



COLLECTIVE AGREEMENT

**Senior salaried employees in technology
industries
2022–2023**

New collective agreement

- Technology Industry Employers of Finland and the Federation of Professional and Managerial Staff YTN have concluded a new collective agreement for senior salaried employees in technology industries
- The new collective agreement is binding on the member companies of Technology Industry Employers of Finland on the basis of their membership
- The member companies of Technology Industry Employers of Finland have nearly 45,500 senior salaried employees who work within this new collective agreement's scope of application (coverage of over 70%).
- The parties estimate that the collective agreement is generally binding, that is, it also binds companies that operate in the same sector but are not members of Technology Industry Employers of Finland

New collective agreement

- The agreement is valid from 3 January 2022 to 30 November 2023
- The structure 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

Salary settlement

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:

- Agreement on the fallback option A or B
- In both options, the schedule for increases is 1 March 2022 or the beginning of the next pay period starting thereafter
- If nothing else has been agreed, a salary settlement with a cost effect of 1.8%, which includes a personal minimum increase of 0.9%

Local salary settlement

- 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 representative has been elected for the senior salaried employees, the agreement with them can be concluded in a manner they have jointly agreed on.
- 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

- 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)

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

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 election 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 remuneration policy.

Option A

- Increases are allocated in accordance with the employer's remuneration 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 remuneration 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 remuneration 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 stewards

- Unless otherwise agreed locally, the monthly remuneration paid to the shop steward will be as follows starting from 1 March 2022:

Number of senior salaried employees	Remuneration EUR/month
10–100	122
101–200	171
201–400	219
over 400	321

Remuneration of an occupational safety and health representative

- Unless otherwise agreed, the monthly remuneration paid to the occupational safety and health representative will be as follows starting from 1 March 2022:

Number of staff represented by the occupational safety and health representative	Remuneration EUR/month
5 – 24	68
25–50	73
51–100	82
101–200	94
201–400	105
401–600	120
more than 600	139

Pay 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.

Texts

Weekly rest (section 4.1)

- 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.”

Layoff notice period (Protection against dismissal, section 4.3.3)

- Unless otherwise agreed in connection with the laying off, the layoff notice period shall be 14 days

Telecommuting instructions (Appendix 5)

- The federations have prepared telecommuting instructions (recommendation)

Negotiating procedure (section 8.5)

- 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
- The structure and headings of the collective agreement have been updated
- The federations will continue to develop the collective agreement and joint training during the agreement period



Thank you!