compensation.



## Compensation of shop stewards representing more than 200 employees

- The compensation of shop stewards is still determined in accordance with the CA table, unless otherwise agreed locally.
- New content: Obligation to negotiate on the compensation of shop steward if the shop steward represents more than 200 senior salaried employees:
- *"If the number of senior salaried employees represented by the shop steward exceeds 200, the remuneration of the shop steward shall be negotiated and an agreement shall be sought locally."*
- The obligation to negotiate exists if initiative has been taken in order to start negotiations. No obligation to conclude an agreement.
- The number of persons represented is determined in accordance with the situation on the 1st day of the year (1 January)



## **Guidelines for remote work (Appendix 3)**

- The federations have prepared guidelines for remote work (recommendation, not a part of the CA)

## **Negotiating procedure**

- The obligation to negotiate includes so-called CA disputes (dispute concerning the application, interpretation or breaching of the collective agreement)



## Miscellaneous

- The family leave reform had no effect on the paid periods of family leave, which are the same as in the CA that expired
  - A joint working group of the federations will aim to find a cost-neutral solution concerning family leave stipulations during the agreement period
- There is no separate Introduction section at the beginning of the CA
- The CA no longer includes an employment contract template as an appendix
- The federations will continue the collective agreement development and joint training during the agreement period



**Other content**

**Consulting sector – salaried employees**



# **Harmonisation with the collective agreement for senior salaried employees in the consulting sector**



## Matters related to working time

- Shift list
  - The stipulation on the drawing up of a shift list was removed, the law includes provisions on this
- Average regular working time and the related general conditions
  - The stipulation was removed, the stipulation is not included in the CA for senior salaried employees





## Flexible working hours

- Maximum accumulation of flextime +/- 120 h (- 40 h removed)
- Removed regarding flexible working hours

*"when planning the implementation of different working time arrangements, it is appropriate to also investigate possibilities for the adoption of flexible working hours"*



## Daily breaks were removed: sections 3–5:

- *3. A period during which a salaried employee is bound to their duties or obligated to be available to the employer at the workplace is included in working time. A break during which a salaried employee has the right to leave the workplace freely and the possibility to do so in practice is not included in working time.*
- *4. Where, at the end of regular working hours, a salaried employee stays for overtime work, which is estimated to take at least two hours, it is reasonable that the salaried employee is provided with the opportunity to take a necessary meal break or with the opportunity to have a meal while working.*
- *5. The federations recommend that salaried employees be given the opportunity once a day to enjoy coffee or refreshments at the most appropriate time considering the performance of their work so that this causes as little inconvenience as possible to work duties.*
  - Harmonisation with the CA for senior salaried employees in the consulting sector, which does not include such stipulations

# Annual leave



- Calculation rule for annual leave
  - The calculation formula was removed -> calculated in accordance with the provisions of the Annual Holidays Act
    - *New stipulation: "Annual leave shall be determined in accordance with the Annual Holidays Act"*
  - Previous stipulation: The monthly salary is divided by 25 and multiplied by the number of days off. In practice, the monthly salary has to be divided into salary paid during working time and holiday pay. The aggregate of these must correspond to the monthly salary. If using 25 as a divider does not result in the normal monthly salary, the salary is adjusted in connection with the first payment of salaries taking place after the leave.
- Payment of holiday pay
  - New stipulation: *Derogation from section 15 of the Annual Holidays Act may be agreed locally concerning the payment time of holiday pay.*
  - Previous stipulation: *Holiday pay shall be paid before the start of the leave, unless it has been agreed locally that it is paid on a regular payday.*



# Holiday bonus

- Accrual of annual leave for the duration of holiday bonus leave
  - *"Salaried employees shall earn annual leave during the holiday bonus leave period"*
    - New entry
- Calculation rule for holiday bonus:
  - Stipulation removed: calculation of holiday bonus by using the coefficient/figure 25
    - New stipulation: Current calculation rule is now the same as for senior salaried employees: 50% of holiday pay*
  - Stipulation removed: holiday bonus when employment terminates: if the employment relationship of a salaried employee ends before the locally agreed payment date of the holiday bonus, the holiday bonus shall be paid when employment ends if the salaried employee is otherwise entitled to a holiday bonus.



# Miscellaneous



## Miscellaneous

- Other standby arrangements may be agreed upon locally
- Individual salary element **8–13%** (previously 7–12%)
  - Still just a recommendation
- In the future, only CA disputes will be resolved in accordance with the negotiating procedure: disputes concerning the application or interpretation or breaching of the collective agreement shall be resolved in accordance with the negotiating procedure described below..
- Guidelines on remote work included as a new appendix
  - not a part of the CA
  - The increase in remote work in the consulting sector was also taken into account for salaried employees



## Miscellaneous

- Removed: General responsibilities of salaried employees
  - Determined in accordance with the Employment Contracts Act
- Removed: *"Daily rest shall be determined in accordance with section 25 of the Working Time Act and, as a rule, it shall be 11 hours."*
  - Determined in accordance with the Working Time Act
- Removed: *"The salary for the lay-off notice period shall not be deducted from the salary for the period of notice."*
  - The part of salary for the lay-off notice period that exceeds 14 days may be deducted from the salary for the period of notice
- Removed: Guidelines regarding maternity leave pay
  - Time priority principle



## Working groups

- The family leave reform had no effect on the paid periods of family leave, which are the same as in the CA that expired
  - A joint working group of the federations will aim to find a cost-neutral solution concerning family leave stipulations during the agreement period
- The federations will continue the collective agreement development and joint training during the agreement period





**Thank you!**