Teknikföretagen
P.O. Box 5510, SE-114 85 Stockholm, Sweden
Storgatan 5
Phone +46-8-782 08 00, fax +46-8-782 09 00
www.teknikforetagen.se
info@teknikforetagen.se

Order from Industrilitteratur AB
P.O. Box 345, SE-641 23 Katrineholm, Sweden
Phone +46-150-133 30, fax +46-150-524 21
www.industrilitteratur.se
Order No. V110079

ENGINEERING INDUSTRY COLLECTIVE AGREEMENT FOR SALARIED EMPLOYEES 1st April 2004 – 31st March 2007

Teknikföretagen

Engineering Industry Collective Agreement for Salaried Employees

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between
The Swedish Engineering Employers' Association (Teknikarbetsgivarna) and the Swedish Association of Graduate Engineers (CF), Sif* and Ledarna*

*) The Swedish Union of Salaried Employees in industry has changed its name and is now called Sif. The Swedish Union of Industrial Supervisors (SALF) is now called Ledarna. However, the earlier names occur in the text of old agreements.

Contents

List of separate agreements not included in the English version of the National Agreement

Competition clauses

The agreement on competition clauses between SAF and SIF/SALF/CF of 14 December 1969 applies between Teknikarbetsgivarna (The Swedish Engineering Employers' Association) and the salaried employees' unions. The text of the agreement is included in the comments on the salaried employee's agreement.

Pensions and group life insurance

The agreement of 30 September 1976 between SAF and PTK concerning ITP together with its prolongation dated 29 November 1985 regulates conditions between Teknikarbetsgivarna and the salaried employees' unions. The same applies to the agreement of 19 February 1976 between SAF and PTK on occupational group life insurance.

Security of employment insurance

The agreement of 1 January, 1979 between SAF, LO and PTK concerning AMF insurance policies, together with amendments and supplements adopted later applies between Teknikarbetsgivarna and Sif/SALF/CF.

Social security in the event of service abroad

On 24 June 1985, SAF and PTK reached an agreement concerning social security for salaried employees serving abroad, which applies between Teknikarbetsgivarna and Sif/SALF/CF.

The above agreements may be obtained from the publishing service of the Confederation of Swedish Industry, telephone +46-20-72 00 00, fax +46-26-24 90 11.

Agreement on industrial development and efficiency

The agreement on industrial development and efficiency applies between Teknikarbetsgivarna and Sif/SALF/CF. The printed version of the agreement may be obtained from Industrilitteratur AB, telephone +46-150-133 30.

Weekly rest

The agreement on weekly rest regulates conditions between Teknikarbetsgivarna and Sif/SALF/CF. The text of the agreement is included in the comments on the salaried employee's agreement.

Agreement on general conditions of employment

between the Swedish Engineering Employers' Association (Teknikarbetsgivarna) and the Swedish Union of Graduate Engineers (CF), Sif and Ledarna

Section 1 Scope of this agreement

Subsection 1
This agreement applies to salaried employees who are employed by companies affiliated to the Swedish Engineering Employers' Association with the additions and exceptions stated in subsections 2-7 below.

The term salaried employee ("employee") in this agreement also includes supervisors.

Subsection 2
This agreement does not apply to salaried employees whose position in the hierarchy is higher than 2 in the positions nomenclature.

Subsection 3
This agreement is immediately applicable to salaried employees who have been employed on the basis of section 3 as temporary stand-ins, for practical experience or otherwise for a certain period, season or task, with the exceptions stated in subsections 4 and 6, section 6, subsection 3 exception 3 and section, 12 subsections 1 and 2.

Subsection 4
This agreement applies immediately to salaried employees who are employed on probation. For the period of notice during probationary employment, see section 12, subsection 3:3.

Subsection 5
This agreement does not apply to salaried employees whose employment is a secondary employment, except for the subsections in section 6 which relate to sick pay during the first 14 calendar days of a period of sickness.

Subsection 6
This agreement applies, subject to the following restrictions to salaried employees who remain in service at the company after reaching the normal retirement age for the person in question in accordance with the ITP plan:

The subsections in section 6 relating to sick pay after the 14th calendar day in a period of sickness only apply if

– a specific agreement has been reached on this point between the employer and the employee

– the period of notice is stipulated in section 12, subsection 3:4.

The same applies if a salaried employee has been employed at the company after reaching the normal retirement age at the company in question.

The employer and such salaried employees as are referred to in this subsection may reach an agreement that other conditions may also be regulated in a different manner from that provided in this agreement.

Subsection 7
If a salaried employee travels abroad to work on behalf of the company, the conditions of employment during the stay abroad are regulated either by an agreement between the employer and the employee or by foreign service rules or the like, which apply at the company.

In the case of service abroad the "Agreement on social security for salaried employees working abroad" applies to the salaried employees referred to in the said agreement.

Subsection 8
The employer is entitled to require a salaried employee who is a member of the company's management to not belong to a salaried employees' union whose members are covered by this agreement.

The following are considered members of a company's management.

– Managing directors (presidents, general managers)

– Private secretaries of the above

– Salaried employees whose duties include acting on behalf of the company in relation to salaried employees on matters pertaining to their conditions of employment.

The Conciliation Council should settle disputes concerning the scope of this subsection.

Note on minutes of negotiations
Teknikarbetsgivarna and Sif/CF/Ledarna note that all PTK unions concerned are agreed that the local union organization of salaried employees' existing at a company or representatives appointed by salaried employees within the PTK area can be represented in relation to the employer by a single body, designated PTK-L, in connection with the Agreement on reorganization and reduction of the workforce and matters pertaining to personnel cuts pursuant to the Agreements on General Conditions of Employment. PTK-L is deemed to be "the local salaried employees' party" in the above agreements. PTK-L is also deemed to be "the local union organization" pursuant to the Employment Security Act (SFS 1982:80).

If the salaried employees' party cannot be represented by PTK-L, the company will be entitled to reach separate agreements with each of the salaried employees' union organizations.

Section 2 Salary principles*

Salary fixing should be differentiated according to individual and other circumstances. Salary differentials should be unbiased and well motivated. Salaries should be fixed taking into account the responsibility and level of difficulty of the work tasks and the way in which the employee performs these. A more difficult job that may place greater demand on skills, responsibility and competence should render a higher salary than an ordinary job. Regard should also be paid to the work environment and the conditions for carrying out the job. Market forces also affect salary assessments.

Every employee should be made aware of the basis for fixing salaries and what the employee may do in order to increase his or her salaries. Systematic evaluation of job content and personal qualifications provide a good basis for assessment. Theoretical and practical knowledge, ability to co-operate and to lead are examples of important factors that should to be taken into account in an assessment made by the local parties.

*) Section 2 is not valid for the Joint Agreement between Teknikarbetsgivarna and Ledarna

When job requirements are raised through increased experience, more demanding duties, increased authority, greater responsibility, increased knowledge or competence an employee should be able successively to increase his or her salaries. The system of salaries and salary fixing within the companies should be shaped so that it becomes a propelling force for the development of the employee's skills, competence and duties. Salary fixing will thus stimulate increased productivity and increased competitive strength. The same salary principles should apply to all employees.

Discriminating or other factually unmotivated differences in salaries and other employment conditions between employees must not occur. Ahead of salary negotiations conducted in accordance with the agreement, the local parties should analyse whether discriminating or other factually unmotivated differences in salaries exist. If these analyses prove that there are unmotivated salary differentials in the company, they should be adjusted in connection with the salary negotiations.

Section 3 Employment/recruitment

Subsection 1 Employment until further notice

Employment is until further notice, unless the employer and the employee have agreed otherwise in accordance with subsection 2 below.

Subsection 2 Employment for a certain period, season or task

Subsection 2:1
The employer and the employee can reach an agreement on employment for a certain period, season or task if the specific character of the tasks provides grounds for such employment.

Students may be employed for a certain period, season or task when they are on holiday or otherwise taking a break from their studies.

Employees who remain in the employment of the company after reaching the normal retirement age according to the ITP plan, which applies to him/her may be employed for a certain period, season or task. The same applies if the employee is taken on by a company after reaching the retirement age, which applies at the company.

Subsection 2:2
Agreements on employment for a certain period may also be reached if the employment is to provide practical experience or is a temporary substitute position.

By temporary substitute is meant

– that the employee replaces another employee during his/her absence owing to vacation, sick leave, leave for training, parental leave, etc, or

– that the employee fills a vacant position for no more than six months or such longer time as is agreed between the employer and the local salaried employees' union, pending the appointment of an individual to fill the position.

Subsection 2:3
In order to relieve temporary peak workloads at the company, the employer and the employee may agree on employment for a certain period.

Subsection 2:4
Agreements on employment for a certain period in the form of probationary employment may be reached between the employer and the employee

– if the employee's qualifications for the job area are untried,

– if there are other specific reasons for testing the employee's qualifications and capabilities in relation to the specific requirements of the tasks, or

– if the employee is disabled, has been unemployed for a long period of time, or is listed on the Employment Security Council's clearing register.

Probationary employment may last for no more than six months. When special reasons exist, probationary employment may, subject to local agreement, be extended but for no longer than an additional six months.

Subsection 2:5
If the employer is about to employ an employee on the basis of subsections 2: 3 or 2:4, the employer should, if it is practicable, inform the salaried employees' local union at the company before the employment agreement is reached. Such information must in any case always be provided no later than one week after the employment agreement has been reached.

Subsection 2:6
The employer's right to employ salaried employees to relieve peak workloads in accordance with subsection 2:3 and to employ salaried employees on probation in accordance with subsection 2:4 can be terminated by the local salaried employees' party or by a PTK union. The period of notice is three months. Should the employer wish to retain the above-mentioned right he must promptly call for negotiations to be conducted on this matter during the period of notice. The union parties may extend the period of notice in order to allow for negotiations in accordance with negotiation procedures to be completed before the expiry of the period of notice. In the final event, the question of whether the employer can or cannot retain this right should be taken up for discussion in the SAF-PTK Salaried Employees Labour Market Council.

Subsection 3 Prior right to and order for re-employment
In connection with the re-employment of salaried employee(s) who have been declared redundant due to lack of work, or whose employment for a limited period has not been renewed, the local parties can reach an agreement which departs from the rules in Sections 25-27 in the Employment Security Act, on the order for re-employment in accordance with the provisions of section 12, subsection 2 when the notice is issued or prior to the re-employment.

Section 4 General rules of conduct

Subsection 1
The relationship between employer and employee is based on mutual loyalty and confidence. Employees must observe discretion on matters pertaining to the company's affairs, such as pricing, designs, experiments and investigations, operating conditions, business circumstances, etc.

Subsection 2
Employees may not carry out work or engage directly or indirectly in economic activities on behalf of a company that competes with the employer. Nor may an employee accept contracts or engage in activities, which can have a detrimental effect on his work on behalf of the employer.

If an employee intends to accept a contract or subsidiary employment of a more extensive character, he should therefore consult with the employer first.

Subsection 3
An employee is entitled to accept elected positions at central government, local government and union level.

Section 5 Vacation

Subsection 1 General provisions
Vacation is regulated by law with the additional provisions in subsections 2, 3, 5: 1-5:2, 6 and 7 and the exceptions in subsections 4 and 5:3. Exceptions are made only when they are explicitly stated in the subsections mentioned.

Subsection 2 Rescheduling of vacation year and/or qualification year
The employer and the individual employee or the local salaried employees' party may reach an agreement to reschedule the vacation year and/or qualification year.

Subsection 3 Length of vacation, etc

Subsection 3:1
Pursuant to agreement between the employer and the employee in accordance with section 7, subsection 1, the employee may, instead of 25 days of vacation receive three or five days of vacation over and above the statutory vacation.

> **Note**
> By day of vacation is meant both paid and unpaid days of vacation. For employees with more than 25 days of vacation, the number of days with pay is determined in accordance with the principles outlined in Section 7 of the Holidays Act.

Subsection 3:2
Vacations, which in the individual case contain more days than stipulated in this agreement, on account of a collective or individual agreement, should not suffer any deterioration as a result of this agreement.

However, this guarantee rule does not apply in those cases where, in accordance with section 7, subsection 1:1, second paragraph, an employee has received a longer vacation instead of special overtime compensation or no longer has to perform preparatory or completion work in accordance with the provisions of section 7, subsection 1:2.

If at any company, in accordance with the regulations for salaried employees applying before this agreement was reached, a longer vacation is taken in days per year than prescribed here, the coming into effect of this agreement does not as such give rise to any alteration in the vacation rules in the said regulations.

If the question of changing the vacation rules in the applicable regulations arises at a company, the salaried employees' party should be informed of this and, before a decision is reached, negotiations should take place, should the salaried employees' party so wish.

Subsection 3:3
For a promoted or newly appointed salaried employee at a company, the time during which the employee was employed at the company in this or any other capacity at the company or, in the case of a group of companies at another company being a member of the group, is also included in the qualification year in accordance with the Holidays Act.

Subsection 4 Vacation pay, vacation compensation, etc

Subsection 4:1
Vacation pay consists of the current monthly salary and vacation supplements during the vacation, as below.

For salaried employees who receive a weekly salary, the monthly salary is calculated as 4.3 times the weekly salary.

Vacation supplements for each paid day of vacation comprises

- 0.8 per cent of the employee's current monthly salary.

  By monthly salary is meant in this context the fixed, cash salary per month and any fixed salary supplements per month (such as fixed shift, on call, preparation, overtime and travel supplements, guaranteed minimum commission, and the like).

  For changes in degree of employment see subsection 4:4.

- 0.5 per cent of the sum of the variable salary components paid during the qualification year.

By variable salary component is meant in this context:

– Commission, performance-related payment, bonus, or similar variable salary component.

– Salary incentive.

– Shift, on call, stand-by and inconvenient hours compensation or similar variable salary component, to the extent that it is not included in the monthly salary.

To "the sum of the variable salary components paid during the qualification year" should be added an average daily income from variable salary components for each calendar day (whole or part) with absence qualifying for vacation pay. This average daily income is calculated by dividing the variable salary component paid during the qualification year by the number of days of employment (defined in accordance with Section 7 in the Holidays Act), excluding days of vacation and whole calendar days with absence qualifying for vacation pay during the qualification year.

With regard to shift, on-call, stand-by and inconvenient hours compensation and the like, such compensation is not be included in the average calculated as above if, during the qualification year, the employee has received such compensation for no more than 60 calendar days.

Notes

1) The 0.5 per cent vacation supplement is based on the assumption that the employee has earned paid vacation in full. If this is not the case the vacation supplement is adjusted by multiplying 0.5 per cent by the number of vacation days to which the employee is entitled in accordance with subsection 3 and dividing the result by the number of paid vacation days the employee has earned.

2) In this context, commission, performance-related pay, bonus and the like mean such variable salary components as are directly related to the employee's personal work input.

3) As regards overtime compensation, compensation for excess hours in cases of part time employment, and compensation for travelling time the divisors in section 7, subsections 3:2 and 4:1 and in section 8, subsection 3 have been adjusted to include vacation pay.

Subsection 4:2
Vacation compensation is calculated as 4.6 per cent of the relevant monthly salary per unused paid vacation day plus vacation supplement calculated in accordance with subsection 4:1. Vacation compensation for a saved day of vacation is calculated as if the saved day was taken during the vacation year in which the employment ceased. For changes in degree of employment see subsection 4:4.

Subsection 4:3
For each day of unpaid vacation taken a deduction is made from the employee's monthly salary of 4.6 per cent of the current monthly salary.

For the concept of monthly salary see subsection 4:1.

Subsection 4:4
If, during the qualification year the employee has had a different degree of employment than at the time of the vacation, the monthly salary at the time of the vacation shall be adjusted on a pro rata basis to his full regular working hours at the work place during the qualification year.

If the degree of employment has changed during a current calendar month, the degree of employment that applied to the majority of the calendar days in the month shall be used for this calculation.

For the concept of monthly salary see subsection 4:1.

Subsection 4:5
The following rules apply to the disbursement of vacation pay:

Main rule
The vacation supplement of 0.8 per cent is paid on the regular pay disbursement date in connection with or immediately after the vacation.

The vacation supplement of 0.5 per cent is paid by no later than the end of the vacation year.

Exception 1
If the employee's pay consists to a significant extent of a variable salary component he is entitled, at the time of the regular pay disbursement in connection with the vacation, to be paid the vacation supplement estimated by the employer in respect of the variable salary component on account. The employer must

pay any vacation supplement remaining after the calculation in accordance with subsection 4:1 by no later than the end of the vacation year.

Exception 2
If an agreement is reached that the vacation year and the qualification year coincide, the employer may pay residual vacation pay in respect of the variable salary component on the first regular pay disbursement occasion at which regular pay disbursement procedures can be applied immediately after the expiry of a vacation year.

Subsection 5 Saving vacation days

Subsection 5:1
If an employee is entitled to more than 25 paid vacation days, the employee is also entitled, subject to agreement with the employer, to save these excess vacation days, provided that he does not take out previously saved vacation days in the same year.

The employer and the employee must reach an agreement on how the above saved vacation days will be taken out with regard to the vacation year and their disposition during that year.

Subsection 5:2
Saved vacation days should be taken out in the order they were saved. Statutory vacation days that are saved must be taken out before vacation days saved during the same year in accordance with subsection 5:1.

Subsection 5:3
Vacation pay for saved days of vacation is calculated in accordance with subsection 4:1 (excluding Note 1). However, when the 0.5 per cent vacation supplement is being calculated, all absence during the qualification year, excluding the regular vacation, should be treated in the same way as absence qualifying for vacation pay.

Vacation pay for saved days of vacation must also be adjusted to the proportion of full regular working hours worked by the employee during the qualification year preceding the vacation year when the day was saved.

For calculation of proportion of full regular working hours, see subsection 4:4.

Subsection 6 Vacation for new employees

If a newly recruited salaried employee's paid vacation days do not cover the period of the company's main vacation, or if the employee otherwise wishes to have a longer vacation than corresponds to the number of vacation days, the employer and the employee can agree on unpaid or paid leave of absence for the necessary number of days.

Agreements on unpaid or paid leave of absence must be in writing.

In the case of paid leave, the following applies. If the employee's employment ceases within five years from the first day of employment a deduction will be made from the accrued pay and/or vacation compensation in accordance with the same provisions as in the case of unpaid leave, but based on the salary, which applied at the time of the leave. This deduction will not be made if the employment was terminated on account of

1 the ill-health of the employee,

2 the circumstances referred to in the first sentence of Section 4, third paragraph, first sentence in the Employment Security Act (1982:80), or

3 notice given by the employer due to circumstances, which are not attributable to the employee personally.

Note
If the employee has received more paid vacation days than corresponds to his earned entitlement and a written agreement as above has not been reached, the rules regarding advance payment of vacation pay in Section 29, third paragraph in the Holidays Act apply.

Subsection 7 Certificate of vacation taken

For certificate of vacation taken in connection with termination of employment, see section 12, subsection 3:9.

Subsection 8 Vacation for intermittent part-time employees

If a salaried employee is employed part time and the applicable working hours schedule means that he does not work every day of every week (intermittent part-time employment) the following rules apply. The number of gross vacation days in accordance with subsection 3 to be taken during the vacation year are divided pro rata in relation to the proportion of the normal working hours, which apply to full-time salaried employees in corresponding positions

worked by the employee in question. The number of vacation days thus arrived at (net vacation days) will be taken on days that would otherwise have been the employee's working days.

If both paid vacation days (regular vacation days and saved vacation days) and unpaid vacation days are to be taken during the vacation year they will be taken pro rata and individually in accordance with the following formula

$$\frac{\text{number of working days per week}}{5} \times \text{number of gross vacation days to be taken}$$

= number of vacation days to be taken on the employee's working days (net vacation days).

If, in this calculation a fraction arises it is be rounded up to the nearest whole number.

By "number of working days per week" is meant the number of days, which, according to the working hours schedule applicable to the employee, are working days during weeks without public holidays as an average per four-week period (or other period which covers a full work cycle).

If, according to his working hours schedule, the employee is to work both whole days and parts of days during the same week the part of a day worked will in this context be regarded as a whole day. When the vacation is arranged for such an employee a whole vacation day is also consumed for the day when the employee would only have worked for part of the day.

Example

Employee's part-time working is arranged on the following average number of working days per week	Number of net vacation days (25 days of gross vacation)
4	20
3.5	18
3	15
2.5	13
2	10

If the employee's working hours schedule is altered so that the "number of working days per week" is changed, the number of unused net vacation days is adjusted to correspond to the new working hours schedule.

The calculation of vacation supplement, vacation compensation, and salary deduction (for unpaid vacation) is done on the basis of the number of gross vacation days.

Section 6 Sick pay etc.

Subsection 1 Right to sick pay, reporting of sickness to employer and national insurance office

Salaried employees are entitled to sick pay in accordance with the provisions of this section. In other regards, the Act concerning Sick Pay applies.

When an employee becomes sick and consequently cannot perform his duties, he must notify the employer as soon as possible. The employee is not entitled to sick pay for the period before such notification has been provided. In the event of unavoidable grounds preventing such notification, the said notification must be given as soon the grounds no longer exist.

The employee must also inform the employer of when he expects to be able to return to work.

The same applies if the employee becomes unable to work on account of an accident or occupational injury or must stay away from work on account of the risk of spreading an infection and is entitled to compensation pursuant to the Act concerning Compensation for Carriers of Infections.

Subsection 2 Medical certificates and written assurance

The employee must provide the employer with a written assurance that he has been sick and to what extent he could not work on account of the sickness. The employee is not entitled to sick pay before this assurance has been provided.

Should the employer or the national insurance office so request, the employee must also verify the sickness with a medical certificate indicating the incapacity to work and the duration of the period of sickness in order to be entitled to sick pay. The employer may nominate a particular doctor to issue such a medical

certificate. As of and including the eighth calendar day, the employee must always verify sickness with a medical certificate.

The employee is not entitled to sick pay if he provides incorrect or misleading information about circumstances of significance for entitlement to sick pay.

Note
The parties note that it is in the common interests of the employer and the employee, for purposes of rehabilitation, to clarify as soon as possible the reasons for the incapacity to work. This applies particularly to recurrent cases of ill health.

Subsection 3 Duration of the sick pay period

Main rule
If, according to the rules in this agreement the employee is entitled to sick pay the employer must pay such pay to him

– for group 1: up to and including the 90th calendar day of the period of sickness

– for group 2: up to and including the 45th calendar day of the period of sickness.

An employee belongs to group 1

– if he has been employed by the employer for at least one year without interruption, or

– if he has transferred direct from an employment where he was entitled to sick pay for at least 90 days.

All other salaried employees belong to group 2.

Exception 1
If during the previous 12 months, calculated from the beginning of the period of sick pay in question, the employee has received sick pay from the employer so that the number of days of sick pay including the sick pay days during the period of sick pay in question amounts to at least 105 for group 1 and to at least 45 for group 2 respectively the right to sick pay for cases of sickness expires after the 14th calendar day of the period of sick pay.

By days of sick pay is meant days with deduction for sickness as well as non-working days which occur during a period of sickness.

Exception 2
If payment to the employee of a sick pension in accordance to ITP begins, the right to sick pay ceases.

Exception 3
Employees who are employed for a limited period less than one month, do not become entitled to sick pay until after the employee has taken up the employment and then been employed for at least 14 calendar days before the sickness occurred.

Subsection 4 Amount of sick pay
The sick pay the employer must pay the employee is calculated by making a deduction from the salary as follows.

Subsection 4:1
Sickness up to and including the 14th calendar day of the sick pay period:

For each hour a salaried employee is away from work due to sickness a deduction is made of

$$\frac{\text{monthly salary} \times 12}{52 \times \text{weekly working hours}}$$

for the first day of sick leave (qualifying day)

and of

$$20 \text{ per cent of } \frac{\text{monthly salary} \times 12}{52 \times \text{weekly working hours}}$$

from and including the second day of sick leave

In the case of employees who regularly work other working hours than daytime working, sick pay of 80 per cent of the lost compensation for inconvenient hours is also paid from and including the second day of sick leave.

Note 1
If a new period of sickness begins within five calendar days of the expiry of an earlier period of sickness, this is regarded as a continuation of the first period of sickness.

Note 2
If, during the previous 12 months calculated from the beginning of the period of sick leave in question, the employee has had ten qualifying days as defined above, the deduction for sickness is made and sick pay is paid from and including the first day of sick leave in the same way as for the second day of sick leave.

Note 3
In the case of an employee who, pursuant to a decision by the national insurance office, is entitled for medical reasons to sick pay from the first day of compensation the deduction for sickness is also made for this day in the same way as for the second day of sick leave during the period of sickness.

Note 4
Monthly salary = the current monthly salary. (In the case of salaried employees receiving weekly salary the monthly salary is calculated as 4.3 times the weekly salary).

By monthly salary in this subsection is meant
– the fixed monthly cash salary plus any fixed salary supplements per month (such as fixed shift or overtime supplement).

– the estimated average income per month from commissions, bonuses, incentive pay, or similar variable salary components. In the case of an employee who is paid to a significant extent in the form of the above types of salary, an agreement should be reached concerning the amount of salary from which the sick deduction is to be made.

By **weekly working hours** is meant the number of working hours per week without public holidays for the individual employee, taking into account the right to compensation leave in accordance with Section 2 in the Working Hours Agreement. If the employee has irregular working hours, his weekly working hours are calculated as an average per month or some other work-schedule cycle.

Weekly working hours are calculated to no more than two decimal places, with 0-4 being rounded down and 5-9 being rounded up.

If the working hours vary at different times of the year, they are calculated as an average per week without public holidays per year.

Subsection 4:2
Sickness **from the 15th** calendar day inclusive:

For each day of sickness (including non-working weekdays, Sundays and public holidays) a sick deduction per day is made as follows.

For employees with a salary of up to SEK 24,563 per month

$$90 \text{ per cent} \times \frac{\text{monthly salary} \times 12}{365}$$

For salaried employees with a salary above SEK 24,563 per month

$$80 \text{ per cent} \times \frac{7.5 \text{ basic amounts}}{365} + 10 \text{ per cent} \times \frac{\text{monthly salary} \times 12}{365}$$

Note 1
The stated monthly salary limit is 7.5 x the current basic amount divided by 12.

The basic amount for 2004 is SEK 39,300, thus the salary limit for 2004 is SEK 24,563.

Note 2
Monthly salary is defined in subsection 4:1, Note 4.

Note 3
In the event of a change in salary, the sickness deduction is made on the basis of the old salary until the day the employee is informed of his new salary.

Note 4
The sickness deduction per day may not exceed

$$\frac{\text{fixed cash monthly salary} \times 12}{365}$$

The monthly salary = the current monthly salary. (For salaried employees paid a weekly salary, the monthly salary is calculated as 4.3 times the weekly salary).

For the application of this limitation rule, the following items are treated in the same way as monthly salary:

– fixed salary supplements per month (e.g., fixed shift or overtime supplements),

– such commissions, bonuses or the like which are earned during the period of sick leave without having any direct connection with the personal work input of the employee and

– guaranteed minimum commissions or the like.

Subsection 5 Certain co-ordination rules

Subsection 5:1
If, on account of an occupational injury the employee draws an annuity instead of sickness benefit and does so during a period when he would have been entitled to sick pay, the sick pay paid by the employer is not calculated in accordance with subsection 4 but consists instead of the difference between 90 per cent of the monthly salary and the annuity.

Subsection 5:2
If the employee is paid compensation via another insurance scheme than ITP or occupational injury insurance (TFA) and the employer has paid premiums for this insurance the sick pay will be reduced by the amount of compensation.

Subsection 5:3
If the employee receives other compensation from the Government than from the national insurance office, occupational injury insurance or pursuant to the Act concerning State Cover for Personal Injury the sick pay will be reduced by the amount of compensation.

Subsection 6 Restrictions in right to sick pay

Subsection 6:1
If the employee has reached the age of 60 at the time of employment, the employer and the employee may reach an agreement that he will not be entitled to sick pay after the 14th calendar day of the sick pay period.
If such an agreement has been reached the employer must inform the local salaried employees' party.

Subsection 6:2
If, at the time of employment an employee has failed to disclose that he is suffering from a certain sickness, he is not entitled to sick pay after the 14th calendar

day of the sick pay period in the event of incapacity to work due to the sickness in question.

Subsection 6:3
If, at the time of employment the employer has requested a certificate of good health from the employee, but the employee owing to sickness has not been able to provide one, the employee is not entitled to sick pay after the 14th calendar day of the sick pay period in the event of incapacity to work due to the sickness in question.

Subsection 6:4
If the employee's sickness benefits have been reduced pursuant to the Geneeral Insurance Act, the employer should reduce the sick pay pro rata.

Subsection 6:5
If the employee has been injured in an accident caused by a third party and compensation is not paid under the occupational injury insurance (TFA), the employer must pay sick pay only if – or to the extent – the employee cannot obtain damages for loss of earnings from the party responsible for the injury.

Subsection 6:6
If the employee has been injured in an accident during employment for another employer or while working for his own business, the employer is only obliged to pay sick pay after the 14th calendar day of the sick pay period if he has specifically undertaken to do so.

Subsection 6:7
The employer is not obliged to pay sick pay after the 14th calendar day of the sick pay period

– if the employee has been exempted from sickness insurance benefits pursuant to the General Insurance Act, or

– if the employee's incapacity to work is self-inflicted, or

– if the employee has been injured as a result of acts of war, except where otherwise agreed.

Notes
1. Regarding the restriction in the right to sick pay on account of sick pension – see subsection 3, Exception 2.

2. Regarding the restriction in the right to sick pay after the 14th calendar day of the sick pay period for employees who have reached retirement age – see section 1, subsection 6.

3. Regarding the restriction in the right to sick pay on account to certain co-ordination rules – see subsection 5.

Subsection 7 Parental pay

Subsection 7:1
An employee on leave of absence on account of pregnancy or giving birth, adopting or receiving a child with the intention of adopting it and who is entitled to pregnancy or parents' allowance is entitled to receive parental pay from the employer if

– the employee has been uninterruptedly employed by the employer for at least one year, and

– the employment continues for at least three months after the period of leave of absence.

Parental pay is only paid for a continuous period of leave of absence. Should the leave of absence become shorter than one or two months respectively, then parental pay is given out only for the period of absence.

Parental pay on account of pregnancy or giving birth is not paid for leave taken out after the child has reached the age of 18 months. Leave on account of adoption or receiving a child with the intention of adopting it gives the right to parental pay only if it is taken out within 18 months from the adoption or receiving the child.

Subsection 7:2
Parental pay consists of

– one month's salary reduced by 30 sickness deductions calculated per day as for sickness from and including the 15th calendar day in accordance with subsection 4:2, if the employee has been employed for at least one but less than two consecutive years

– two months' salary reduced by 60 sickness deductions calculated per day as for sickness from and including the 15th calendar day in accordance with

subsection 4:2, if the employee has been employed for two consecutive years or more.

Subsection 7:3
Half of the parental pay is paid when the period of leave begins and the other half after the employee has continued the employment for three months after the period of leave.

Subsection 7:4
Parental pay is not paid if the employee is excluded from parental benefit pursuant to the General Insurance Act. If this benefit has been reduced, parental pay will be reduced pro rata.

Subsection 7:5
During pregnancy leave a deduction is made in accordance with section 10, subsection 2:2. This applies both when the employee is entitled to parental pay as above and when there is no such entitlement.

Subsection 8 Leave with temporary parental benefit
In the event of leave with temporary parental benefit a deduction is made for each hour of absence of

$$\frac{\text{monthly salary} \times 12}{52 \times \text{weekly working hours}}$$

In the event of absence for a full calendar month the employee's full monthly salary is deducted.

Subsection 9 Other rules

Subsection 9:1
In the application of the provisions of this section the benefits paid under the Act concerning State Cover for Personal Injury will be treated in the same way as the corresponding advantages in accordance with the General Insurance Act and the Act concerning Occupational Injury Insurance.

Subsection 9:2
If the employee has to stay away from work on account of the risk of transmitting an infection and is entitled to benefit for carrying an infection, the following applies:

Absence **to and including the 14th calendar day**

For each hour of absence a deduction is made of

$$\frac{\text{monthly salary} \times 12}{52 \times \text{weekly working hours}}$$

For the terms weekly working hours and monthly salary, see subsection 4:1.

As of and including the 15th calendar day the deduction is made in accordance with subsection 4:2.

Section 7 Overtime compensation

Subsection 1 Right to special overtime compensation

Subsection 1:1

Salaried employees are entitled to special overtime compensation except where otherwise agreed in accordance with the second paragraph in this subsection. The employer and the employee may reach an agreement that special compensation for overtime working will not be paid since a higher salary and/or five or three vacation days over and above the statutory vacation compensate for the overtime working.

Such agreements will apply to employees in managerial positions or employees who have uncontrollable working hours or who are free to decide on the disposition of their own working hours. In other cases special reasons must exist. The agreement should relate to a period of one vacation year, except where otherwise agreed by the employer and the employee.

Note

If, after having made an agreement in accordance with this subsection, second paragraph, the employee finds that the time worked considerably deviates from the conditions that the agreement is based on, the employee is free to discuss this with the employer.

By ”uncontrollable working hours” is meant that there are no practical means of recording working hours in a suitable way, e.g. because the employee

works to a considerable degree outside the employer's premises or else at different locations. Examples of this may be when work is carried out in the home and salesman work.

Subsection 1:2
If the employer and the employee have explicitly agreed that the employee is to carry out daily preparation and completion work of at least 12 minutes, and the fixing of the salary does not take this into account, the employee must be compensated for this by receiving three vacation days over and above the statutory vacation.

Subsection 1:3
If an agreement has been reached in accordance with subsection 1:1 second paragraph or subsection 1:2, the employer must notify the local union organization concerned.

After such notification, the employer shall state the reasons for the agreement, should the local union branch so request.

Subsection 2 Conditions for special overtime compensation

Subsection 2:1
By overtime working involving the right to overtime compensation is meant work performed by the employee in addition to the duration of the normal daily working hours applicable to him, if

– the overtime work was ordered in advance, or

– where it was not possible to order it in advance, the overtime work was agreed to later by the employer.

Concerning part-time working, see subsection 4.

Subsection 2:2
Overtime does not include time spent on carrying out preparation and completion work necessary and normal for the employee's position.

Subsection 2:3
When calculating the duration of the overtime work performed, only completed half-hours are included.

If overtime work has been performed both before and after normal working hours on any one day, the two periods of overtime are summated.

Subsection 2:4
If an employee is instructed to perform overtime work at a time, which is not a direct continuation of his normal working hours, overtime compensation is paid as if the overtime had been carried out for at least three hours. This however, does not apply if the overtime is separated from normal working hours only by a break for a meal.

Subsection 2:5
If the employee presents himself to work overtime in accordance with subsection 2:4, and thereby incurs travel costs, the employer must reimburse such costs.

This also applies to salaried employees who, in accordance with subsection 1, are not entitled to special compensation for overtime work.

Subsection 2:6
If the normal daily working hours are shortened for a certain part of the year (e.g. summer) without any corresponding prolongation at some other time of the year the following applies. The overtime work, which has been performed during the part of the year when working hours were shortened will be calculated on the basis of the longer daily working hours (that apply for the rest of the year).

Subsection 3 Amount of overtime compensation

Subsection 3:1
Overtime working is compensated for either in money (overtime compensation) or, should the employee so wish and the employer after consultation with the employee agrees that this can be done without any inconvenience to the activities of the company, in the form of time off (compensation leave).

When the employer and the employee consult on this, consideration should be given, as far as is possible, to the wishes of the employee regarding when compensation leave will be taken.

Subsection 3:2
Overtime compensation per hour is paid as follows:

a) for overtime work between 06.00 and 20.00 Mondays-Fridays without public holidays

$$\frac{\text{monthly salary}}{94}$$

b) overtime worked at other times

$$\frac{\text{monthly salary}}{72}$$

Concerning vacation pay, see section 5, subsection 4:1, Note 3.

Notes

Overtime working on weekdays when the individual employee would not have worked, and on Mid-summer, Christmas and New Year's Eve are on a par with overtime worked at other times.

Where salaried employees in production are requested to follow the schedule for collective production overtime the divisor 94 is replaced by 87 for overtime which is worked on Mondays-Fridays without public holidays, and the divisor 72 by 68 for overtime worked at other times.

By monthly salary in this subsection is meant the employee's current fixed cash monthly salary. For salaried employees paid a weekly salary the monthly salary is calculated as 4.3 times the weekly salary.

Compensation for overtime work as referred to in a) is provided at a rate of 1 1/2 hours and for overtime work as referred to in b) at two hours for each hour of overtime.

Subsection 4 Excess hours in connection with part-time working (additional hours)

Subsection 4:1

If a part-time employee has worked for more than the duration of the normal daily working hours applying to his part-time employment (additional hours), compensation is paid per excess hour at a rate of

$$\frac{\text{monthly salary}}{3.5 \times \text{weekly working hours}}$$

Regarding vacation pay, see section 5, subsection 4:1, Note 3.

By monthly salary here is meant the employee's current fixed cash monthly salary.

By working hours here is meant the part-time employee's working hours per week without public holidays calculated as an average per month.

In calculating the number of excess working hours only full half-hours are taken into account.

If the additional work was performed before and after the normal working hours for the part-time employment in question on any one day, both the periods of time will be summated.

Subsection 4:2

If the additional work takes place before or after the time, which applies for the disposition of normal daily working hours for full-time employment for the corresponding position at the company, overtime compensation is paid in accordance with subsections 1-3.

When divisors in subsection 3 are used, the employee's salary is adjusted upwards to the salary corresponding to full normal working hours.

Section 8 Compensation for travelling time

Subsection 1 Entitlement to compensation for travelling time

Employees are entitled to compensation for travelling time in accordance with the following main rule and exceptions.

Main rule

– An employee who is entitled to special compensation for overtime is also entitled to compensation for travelling time in accordance with subsections 2 and 3 below.

– An employee who is not entitled to special compensation for overtime is entitled to compensation for travelling time in accordance subsections 2 and 3 below, provided the employer and the employee have not agreed that the employee be exempted from the rules concerning travelling time compensation.

Exceptions

– The employer and an employee can reach an agreement that compensation for travelling time be paid in another way; for example, the existence of travelling time will be taken into account when fixing the salary.

– Employees having a position which normally involves travelling on duty to a large extent, such as travelling salesman, service technician or similar, are entitled to compensation for travelling time only if the employer and the employee have reached an agreement on such.

Subsection 2 Conditions for compensation for travelling time

By travelling time involving entitlement to compensation is meant the time spent on the actual journey to the destination in connection with a requested business journey.

Travelling time which falls within the time of the employee's normal daily working hours is regarded as working hours. In the calculation of travelling time only business journeys outside of the employee's normal working hours are included.

When calculating travelling time only full half-hours are included.

If the travelling time falls both before and after normal working hours on any one day both periods of time will be summated.

If the employer has defrayed the cost of a sleeping-berth on a train or boat during the trip or part of the trip, the time between 22.00 and 08.00 will be exempt from compensation.

By travelling time is also meant the normal time spent when the employee on a business journey himself drives a car or other vehicle, regardless of whether it belongs to the employer or not.

A journey is regarded as having commenced and finished in accordance with the rules applying to the calculation of travel expenses or the equivalent at the company in question.

Subsection 3 Amount of compensation for travelling time

Compensation for travelling time is paid at an hourly rate of

$$\frac{\text{monthly salary}}{240}$$

except when the journey was undertaken during the period between 18.00 on a Friday and 06.00 on a Monday, or between 18.00 on a non-working day before a public holiday eve or public holiday and 06.00 on the day after the public holiday, where the compensation is

$$\frac{\text{monthly salary}}{190}$$

Compensation for travelling time according to divisor 240 is paid for no more than 6 hours per calendar day.

For vacation pay see section 5 subsection 4:1, Note 3.

For the concept of monthly salary see section 7, subsection 3:2.

When these divisors are used, a part-time employee's salary must first be adjusted upwards to the salary corresponding to full normal working hours.

Section 9 Salary for part of a pay period

If an employee begins or ends his employment during the course of a calendar month, the salary for that month is calculated in the following way: One day's salary is paid for each calendar day of employment. For the concept of one day's salary (as well as for monthly salary) see section 10, subsection 2:2.

Section 10 Leave of absence and other leave

Subsection 1 Paid leave of absence

As a rule, short periods of paid leave of absence are only granted for part of a working day. In special cases (e.g. in the event of a sudden sickness in the employee's family or the decease of a close relative), paid leave of absence may, however, be granted for one or more days.

Paid leave of absence should be granted on Easter Eve, Midsummer Eve, Christmas Eve and New Year's Eve to the extent that this can be arranged without inconvenience to the activities of the company.

Subsection 2 Unpaid leave of absence

Subsection 2:1
Unpaid leave of absence (= for at least one day) is granted if the employer considers that this can be done without inconvenience to the activities of the company.

When the employer grants unpaid leave of absence, he must inform the employee of what period of time it covers. Unpaid leave of absence may not be arranged to begin or end on a Sunday or public holiday when the employee in question is off work. In the case of employees who have weekly rest arranged on any other day than a Sunday, the corresponding rule applies.

Subsection 2:2
When an employee is absent on account of unpaid leave of absence a deduction from the salary will be made as follows:

If the employee is on unpaid leave of absence

– for a period of up to 5 (6)* working days, a deduction will be made for each day of leave of

$$\frac{1}{21} \left(\frac{1}{25^*} \right) \text{ of the monthly salary}$$

– for a period longer than 5 (6)* working days one day's salary will be deducted for each day of unpaid leave (also for the individual employee's non-working weekdays, and Sundays and public holidays).

$$\text{One day's salary} = \frac{\text{fixed cash monthly salary x 12}}{365}$$

Monthly salary = the current monthly salary. (For employees who are paid weekly the monthly salary calculated as 4.3 times the weekly salary).

By fixed cash monthly salary in this context is also meant

– fixed salary supplements per month (e.g. fixed, shift or overtime supplement)

*) The figures in brackets are used in the case of six-day weeks.

– such commissions, bonuses, incentive pay or the like, which are earned during leave without having any direct connection with the employee's personal work input

– guaranteed minimum commission, or the like.

If a period of unpaid leave of absence lasts for one or more full calendar months, the employee's full monthly salary will be deducted for each of the calendar months. If the payment period the company uses for disbursement of salaries does not coincide with the calendar month, the employer is entitled in the application of this rule to replace the term "calendar month" by "payment period".

Subsection 2:3
If the employee is employed part time and works full normal working hours only on some of the working days in the week (intermittent part-time working), the deduction for unpaid leave will be calculated as follows.

Monthly salary divided by

$$\frac{\text{number of working days per week x 21 (25)*}}{\text{5 (6)*}}$$

Example
The employee's part-time work is arranged as follows

Number of working days per week	Deduction
4	$\frac{\text{monthly salary}}{16.8}$
3.5	$\frac{\text{monthly salary}}{14.7}$
3	$\frac{\text{monthly salary}}{12.6}$
2.5	$\frac{\text{monthly salary}}{10.5}$
2	$\frac{\text{monthly salary}}{8.4}$

*) The figures in brackets are used in the case of six-day weeks.

By "number of working days/week" is meant the number of working days per week without public holidays calculated as an average per month.

Deductions as above will be made for each day when the employee is on unpaid leave of absence, which would otherwise have been a working day for him.

For "monthly salary" – see subsection 2:2.

If a period of unpaid leave of absence consists of one or more full calendar months, the employee's entire monthly salary will be deducted for each of the calendar months. If the payment periods the company uses for disbursement of salaries do not coincide with the calendar month, the employer is entitled in the application of this rule to replace "calendar month" by "payment period".

Subsection 3 Other leave

Subsection 3:1
Other leave is granted for part of a day if the employer considers that this can be done without any inconvenience to the activities of the company.

Subsection 3:2
When an employee is absent for "other leave", a deduction is made for each full half-hour. The deduction per hour equals 1/175 of the monthly salary.

For "monthly salary", see subsection 2:2

When the divisor 175 is being used for a part-time employee, the part-time salary must first of all be adjusted pro rata to the salary, which corresponds to full normal working hours.

Section 11 Employee's obligations and rights in the event of disputes between employer and workers

Subsection 1
During a dispute (strike, lockout, blockade or boycott) it is incumbent on a salaried employee

to carry out the tasks and undertakings, which are associated with the position in the normal manner,

to carry out such work, which otherwise lies within the area of responsibility of a salaried employee at the company,

to carry out tasks, which will permit or facilitate the re-commencement of operations at the end of the dispute, and

to carry out maintenance work and repairs to machinery, tools and other apparatus for the company's own use, such tasks primarily being entrusted to salaried employees who are normally involved in maintenance or repair work or supervisory work in the area in question.

To the extent the employer with his own workforce carries out unloading of goods for the company's own use and after notice has been given of a labour dispute, deliveries of goods could not be cancelled, it is incumbent on the salaried employee also to participate in the unloading of such goods, should he be so instructed.

Subsection 2

Over and above the points mentioned in the above subsection, it is incumbent on the employee when necessary to take part in safety work.

By safety work is meant such work as in the event of dispute is required to enable operations to be completed in a technically justifiable manner, such work as is required for the elimination of hazards to humans or of damage to buildings or other facilities, ships, machinery or livestock, or of damage to such stocks as were not utilized during the dispute to keep the company running or for disposal to any greater extent than is required to prevent the spoilage or destruction to which the goods may be subject on account of their nature.

Work that an individual is obliged to carry out on account of special rules in laws or ordinances as well as tasks whose neglect could involve a liability for breach of duty are also deemed to be safety work.

Subsection 3

Should the employer, during the dispute, question the performance of any of the work not mentioned in this paragraph, discussions on this point should be conducted with the individual or individuals who are intended to carry out the tasks and/or with the representatives appointed by the salaried employees. If the

respective employer's association and salaried employees' party have jointly arrived at a decision concerning the work referred to here, the employee is obliged to comply with this decision. If the organizations cannot reach an agreement, the issue may be referred at the request of either organization to the Advisory Council. The Council's decision is binding.

Subsection 4

In the event of a dispute, which is not permitted by law or collective agreement, the salaried employee, should the employer so request, is obliged to an extent that is reasonable – in the prevailing circumstances – to perform all the work in question.

Subsection 5

Salaried employees may not be given notice on account of an existing or feared dispute for any less reason than that the changed conditions will make it impossible to provide employment for the employee when operations recommence. Should the dispute have lasted for at least three months and if the employee cannot be offered full employment, the salary may, on the other hand, be reduced by ten per cent, by a further ten per cent after one month, and so on, until the salary has been reduced to 60 per cent of the original amount, together with a corresponding average reduction in working hours.

The reduction in salary, which is permitted in accordance with the previous paragraph, may not give rise to any reduction in the premiums payable to a pension or any other insurance taken out on account of the employment.

Section 12 Termination of employment

Subsection 1 Notice by the employee

Subsection 1:1 Period of notice if employment date is earlier than 1 February 2001

The period of notice by a salaried employee is as follows, except where otherwise provided in subsections 3:1-5 below.

Period of employment with company*	Period of notice from the employee			
	Employee has			
	not reached 25 years of age	reached 25 years of age	reached 30 years of age	reached 35 years of age
	period of notice in months			
less than 6 months	1	1	1	1
from 6 months to 3 years	1	1	2	3
from 3 years to 6 years	1	1	2	3
more than 6 years	1	2	3	3

Period of notice if employment date is 1 February 2001 or later

Period of employment with company*	Less than two years	From 2 to 6 years	6 years
Period of notice in months	1	2	3

Subsection 1:2 Procedure for giving notice

In order to ensure that no dispute arises over whether notice has been given or not, the employee must submit his notice in writing. If notice is given orally, the employee should confirm this in writing to the employer as soon as possible.

Subsection 1:3 Other aspects

Otherwise the rules in subsection 3 apply.

Subsection 2 Notice by the employer[1]

Ranking order when reducing the work-force and in the event of re-employment

Should it become necessary to reduce the work force, the local parties should take into account the company's manning requirements and needs. If these needs cannot be satisfied by application of law, the ranking order for reducing the work force may be decided by departing from the statutory rules.

*) For calculations of the length of the period of employment see Section 3 in the Employment Security Act.

In such case, the local parties should select the salaried employees who are to be given notice in such a way that the company's competence requirements are taken into particular account, as well as its ability to carry on its activities competitively and thus prepare the ground for further employment.

It is assumed that the local parties, at the request of either party, will reach an agreement on the determination of the ranking order for reducing the workforce by applying Section 22 in the Employment Security Act with such departures from law as may be necessary.

The local parties may also, by departing from the rules in Sections 25-27 in the Employment Security Act reach an agreement on the ranking order for re-employment applying the above mentioned criteria.

It is incumbent on the local parties to engage, upon request, in the negotiations referred to in the previous paragraph as well as to confirm in writing any agreement reached.

Should the local parties fail to reach agreement, the central parties are entitled, should either side so request, to reach an agreement in accordance with the above principles.

It is assumed that, prior to consideration of the issues referred to here, the employer makes the relative factual information available to the local and central contracting party respectively.

Note
In the absence of a local or central agreement as above, redundancy notices and re-employment may be reviewed in accordance with law while observing negotiating procedures.

Subsection 2:1
Period of notice if employment date is earlier than 1 February 2001
The period of notice on the part of the employer is the following, except where otherwise provided in subsections 3:1-5 below

Period of employment with company[2]	Period of notice from the employer					
	Employee has					
	not reached 25 years of age	reached 25 years of age	reached 30 years of age	reached 35 years of age	reached 40 years of age	reached 45 years of age
	period of notice in months					
less than six months	1	1	1	1	1	1
from 6 months to 6 years	1	2	3	4	5	6
from 6 years to 9 years	2	3	4	5	5	6
from 9 years to 12 years	-	3	4	5	6	6
12 years or more	-	3	4	6	6	6

Period of notice if employment date is 1 February 2001 or later

Period of employment with company[2]	Less than two years	From 2 to4 years	From 4 to 6 years	From 6 to 8 years	From 8 to 10 years	10 years or more
Period of notice in months	1	2	3	4	5	6

Note

1) If an employee who has been given notice on account of shortage of work has reached 55 years of age at that time, and has ten years of continuous employment, the period of notice stipulated in this agreement is extended by six months.
2) For calculations of the length of the period of employment see Section 3 in the Employment Security Act.

Subsection 2:2 Notice

Such notice as the employer must give to the local union organization pursuant to the Employment Security Act is deemed to have been given when the employer has handed over written notice to the local salaried employees' party or two working days after the employer has sent the notice in a registered letter to the address of the respective salaried employees' union.

Notice given by the employer during a period when the company is closed for vacation is deemed to have been given the day after the day when the closure for vacation ended.

Subsection 2:3 Pay during period of notice

In connection with Section 12 in the Employment Security Act the following points apply to employees who cannot be offered work during the period of notice.

The following applies to employees who are entirely or partly paid in the form of a commission, which is directly related to the employee's own work input. For each calendar day that the employee cannot be offered work, the commission income shall be deemed to amount to 1/365th of the commission income during the immediately preceding twelve-month period.

The equivalent applies to employees earning bonuses, production premiums, etc.

If compensation for an alteration in working hours, shift working, on-call work, or stand-by duty would normally have been paid to the employee, the following applies. For each calendar day the employee cannot be offered work, such compensation is deemed to amount to 1/365th of the compensation received during the immediately preceding twelve-month period.

Subsection 2:4 Other aspects

Otherwise the rules in subsection 3 apply.

Subsection 3 Other rules relating to termination of employment

Subsection 3:1 Period of notice at 30th June, 1974

If the period of notice at 30th June, 1974 from the employer's or the employee's side is longer than the period referred to in subsections 1-2 above, in the individual case, due to a collective or individual agreement, the longer period of notice will still apply, except when the employer and the employee have agreed otherwise.

Subsection 3:2 Agreement on other period of notice
The employer and the employee may reach an agreement that a different period of notice be applicable. In this case, however, the period of notice on the part of the employer must not be less than that stated above concerning period of notice by the employer in cases where the employment date is 1st February 2001 or later.

Subsection 3:3 Probationary employment
During probationary employment the period of notice is one month for both the employer and the employee.

Subsection 3:4 Pensioners
If the employee remains in the service of the company after he has reached his normal retirement age in accordance with the ITP plan, the period of notice is one month for both the employer and the employee.

The same applies if an employee was taken on by the company after reaching the normal retirement age, which applies at the company.

Subsection 3:5 Upon reaching retirement age
A salaried employee's employment ceases without notice being given by virtue of his having reached his normal retirement age in accordance with the ITP plan, in so far as he and the employer have not agreed otherwise. The employer does not need to provide information pursuant to Section 33 in the Employment Security Act.

Subsection 3:6 Curtailment of period of notice for salaried employees
If, due to special circumstances the employee wishes to leave his position before the end of the period of notice the employer should consider if this could be allowed.

Subsection 3:7 Damages when employee does not observe period of notice
If the employee leaves his employment without observing the period of notice or part of it, the employer is entitled to claim damages for the economic loss and the inconvenience thus caused, subject, however, to a minimum amount corresponding to the employee's salary during the part of the period of notice which the employee failed to observe.

Subsection 3:8 Certificate of employment
When the employer or the employee has given notice, the latter is entitled to receive a certificate of employment stating

– the time for which the employee was employed, and

– the tasks he was expected to perform, and

– should the employee so request, a testimonial concerning the way in which the employee performed his work.

The employer should provide the certificate of employment within a week from when the employee requested it.

Subsection 3:9 Certificate of vacation taken
When an employee's employment ceases he is entitled to receive a certificate indicating how many of the statutory 25 days of vacation he has taken during the current vacation year.

The employer should give the certificate to the employee no later than one week from the when the employee requested it.

If the employee is entitled to more than 25 days of vacation, the extra vacation, in this context, is considered to have been taken first.

Section 13 Negotiating procedure, Salaried Employees Market Council, SAF-PTK Salaried Employees Market Committee, SAF-PTK[1]

The negotiating procedures in the previously applicable basic agreement between SAF and Sif, which have also been adopted by CF, apply.

1) The negotiating procedures between Teknikarbetsgivarna and Ledarna have been regulated in a Joint Agreement on of 7th June 2000 between the parties. This agreement replaces the earlier basic agreement between Teknikarbetsgivarna and Ledarna.

Section 14 Term of this agreement

This agreement remains in effect – provided it has not been previously terminated – from 1st April 2004 to and including 31st March 2007.

Premature cancellation
Either party is entitled to terminate the agreement by no later than 30th October 2005 for expiry on 31st March 2006. If, during the term of the agreement changes are made to laws or statutes concerning sickness benefits or working hours rules, a party is entitled to terminate the agreement for expiry six months after the termination.

If an agreement is terminated, the party cancelling the agreement must inform the other parties in writing. They are then entitled to terminate their agreements to the same expiry date within two weeks of being informed of the first cancellation. The time schedule and the procedure for re-negotiating the agreement in connection with the notice of termination is provided in Appendix A of the Agreement on Industrial Development and Wage Formation and in the Joint Agreement between Teknikarbetsgivarna and Ledarna respectively.

Stockholm, 23rd March 2004

Swedish Engineering Employers' Association
Anders Narvinger

Sif
Mari-Ann Krantz

Stockholm, 17th March2004

Swedish Engineering Employers' Association
Anders Narvinger

Swedish Union of Graduate Engineers
Ulf Bengtsson

Stockholm, 29th April 2004

Swedish Engineering Employers' Association
Karl Olof Stenqvist

Ledarna
Rolf Johansson

Agreement on working hours for salaried employees

Section 1 Scope of this agreement

Subsection 1

This agreement applies to all salaried employees employed by employers affiliated to the Swedish Engineering Employers' Association (Teknikarbetsgivarna). These salaried employees are exempted from the application of the General Hours of Work Act.

The terms "salaried employee" ("employee") and "salaried employees' local union organization" ("union") in this agreement also include "supervisors" and "supervisors' local union organization".

Subsection 2

The rules in sections 2-5 do not apply with regard to

a) employees in senior managerial positions

b) work carried out by the employee in his home or otherwise under such circumstances that it cannot be regarded as being the responsibility of the employer to supervise how the work is arranged.

Subsection 3

An employer and employee who reach an agreement that the right to special overtime compensation will be replaced by a longer vacation or compensated for in some other way in accordance with section 7, subsection 1:1 in the Agreement on General Conditions of Employment may reach an agreement that the employee be exempted from the rules in sections 2-5.

Note on subsections 2 and 3

According to subsections 2 and 3 above, certain salaried employees are not covered by the rules in sections 2-5. However, it is in the common interest of the employer and the employees' local union organization to be able to obtain information concerning the total working hours of these employees. For some of them, their working hours are registered by a time-clock or in some other way, for example when flexible working hours are applied at the company. In these cases information is therefore available for an assessment of their working hours. In other cases registration cannot take place in the

same way as for other employees. If the local union branch so requests, the employer and the local union should jointly work out a suitable system for assessing the number of working hours of these employees.

Some of the employees who are exempted from the rules in sections 2-5, according to hitherto prevailing practice, also have some freedom regarding the disposition of their working hours. This freedom is not influenced by this agreement.

Subsection 4

A written agreement can be reached between the employer and the local union branch that, over and above the exemptions in accordance with subsections 2 and 3, certain employees or groups of employees will be exempted from the provisions of sections 2-5 in those cases where the employees, in view of the nature of their tasks, have special positions of trust with regard to working hours or where special circumstances otherwise exist.

For the term of such agreements see section 7, subsection 2.

Section 2 Regular working hours

Subsection 1

Regular working hours per week without public holidays may not exceed a yearly average of 40 hours for day-time and two-shift working, 38 hours for intermittent three-shift working, 36 hours for continuous three-shift working and 35 hours for continuous three-shift working with work during major public holidays.

For underground work, regular working hours must not exceed an average per year of 36 hours per week without public holidays.

The local parties can reach an agreement on rules restricting the disposition of working hours. Should an agreement not be reached, a restriction period of six weeks applies.

Subsection 2

For each completed working week, compensation leave is provided for full-time employees as follows:

Applies since 1 March 2003

Daytime working	60 minutes
Two-shift working	192 minutes
Other shift work	72 minutes
(for example three-shift working, regular night work)	

Full-time employees who have not completed their normal working hours in any week and part-time employees receive compensation leave on a pro rata basis in relation to the shorter working hours.

The local parties can reach an agreement that compensation leave or part thereof shall be scheduled.

The disposition of compensation leave is arranged subject to agreement between the employer and the employee.

Subsection 3
Shortening of working hours in the form of an appropriation of a pension premium or cash payment

A premium will be paid to the ITP-K pension plan on behalf of employees who have been employed or were employed in the period from 1st April 2006 to 31st December 2006 and are still being employed on the latter date. The amount paid is calculated as 0.5 per cent of the fixed monthly salary paid by the employer during the above-mentioned period. An employee, who prior to 1st April 2006 or in connection with being employed, i.e. before qualifying, declares a wish for a cash settlement, will receive the corresponding sum. The same applies to employees who, due their age are not included in the ITP-K pension plan.

The local parties may agree on another pension plan than the ITP-K plan or on a cash settlement for all salaried employees instead of a pension premium or on time off in which latter case full qualification, one calendar year, is equal to one day. Moreover, the local parties may agree on rules for the settlement in order to avoid administration costs disproportionate to the magnitude of the premium appropriation.

After 2006 and in accordance with the above principles but on a calendar year basis an annual appropriation will be made, equivalent to 0.5 per cent of the fixed cash monthly salary that was paid during the period.

Note
If the appropriation to a pension premium entails lower taxes for the employer than if payment had been made in cash, then the difference will be added to the pension premium.

Cash settlements as above do not qualify as salary in respect of the ITP-K pension plan.

The corresponding rules as stated in subsection 3 above will also apply to employees having made an agreement that they are not entitled to overtime compensation and who are consequently exempt from Sections 2-5 of the Agreement on Working Hours for Salaried Employees.

Section 3 Overtime

Subsection 1
By overtime work in this agreement is meant work which is performed by the employee over and above the length of the normal daily working hours if

– the overtime work has been requested in advance, or

– when it was not possible to request the overtime work in advance it was later approved by the employer.

Time spent on carrying out the necessary and normally occurring preparatory and completion work for the position of the employee is not included in overtime in accordance with subsection 2 below.

When calculating completed overtime, only full half-hours are included.

If overtime work has been performed both before and after normal working hours on any given day, the two periods of overtime shall be added together.

Note
In the case of part-time employees, work which is compensated for in accordance with Section 7, subsection 4:1 in the Agreement on General Conditions of Employment will be deducted from the overtime limit stated in subsection 2 below.

Subsection 2
When particular circumstances exist, general overtime may be worked up to a maximum of 150 hours per calendar year.

Subsection 3
General overtime may be worked up to a maximum of 48 hours during a period of four weeks or 50 hours during a calendar month. These numbers of hours may only be exceeded in the event of special circumstances, for example, when it is necessary for the completion of work, which cannot be interrupted without serious inconvenience to the business activities.

Subsection 4
Regardless of type of compensation, general overtime will be deducted from the maximum overtime stated in subsection 2 above.

If overtime is compensated for by compensation leave in accordance with Section 7, subsection 3 in the Agreement on General Conditions of Employment, the overtime hours that have been compensated for by compensation leave are re-entered into the available overtime hours stipulated in subsection 2 above.

Example
If an employee works overtime for four hours on a weekday evening, these hours of overtime are deducted from the available overtime according to subsection 2. An agreement is reached that the employee will be compensated by compensation leave of six hours (4 overtime hours x 1.5 = 6 hours of compensation leave). When the compensation leave has been drawn the four hours of overtime, which have been paid for by compensation leave are added back to the available overtime in accordance with subsection 2.

During a calendar year a maximum of 75 hours may be re-entered into the maximum overtime in this way, except where the employer and the salaried employees' local union branch have agreed otherwise.

Note
The employer and the local union branch may reach an agreement that overtime compensated for by taking out compensation leave – if it is to be re-entered into the available overtime using the method described above – will be taken out within a certain specific time, e.g. based on when the overtime was worked, or before a specific date.

For the term of such agreements see section 7, subsection 2.

Subsection 5
An agreement may be reached between the employer and the local union branch concerning a different method of calculating, or the extent of general overtime, for a specific employee or group of employees. The agreement on a different extent of general overtime shall be submitted to the central negotiating parties for approval.

For the term of such agreements see section 7, subsection 2.

Subsection 6
Over and above the points stated above, in the event of special circumstances, additional overtime may be worked during the calendar year as follows:

– a maximum of 75 hours followed by a further maximum of 75 hours subject to agreement between the employer and the local union branch.

For the term of such an agreement see section 7, subsection 2.

Subsection 7
In the event of an unforeseeable act of nature or accident or other similar circumstances causing an interruption to the activities or involving an imminent danger of such an interruption or of injury to life or health or damage to property, overtime worked for this reason will not be taken into account in the calculation of overtime hours on the basis of subsection 2 above.

Section 4 On-call hours

Subsection 1
If, on account of the nature of the activities it is necessary for salaried employees to be at the disposal of the employer at the work place to work should the need arise, on-call hours of up to 48 hours during a period of four weeks or 50 hours during one calendar month may be claimed. On-call hours do not include the time during which the employee actually works on behalf of the employer.

Subsection 2
A written agreement may be reached between the employer and the local union organization regarding a certain employee or group of employees providing for another method of calculating or a different extent of on-call hours.

For the term of such an agreement see section 7, subsection 2.

Section 5 Logging of overtime and on-call hours

The employer is obliged to keep such written records required for calculating overtime in accordance with section 3 and on-call hours in accordance with section 4. Salaried employees or the local union branch or central representatives of the salaried employees' union are entitled to see these records.

Section 6 Negotiating procedures

The same negotiating procedures as stipulated in the Agreement on General Conditions of Employment apply.

Section 7 Term of this agreement

Subsection 1

The rules in this agreement come into effect on 1st April 2004 and have the same term as the Agreement on General Conditions of Employment, Section 14.

If the Agreement on Working Hours ceases to apply, agreements reached on the basis of this agreement also cease to apply by virtue of the expiry of this agreement.

Subsection 2

Local agreements reached on the basis of section 1, subsection 4, section 2, subsection 2, section 3, subsections 4-6, section 4, subsection 2 and the right of the employer and the local union branch to reach agreements that extra overtime may be worked in accordance with section 3, subsection 6 will apply until further notice with three months' notice from either side.

Notice may be given by the employer, the salaried employees' local union branch or by a PTK union.

Should either party wish the local agreement and the above right to enter into local agreements respectively to continue, the said party must promptly request negotiations on this point to be carried out during the period of notice. The central organizations may extend the period of notice of the local agreement in

order to enable the negotiations in accordance with the negotiating procedures to be completed before the agreement expires. In the final instance, the question of whether the agreement should continue or not may be referred to discussions within the SAF-PTK Salaried Employees' Market Council*.

*) In the case of Ledarna, the working hours board mentioned in Section 9 of the Joint Agreement between Teknikarbetsgivarna and Ledarna.

Agreement between Teknikarbetsgivarna and Sif/Ledarna/CF concerning compensation for alteration in working hours, on-call hours and stand-by duty

A General rules

Section 1
These rules apply to salaried employees with the exception of those in positions higher than level 2 in the position nomenclature. The term "salaried employee" in this agreement also includes "supervisor".

Section 2
Notice concerning alterations in working hours, on-call hours and stand-by duty should be given, in addition to the employees concerned, to the representative of the salaried employees employed at the company.

In those respects where the agreement involves participation by the salaried employees' local union organizations, Sif, Ledarna and CF may only concern themselves with matters relating to members of Sif, Ledarna and CF respectively.

Section 3
Questions concerning the re-disposition of normal working hours, the working in of bridging days and such like, as well as preparatory and completion work pursuant to the Agreement on General Conditions of Employment Section 7, subsection 2:2 are not affected by this agreement.

Section 4
According to the present rules on vacation, sick pay, overtime, travelling time and pensions, the following applies to compensation for alterations in working hours:

Vacation pay on compensation is paid in accordance with the Agreement on General Conditions of Employment, Section 5, subsection 4. The corresponding applies to vacation compensation. This compensation is not included in the calculation of sick pay, overtime compensation or compensation for travelling time. For employees whose working hours are regularly altered, compensation is included in the pension-earning salary in accordance with point A 3:1 in the ITP agreement.

Compensation for stand-by duty and on-call hours is included in the income upon which vacation pay and vacation compensation are based. In the case of employees with regular on-call hours or stand-by duty, the compensation is included in the pension-earning salary in accordance with point A 3:1 in the ITP agreement. This compensation is not taken into consideration in the application of any other of the above rules.

Transitional rules

If a company currently applies rules for compensation for alterations in working hours, which are more favourable than those in these guidelines, the conditions for the employees who have these benefits must not deteriorate. The comparison between the guidelines and the hitherto applied compensation rules should relate to the total level of benefit for the individual employee on the basis of the working hours conditions, which apply to him when the guidelines between Teknikarbetsgivarna and Sif/CF came into effect on 1st January 1973 and between Teknikarbetsgivarna and Ledarna on 1st April 1973.

Such deterioration can be avoided in various ways, for example by means of using a relief.

The corresponding applies regarding compensation for on-call hours and stand-by duty.

B Guidelines concerning compensation for alteration in working hours

1.
The following guidelines apply to compensation for work at altered working hours.

The local parties are entitled, if special circumstances exist, to reach an agreement on other arrangements.

2.
By an alteration in working hours is meant the part of the employee's regular quantum of working hours, which is arranged outside the normal daytime working schedule at the employee's place of work.

Alterations in working hours are compensated for in accordance with point 4 below.

Note on minutes of the negotiations

a) The parties are agreed that reasonable cause should exist for the introduction of work at altered working hours. If the salaried employees' party in any individual case claims that no reasonable grounds exist for altering working hours, the employer is still entitled to make the change in working hours, pending the result of any negotiations which may be called for.

b) If a system of flexible working hours is applied, special compensation is not paid for working hours within the outer time limits of the normal daytime working schedule, i.e., within the so-called bandwidth.

3.

As far as possible the employer should give the employee concerned notice of the alteration in working hours no later than 14 days in advance. Such notice should also include information about the expected duration of the altered working hours.

4.

Compensation for an alteration in working hours is paid per hour as follows:

18.00 - midnight	monthly salary / 600
Midnight - 07.00	monthly salary / 400
From 07.00 on a day which, according to the normal daytime working schedule, is not a working day until midnight on the next working day	monthly salary / 300

On major public holidays, however, the following applies:

From 18.00 on Maundy Thursday and New Year's Eve and from 07.00 on Whitsun Eve, Midsummer Eve and Christmas Eve to midnight on the first weekday after the respective public holiday	monthly salary / 150

5.
Agreements to depart from the above compensation rules may be reached with employees in senior positions, for whom reasonable compensation is provided in some other way.

6.
Compensation for an alteration in working hours and overtime compensation cannot be paid for the same working hours.

C Guidelines concerning compensation for on-call hours

1.
The following guidelines apply to compensation for on-call hours.

The local parties are entitled, if special circumstances exist, to reach an agreement on other arrangements.

2.
By on-call hours is meant time when the employee does not have an obligation to work but is expected to be at the disposal of the employer at the work place ready to work should the need arise.

3.

On-call hours are compensated for per on-call hour at	monthly salary / 600
Hours between 18.00 on the day before a non-working day to 07.00 on the non-working day are compensated for at	monthly salary / 400
Hours between 07.00 on a non-working day and midnight on the next working day are compensated for at	monthly salary / 300
Hours between 18.00 on Maundy Thursday and New Year's Eve and between 07.00 on Whitsun Eve, Midsummer Eve and Christmas Eve and midnight on the first working day after the respective public holiday are compensated for at	monthly salary / 150

Compensation for on-call hours is paid per session for a minimum of eight hours, reduced, in those cases it occurs by the hours for which overtime compensation is paid.

4.
Agreements to depart from the above compensation rules may be reached with salaried employees in senior positions for whom reasonable compensation is provided in some other way.

5.
On-call hours should be arranged so that they do not impose an unreasonable burden on any individual employee.

Schedules for on-call hours should be drawn up in good time.

D Guidelines concerning compensation for stand-by duty

1.
The following guidelines apply to compensation for stand-by duty.

The local parties are entitled, if special circumstances exist, to reach an agreement on other arrangements.

2.
By stand-by duty is meant the time when the employee is not obliged to work but is obliged to be available at the work place within a prescribed time after being called.

3.

Stand-by duty is compensated for per hour at	$\frac{\text{monthly salary}}{1400}$
Hours between 18.00 on the day before a non-working day and 07.00 on the non-working day are compensated for at	$\frac{\text{monthly salary}}{1000}$

Hours between 07.00 on a non-working day and midnight on the next working day are compensated for at	monthly salary 700

Hours between 18.00 on Maundy Thursday and New Year's Eve, and between 07.00 on Whitsun Eve, Midsummer Eve and Christmas Eve and midnight on the first working day after the respective public holiday are compensated at	monthly salary 350

Compensation for on-call hours is paid per session for a minimum of eight hours, reduced, in those cases it occurs by the hours for which overtime compensation is paid.

4.
When it is necessary to attend at the work place, overtime compensation is paid for the hours worked. For sessions where attendance was required, overtime compensation is however paid for a minimum of three hours. Compensation for travel expenses for getting to the work place are also paid.

5.
Agreements to depart from the above compensation rules may be reached with salaried employees in senior positions for whom reasonable compensation is provided in some other way.

6.
Stand-by duty should be arranged so that it does not impose an unreasonable burden on any individual employee.

Schedules for stand-by duty should be drawn up in good time.

A peace obligation applies to issues regulated in this agreement. This agreement comes into effect on 1st February 2001 and has the same term as the Agreement on General Conditions of Employment, Section 14.

Agreement concerning work environment and occupational health

The Parties agree to promote the development of a good work environment and a well-functioning occupational health service, for the benefit of companies as well as for employees.

Co-operation and local agreements do not limit the employers' liability under the Work Environment Act.

Work environment matters are dealt with in the line organization by the managers responsible. Co-operation should take place with safety representatives/safety committees and the employees in order to achieve a good work environment.

The Work Environment Act and appended regulations are important basic elements in the work. The parties are agreed that the intentions of the internal control regulation that the working environment should be safe both mentally and physically should serve as guidance. The Swedish Work Environment Authority and the Swedish Work Environment Inspectorate provide supervision in accordance with the Work Environment Act.

Section 1 Co-operation

Co-operation among the local parties is a condition for positive and efficient work environment activities. The form of co-operation can be adjusted to the companies' operations and may be confirmed in a local agreement.

Matters concerning internal control, work environment education, occupational health and rehabilitation should be dealt with by the local parties and may be regulated in a local agreement.

Section 2 Work environment education

The local parties should assess the need for training, taking into account the nature of the work environment within the company. The training can consist of basic as well as further education.

Time scope, contents, training material and matters of compensation and who are to participate in the training/information sessions in question should be decided within the framework of local co-operation in accordance with section 1.

Information about current work environment risks and safety regulations shall be given to all employees. In this respect, the need of newly employed staff shall be observed.

Section 3 Occupational health

The parties agree that an appropriate occupational health service is an important resource for companies and employees. Matters of occupational health should be jointly planned. The different needs and demands must govern, since circumstances vary between companies within the same industry. In some instances there is an opportunity of an in-house occupational health service. In other instances, joining existing or recently set-up occupational health centres would appear to be the best solution.

The following should form part of the duties of the occupational health service.

– Performing an active and preventive work environment task from an overall point of view, taking into consideration medical, technical and psychosocial aspects.

– Providing advice and participating in the planning of major changes in the company, so that safe and sound working conditions are achieved.

– Following up work environment conditions, which may affect the health and work adjustment of the employees.

– Providing a supporting resource and providing background information for decisions concerning work adjustment and rehabilitation.

Occupational health services should be provided in conformity with science and proved experience. The staff has the same duty of confidentiality as equivalent groups within the National Health Service.

Section 4 Negotiating procedure

Disputes concerning the interpretation or application of this agreement and of local agreements concerning work environment matters must be submitted without delay for negotiation between the local parties. If the local parties cannot agree, the dispute should, at the request of any party, be submitted for central negotiation. Requests for local or central negotiations must be made promptly, and no later than within the time limits set out in Section 64 of the Co-determination at Work Act.

Agreement concerning training and development in the company

Common values and reference points

Companies within the engineering industry are operating in conditions of increasingly tough national and international competition. Possession of the required skills is important in order for companies to be able to run their operations. This requires the development of work methods and organization and that the knowledge of all personnel is renewed and strengthened.

The company has a fundamental responsibility for ensuring that its requirements for skilled personnel continuously are met. The employee also has a personal responsibility to develop his or her skills in accordance with the demands set by the company's operations.

In order to be appropriate and practical, the forms of training and development must be adjusted to the conditions ruling in each individual company and must be based on the company's business concept and long-term operations. A constructive and committed dialogue between company and local union representatives is positive for both the company's and the employees' opportunities of maintaining and renewing skills and for the improvement of efficiency, profitability and competitive strength.

Section 1 Goals

The local parties should co-operate to create an environment in which all employees can satisfy new demands for knowledge and qualifications. The basis for this is continuous, systematic and goal-oriented development projects designed

to increase the company's ability to adapt to new demands for greater competitive ability,

to create operations profitable for the company,

to extend the versatility, overall competence and skills of individual employees in order to improve flexibility and performance,

to strengthen the security of the staff in their employment,

to ensure that the staff has a good work environment and a positive salary development, and

to develop the basis for equality between men and women within the company.

Section 2 Co-operation within the company

It is a very important joint task for the company and the local union organizations to establish active development activities and to create good conditions for utilization and development of the skills and competence of the personnel.

On the request of either party, discussions should be entered into with the aim to come to an agreement regarding methods of co-operating on training and other matters relating to development of the competence and skills of the personnel.

If the local parties deem it appropriate, they may institute a joint committee with the object of creating a forum for this co-operation.

Note

The purpose of this committee is to identify the need for new skills brought about by changes in job content or working practices and to find out what is needed to obtain the desired training and development. The committee's work may be based on an analysis of future changes and knowledge requirements deriving from the long-term strategy and planning of the company. Follow-up of the effects of training schemes also lies within the aegis of this committee.

If training schemes are developed, these may be discussed and assessed by the committee. Such training schemes may also be used as a basis for influencing training schemes provided by the public sector.

It is moreover of great importance that the local parties apply a system of salary and employment conditions, which stimulates the staff to work towards continuous development of tasks and competence.

Section 3 Personal development

All personnel, irrespective of educational background, should be given an opportunity of personal development at work, so that they can undertake more qualified and responsible tasks. Special attention should be given to those with short and – for the tasks performed within the company – insufficient training.

Personal development may for example mean internal or external further education, the opportunity of taking part in project schemes, producing reports, etc. or job rotation. It can also mean the opportunity for employees to try on other tasks at the company.

Individual development planning can be an important basis for the joint development of skills and competence of the personnel and the company. Such planning should be undertaken if so requested by an employee.

The forms of individual planning may vary. It may be created, for example, through planning or development talks or work place meetings. The need for development should be discussed both from the point of view of the company's goals and the individual's needs and wishes. Measures should be agreed and followed up.

Section 4 Co-operation between the parties to the agreement

The Engineering Industry Skills Development Council set up by the parties deals with matters concerning development of skills and competence.

The object of the Council is

to actively encourage the company to devote more attention to the development of competence and skills in its operations,

to encourage, by means of exchange of experience and in other ways, the company's and its personnel's interest in the development of competence,

to initiate development projects,

to follow up and analyse the skills requirements in the industry,

to examine specifically which measures should be taken to assist small companies in their identification of training requirements,

to influence the contents and extent of public training schemes, on the basis of analyses of the competence and skills needed in the industry,

to monitor and encourage the application and further development of this agreement, and

to generally handle matters that the parties refer to the Council in agreement.

The Council consists of six members in total of which three are appointed by the employer party and three by the employees' parties. The Council appoints a chairman and a deputy chairman from among its members. The members are appointed for a period of three years, and the parties are entitled to appoint a substitute when a member is absent.

The possibility of financing projects from outside sources should always be explored. The parties otherwise finance activities of the Council on an equal basis.

Section 5 Negotiating procedure

Differences of opinion concerning the application of this agreement should be treated in accordance with the negotiating procedure in force for the agreement area.

Section 6 Term of agreement

This agreement remains in effect until further notice, with a mutual period of notice of termination of six months.

Agreement on reorganization and reduction of the workforce

The agreement reached on 18th December 1997 between SAF and PTK on re-adjustment applies with effect from 1st January 1998 between Teknikarbetsgivarna and Sif/CF/Ledarna.

Section 1

This agreement has been reached to help overcome the readjustment problems which arise, for employees as well as companies, when a shortage of work arises as a result of development measures, restructuring, rationalization and lack of profitability.

The employees who are supernumerary to requirements when there is a shortage of work should be helped financially during a period of re-adjustment as well as assisted to find a new job.

Companies where overstaffing arises during a shortage of work should be given those conditions with regard to manning, which promote the continuation of operations to the greatest possible extent.

Section 2

SAF and PTK agree on support for personnel made redundant in the form of severance compensation (AGE) and measures to help employees who are or who risk becoming redundant in the event of a shortage of work to find new employment (re-adjustment support).

The collective agreement foundation Trygghetsrådet (Employment Security Council) pays AGE and makes readjustment support available pursuant to this agreement and decisions taken by the Employment Security Council's board.

Section 3

SAF and PTK decide on the fee, which is to be paid at any time to the Employment Security Council.

Section 4

The Employment Security Council's board consists of twelve members. SAF and PTK each appoint six members. SAF appoints the chairman of the board and PTK the deputy chairman.

These activities may be conducted under a different organizational form, for instance, as a limited company.

There is a managing director with responsibility for the Employment Security Council secretariat.

Section 5

SAF and PTK note that all PTK unions concerned have agreed that existing branches of salaried employees' unions at the company or representatives elected by the employees within the PTK area can be represented by a joint body, PTK-L, on matters pertaining to this agreement and questions of personnel reductions in accordance with the Agreement on General Conditions of Employment. This body shall be deemed to be "the local employees' party" in the agreements mentioned. PTK-L shall also be deemed to be "the local employee organization" in accordance with the Act (1982:80) concerning Security of Employment.

Section 6

This agreement has been reached between SAF and PTK and is intended to cover areas in agreements between them.

If this agreement is assumed in another context to apply to all employees at a company affiliated to SAF, the measures and obligations stated in the agreement also apply to the company and its employees if the prescribed fees are paid to the Employment Security Council and the rules regulating priority for redundancy and re-employment have been adopted between the agreement parties concerned, in accordance with the attached model, appendix A.*

AGE

§ 7

Severance compensation (AGE) can be paid to employees who are made redundant owing to a shortage of work. AGE is disbursed by the Employment Security Council.

*) The appendix is included in the beginning of Section 12, subsection 2 in the Agreement on General Conditions of Employment.

§ 8
AGE is disbursed following scrutiny of the employee's individual circumstances and if the following requirements are satisfied

– The employee must have worked at and been made redundant because of a shortage of work by a company that is affiliated to the Employment Security Council.

– The employee must have reached the age of 40 by his/her last day at work and have been employed for five consecutive years at the company. If within the last five years prior to being made redundant he/she has been made redundant due to a shortage of work at another company affiliated to the Employment Security Council, he/she may include the previous period of employment.

– The employee will become unemployed when he/she becomes redundant.

AGE is paid in proportion to the length of working hours. No AGE is paid out for shorter working hours than five hours a week.

The right to AGE is personal and cannot be assigned to another person.

Section 9
It is incumbent on both the company and the employees to submit an application for AGE to the Employment Security Council, which makes application forms available.

Applications must be received by the Employment Security Council within two years from the time of redundancy to qualify for AGE.

Re-adjustment support

Section 10
The Employment Security Council provides services to facilitate obtaining a new job (re-adjustment support).

Section 11
A company may reach a local agreement not to claim re-adjustment support

from the Employment Security Council in accordance with section 10. Such an agreement should cover measures in the event of overstaffing at the company.

The agreement must be reached with the trade union branch concerned at the company. It is assumed that the parties keep themselves informed concerning the content of the re-adjustment support provided by the Employment Security Council.

A copy of the agreement must be sent to the Employment Security Council for registration.

Section 12

An employee who has worked for an average of at least 16 hours per week during one year at the same company and who has been made redundant owing to a shortage of work, is entitled to receive assistance in the form of re-adjustment support if the company is affiliated to the Employment Security Council.

After consideration by the Employment Security Council, re-adjustment support may also be paid to an employee who has left his/her employment without being made redundant, if it is evident that the employee is leaving on the initiative of the employer and owing to a shortage of work.

Section 13

In connection with redundancies due to a shortage of work, the company is entitled on the basis of a local agreement, to dispose over an amount per employee, which satisfies the condition in section 12, first paragraph, which is made available by the Employment Security Council. In this case the redundant employee is not entitled to measures in accordance with section 12.

The company is also entitled - after consideration by the Employment Security Council - to dispose over the amount in accordance with the first paragraph, if the employee leaves his/her employment without being made redundant, if it is evident that the employment ceased on the initiative of the employer and owing to a shortage of work.

The guideline for the amount mentioned in the first paragraph is that it should correspond to the Employment Security Council's total cost per person on each occasion that re-adjustment support is paid. The Employment Security Council's board determines the size of the amount per full-time employee once every six months. The amount is then adjusted for part-time employees.

This amount can be disbursed no earlier than on the day the person concerned leaves his/her employment with the company.

Section 14
If the local parties have not reached such an agreement as referred to in section 13, first paragraph, the redundant employee is entitled to raise the question of support in some other form than from the Employment Security Council. Detailed guidelines are decided by the Employment Security Council board, which also carries out the final consideration of the individual case.

Section 15
If a company does not fulfil its obligations as agreed in connection with a local agreement in accordance with section 11, due to insolvency in some other way, the Employment Security Council will provide re-adjustment support. The Employment Security Council may later reclaim this from the company.

Section 16
A company that has reached a local agreement in accordance with section 11 is entitled to re-affiliate to the Employment Security Council. The employees will then be covered by the Employment Security Council's re-adjustment support after one year has passed. However, re-adjustment support may be paid out immediately if the company pays one year's fees in arrears to The Employment Security Council at the time of affiliating.

Section 17
The Employment Security Council board determines the form and extent of the re-adjustment support and, over and above what is stated above, the principles for calculating amounts and methods of payment.

Section 18
It is incumbent on both the company and the employees to submit an application to The Employment Security Council for support. The Council can make application forms available.

Applications must be received by The Employment Security Council no later than two years after the redundancy to qualify for support.

Term of this agreement

Section 19

The agreement applies until further notice and may be terminated by either party by giving six months' notice.

The same redundancy rules apply to the agreement reached between the central parties.

If one of the central parties gives notice of termination of the agreement in one agreement area, the union parties in the other agreement areas are entitled to give notice of termination of the agreement as of the same date as the first agreement, if this is done within one month of the time the notice of termination would otherwise have been given.

A union party giving notice of termination is obliged to inform SAF and PTK of this fact.

Agreement concerning the right to employees' inventions between The Swedish Employers' Confederation and the Negotiation Cartel for Salaried Employees in the Private Sector

The high standards of living that have been reached in modern Sweden are largely due to technical advances, which have enabled productivity to be constantly increased. Inventors have made a significant contribution to these advances, and over the course of the years many of the major enterprises currently active were founded on the basis of one or more inventions.

The demands on the business sector for continued rapid increases in productivity are extremely strong. In the light of this, rapid technological advances will continue to be necessary in the future. Growing numbers of companies are investing increasing amounts in developing products and methods. This development work, which often takes the form of collaboration between employed researchers, designers and other employees can result in inventions, which qualify for patent protection.

For the company as employer it is a natural principle that the right of ownership to inventions, which have come about through the use of the company's resources, should accrue to the company.

It is in the company's interests that employees create innovations on their own initiative, by applying the skills they have acquired. The employees are entitled to reasonable remuneration for inventions they make. The issue of remuneration becomes particularly relevant when the invention has arisen as a sideline to the employee's normal work tasks and/or is particularly valuable in relation to the employee's position and employment benefits. Although the question of remuneration is often difficult to resolve, it is important that consideration is given to this question in a positive spirit. Special remuneration for inventions stimulates the interest of the employees in creating innovations.

Section 1 Categorization of employees' inventions, etc.

In this agreement the following terms are defined as below:

"A" invention: an invention, which falls within the area of the employee's position or particular tasks,

"B" invention: an invention, the use of which falls within the employer's area of activity, but which does not qualify as an "A" invention,

"C" invention: an invention, which is neither an "A" invention nor a "B" invention.

When companies belonging to a group are involved, discussions should be taken up to determine which of the companies in the group should be considered as belonging to the employer's area of activity.

If several employees have made a significant contribution to an invention in respects, which are covered by an approved patent application, all of them should be regarded as inventors.

Notes to section 1

Categorization of inventions

"A" inventions are defined in the text of the agreement as inventions, which "fall within the framework of the employee's position or special assignments".

This means that the invention should have been developed as a result of the work undertaken by the employee and for which a salary is intended to provide remuneration. It is without significance whether the work resulting in the invention is part of the employee's main work tasks or not; it is sufficient that the work is included as one of the tasks undertaken by the employee. The work tasks need not be intended to lead to the invention but they should have such a direction that in the normal course of the work an invention of the type in question could be the result. It is generally also the case with "A" inventions that the employer has not only paid a salary for the work involved but has also made company resources (material, instruments, premises, etc.) available from the time the work started.

"B" inventions are defined as inventions, which, although falling within the employer's area of activity, are developed under conditions other than those

stated above. The employee may for instance have made an invention by taking, on his/her own initiative, an interest in a matter, which belongs within another section in the company or which is, at least, not a task that the employee was expected to perform. The fact that his/her interest in a problem field may have been awakened as an indirect result of his/her own work does not make the invention anything other than a "B" invention.

The fact that the employee works for the design department or the laboratory does not necessarily mean that the invention should be classified as an "A" invention.

The following examples may be used to illustrate the above:

1) A designer is employed in the drawing office of a company, which manufactures trailers for trucks, including coupling devices between the truck and trailer. The designer produces a patentable invention for such a device. Such an invention is classified as an "A" invention.

2) A large company is involved in mechanical engineering with an emphasis on electrical components. There are separate departments in the company for electric motors, transformers, high tension power transmission, gantry cranes, vehicles, electronics, licensing, and so on. An inventor employed in the electronics department, in addition to his/her normal work tasks, discovers a mechanical invention for a lifting device for overhead cranes. This invention is classified as a "B" invention.

3) A chemical engineer employed at the company described in 2), works for the company's central laboratory investigating problems concerning insulation methods. He/she carries out certain experiments which he/she develops in his/her spare time and discovers a patentable solution for detergent. This invention is classified as a "C" invention.

The parties agree that cases may occur which lie within the grey zone between "A" and "B" inventions. The question of compensation can then be settled without the need for further classification of the invention.

More than one inventor

When one employee reports the invention it may be the case that in fact other employees have made significant contributions to the work behind the invention. In such cases it is important that the investigation into this matter is initiated swiftly and that the employer participates and explains his standpoint.

Section 2 Responsibility of employees to report inventions, etc.

An employee who considers having made an "A" invention or a "B" invention, is responsible for reporting the invention in accordance with the points below. An employee who considers having made a "C" invention should report the invention since it is desirable for both the employee and employer to establish clearly who has the rights to the invention before the invention comes into use.

The report of the invention, by which is meant a written or comparable description, including the most significant aspects of the invention, should be submitted without delay to the employer or the party appointed by the employer to receive such reports. The report should be treated confidentially and it is the employer's responsibility to ensure that the priority rights of the person reporting the invention within the company are protected by the appropriate diary and registration procedures.

The employer must provide the person reporting the invention with written details concerning the category of invention in which, according to the employer, the invention should be classified, within four months of receiving the report of the invention. In the event of the employee informing the employer of the category in which he/she considers the invention should be classified, this information will apply only in relation to the employer, should he fail to inform the employee otherwise within four months of receiving the report on the invention from the employee.

Notes on section 2

It emerges from this section that the report of the invention should include the most important aspects of the invention. Generally the report should be submitted in writing. By "comparable description" we mean, for instance, a case where, instead of plans containing technical descriptions, a functioning trial model or sample, which includes the invention concerned is submitted to the employer.

Section 3 Rights of employer and employee in regard to "A", "B", and "C" inventions

"A" inventions

"A" inventions are the property of the employer who decides whether and to what extent the invention should be patented. The originator of the "A" invention must confirm in writing the employer's ownership rights to the invention if this aspect of the patent application, etc. is required on the basis of legislation in the countries concerned. The employer is entitled to waive his rights to ownership of an "A" invention in part or in full in favour of the originator.

"B" inventions

Reports of "B" inventions in accordance with section 2 are to be regarded as incorporating an offer to the employer to acquire the invention. The employer decides with binding effect on the person reporting the invention, whether and to what extent the rights to the invention will devolve on the employer. The originator of the "B" invention must then confirm in writing that the employer has acquired the rights to the invention if this is required in accordance with legislation regarding patent applications in the countries concerned, etc.

Employees who have made "B" inventions may themselves apply for a patent after a period of four months has elapsed since the invention was reported by the employee in accordance with section 2, provided that the employer has not informed them that he intends to acquire the invention. The inventor of a "B" invention who wishes to patent the invention him/herself must consult his/her employer concerning the formulation of the patent application.

If eight months have elapsed since the employee reported the "B" invention in accordance with section 2 and the employer has not provided any information concerning how and to what extent he wishes to acquire the invention, the employee is entitled to assume all rights to the "B" invention.

An employer who acquires the rights to a "B" invention in accordance with the above may, after having reached an agreement with the inventor, waive his rights to the invention in part or in full in favour of the inventor. In this case the employer's right to compensation is maximized at an amount corresponding to the direct cost of the patent application and the services of a patent agent.

"C" inventions

An employee who makes a "C" invention retains all rights to the invention.

Note on section 3
It is essential that the employer inform the employee in which other countries he intends to apply for a patent as soon as possible after the patent application has been submitted in Sweden.

Section 4 Employee's right to compensation

An employer whose right to an "A" invention has been established or who has acquired the right to a "B" invention must pay the inventor reasonable compensation for the invention. In deciding the amount of compensation particular consideration should be given to the value of the invention, the extent of the rights to the invention which the employer has acquired within Sweden and abroad, the significance the employment may have had for the production of the invention and, in the case of an "A" invention, the position held at the company by the employee as well as his/her salary and other benefits of employment.

A standard amount decided in advance should be paid to the employee. This sum may be paid either in full when the patent is applied for or in two or more stages.

The following also applies:

a) If the value of an "A" invention significantly exceeds what might have been expected in view of the position of the employee as well as his/her salary and other benefits, further compensation will be paid after taking into account the compensation paid in accordance with the previous section If the inventor has incurred costs on developing the invention he/she should receive adequate reimbursement of these.

b) If the employer has acquired the rights to a "B" invention, in a normal case further compensation should be paid in addition to the standard payment except when the limited value of the invention requires otherwise.

The employee's right to compensation in accordance with the section above should not as such be affected should the employer decide in certain cases for some reason not to apply to have the invention patented.

Decisions concerning compensation should be open to reconsideration at the request of either of the parties should significant changes in the situation so re-

quire. However, compensation that has already been paid may not be required to be repaid. Nor may repayment be demanded when the employer has partly or wholly waived his/her rights to certain "A" or "B" inventions.

Notes on section 4

Standard compensation

Rules for standard compensation should be established at companies engaging in development work that leads to patentable inventions to a not insignificant extent. In view of the various conditions in different industries, these rules may need to be formulated in different ways at different companies. An example of this type of rule is provided by the following rule in use at one company.

"Employees who discover and report inventions regarded by the employer as being patentable in Sweden and of value to the company, are entitled to compensation of SEK 1,700, which should be paid as soon as possible after the invention has been reported. If the invention has been discovered by more than one employee, a sum of SEK 2,550 should be shared between them. If a patent is applied for and approved in Sweden for the reported invention further compensation, established by the employer at between SEK 2,800 and 14,000, will be paid to a single inventor. If the invention was the result of work by more than one employee, a sum established by the employer on equivalent conditions, which may vary between SEK 4,500 and 22,500, will be paid to them. An application for and approval of a patent in foreign countries entitles the employee to a further standard compensation payment. The standard compensation described above may also be paid for inventions considered patentable in Sweden or regarded as worth patenting as such, but for which the company for some reason does not wish to apply for a patent."

Reconsideration of decisions on compensation

According to the section, a decision on compensation for an invention in the form of an agreement or in some other way may be reconsidered if significant changes in the situation so require. As examples of cases in which changes have occurred in the situation, which has been decisive for the amount of compensation determined, may be mentioned a decrease or increase in the value of the invention as a result of new inventions or technical developments in general or due to changes in market conditions and similar events. The fact that the inventor employed is transferred within the company or ceases to be employed after the decision on the compensation payment has been made cannot be regarded as grounds for reconsidering the decision on compensation.

Section 5 Patent applications after termination of the employment

If an employee applies for a patent for an invention within six months of the conclusion of his/her employment at a company, which would have been classified as an "A" invention if the person had still been employed, this invention will be regarded as having been made during the period of employment. This will not apply however, if the employee can demonstrate the probability of the invention having been made after the termination of his/her employment.

Section 6 Handling of disputes

Should a dispute arise between the employer and the employee over an issue regulated by this agreement, the dispute may be dealt with at the request of either party by means of local negotiations. If not, or if local negotiations do not lead to agreement, the issue may be referred to central negotiations. A request for such negotiations should be made to the opposite party within six months of the day when discussions between the employer and the employee or the local negotiations were concluded or the claim in question will otherwise lapse. The date of conclusion will be the date when the parties concerned, according to the minutes or by some other method, agree that the discussions or negotiations have been concluded. If the parties do not agree, the conclusion date will be the day when one party informs the other party in writing that he/she considers the discussions or negotiation to be concluded.

Should agreement still not be reached at central negotiations, the case will be dealt with in accordance with section 7. The claim should be taken up within ten years of the day when the employee reported the invention to the employer in accordance with section 2, or the claim will otherwise lapse. Consequently, except when the parties agree otherwise, a demand for reconsideration of the compensation payment in accordance with section 4, last paragraph should be submitted by making a claim within the ten-year period stated, at the risk of the claim otherwise lapsing.

Negotiations may be held, even if a patent application for the invention has not yet been submitted or approved.

Should the employer so request, the agreement may include a reservation stipulating that the agreement will only be valid provided the patent is approved.

Section 7 Industrial Inventions Board

Claims regarding issues, which cannot be resolved by means of central negotiations in accordance with section 6, should be referred to a specially instituted arbitration board, known as the 'Industrial Inventions Board'.

If the board has considered a dispute regarding an invention for which a patent application has been submitted but not yet approved, the board may, at the request of either party, make separate recommendations for each of the possible outcomes, approval and rejection of the patent application respectively.

The parties at the board hearing are, for the employer, the company and its employer association, and for the employee, the employee and the union concerned. The claim may not be considered without the participation of the organizations concerned in so far as it cannot be demonstrated that the organization has refrained from pursuing the claim.

The Industrial Inventions Board consists of a chairman and a deputy, together with two members and deputies for them. The chairman and his/her deputy are appointed jointly by SAF and PTK. One member is appointed jointly by the employer involved in the dispute and the relevant employers' association, the other is appointed jointly by the employee involved in the dispute and the relevant union organization.

The costs of the chairman are shared equally between SAF and PTK.

The company and/or the employee concerned, as decided by the board, defray the costs for the other members.

The activities of the board are otherwise regulated by the current Arbitration Act.

Section 8 Term of this agreement

This agreement applies between SAF and PTK from 1st April 1995 inclusive until further notice, with one year's notice required for termination.

The agreement applies to inventions reported to employers on and after 1st April 1995.

Section 7 as newly formulated applies to cases referred to decision by the Industrial Inventions Board as of 1st April 1995 inclusive.

The agreement of 16th August 1994 between the Swedish Employers' Confederation (SAF) and PTK concerning the amendment of the agreement with regard to the right to employees' inventions applies between Teknikarbetsgivarna and Sif/CF/Ledarna with effect from 1st April, 1995.

Collection of union membership dues

Agreement between the Swedish Engineering Industries Association (Teknikarbetsgivarna) and the Swedish Union of Salaried Employees in Industry (Sif) concerning the role of the employer in the collection of Sif's membership dues.

1 General

This agreement will come into effect no later than six months after this has been requested by the local Sif organization, except where otherwise agreed between the parties.

The employer, at whose workplace payroll procedures are to be reorganized, e.g. change to a new computerized payroll system, is entitled to postpone the requested participation in the collection of membership dues until the reorganization is completed. The postponement cannot however, exceed six months over and above the period stated above except where otherwise agreed.

By membership dues is meant the regular membership dues paid by salaried employees to Sif. The expression "regular membership dues" does not include, for instance, extra charges.

Deductions may only be permitted for members who have provided an official power of attorney for this purpose.

At companies, which already participate in the collection of membership dues from Sif members but whose procedures are not in accordance with the recommendations below, negotiations should be opened concerning the changes necessary. The aim is to retain the existing system as far as possible without departing significantly from the requirements of Sif's accounting.

At companies where several workplaces are linked to a central payroll system, an attempt should be made to standardize the reporting for all Sif members in the system.

Note

The precondition for the application of the agreement at a company is normally the existence of a salaried employees' local union organization at the company and that this organization requests that the agreement be applied. The parties are, however, agreed that at workplaces with more than ten Sif

members where there is no local union organization, representatives of the local salaried employees' party should be able to request that the agreement be applied.

2 Collection systems

Union membership dues can, at the option of the company, be collected using any of the following systems.

2.1 Collection via the employer

2.1.1 Description of the system

The system is based on deducting union membership dues from members' salaries at the time of payment. The employer deducts the requisite amount in accordance with information from Sif. Deductions require a power of attorney to be provided.

2.1.2 Participation of the employer

a) The employer will provide regular information to Sif's union branch concerning salaried employees who have recently joined the company.

b) In connection with the disbursement of regular monthly salaries, the employer will deduct union dues for those Sif members who have provided a power of attorney to do so and who were paid a salary when the salaries were disbursed.

c) The employer will pay the union dues deducted, at the time the salaries are paid, into an account nominated by Sif.

d) The employer will send a report to Sif on the union dues deducted promptly and in any case no later than two weeks after the monthly salary payment.

e) The report will be sent on magnetic tape, other mechanically readable medium or as a statement.

When sending the report on a mechanically readable medium, all deductions made and not made must be reported.

If the reason for not making the deduction is that the member has left the company or has withdrawn his/her power of attorney for the deduction, this must also be noted in the report.

In addition, an effort should be made to indicate on this medium any deductions, which are new or have changed since the previous month, to assist Sif's control and reconciliation work.

When reporting in the form of a statement on a list provided by Sif, only deductions not made must be marked, while new and changed deductions will be put on a supplementary list.

f) Reporting via magnetic tape may, subject to agreement, be made on the same magnetic tape as reports of other unions' membership dues.

g) The employer's financial liability is limited to reporting the dues that have been deducted.

h) If the employer (or the employer's service company) does not have the technical facilities to generate a mechanically readable medium that can be accepted by Sif, the employer is entitled to provide the information on data printouts, if the parties fail to agree that the reports should be submitted via the Bank Giro Centre.

2.1.3 Sif's participation

a) No later than one month before the beginning of the new membership year (once a year), the employer will be informed of the amount of the individual deductions that will apply for the coming year. If this is not done, the same deductions as for the previous year will be made.

b) Sif will provide, either centrally or locally, a list of new members and the amount to be deducted for these each month. At the same time, the requisite power of attorney must be handed over. Information must also be provided on changes in amounts to be deducted owing to changes in employment conditions.

c) Sif will provide, around the 20th day of the month in which the deduction is made, a computer print-out accounts list (does not apply to computerized accounts) and banking giro notification or postal giro notification for reporting and paying in the month's union membership dues.

Notes

a) Employers who use the services of a payment intermediary for salary payment routines may transfer the undertakings in this agreement to the intermediary.

b) The amount deducted must be stated on the pay slip or in a similar manner.

c) Membership dues are deducted after all deductions regulated in laws and ordinances and immediately after deductions relating to employment conditions.

d) A deduction will only be made if, after deductions have been made in accordance with c) above, the remaining salary (net salary) corresponds at least to the full deduction for the membership dues.

e) Sif will provide the employer with printed accounting forms, except where otherwise agreed. These forms contain information on the employer's name, work place, work place number, and SAF membership number, period of the due, amount to be deducted and the employee's name and social security number.

f) The information on the employee provided by the employer and Sif respectively in connection with collection of dues must not be used for any other purpose than those pursuant to this agreement.

2.1.4 Transitional rules

When the agreement on the employer's participation in collection has been reached, Sif will hand over the requisite powers of attorney and a list of members whose dues are to be collected by the employer, as well as information regarding individual amounts to be deducted, no later than one month before the agreement comes into effect.

2.2 Collection via the Bankgirot system – BGC

2.2.1 Description of the system

This system is based on deductions of membership dues from the member's bank account without bankbook (e.g. a cheque/salary account) with commercial banks, savings banks or co-operative banks for transfer to Sif via the BGC.

The BGC system also covers systems for collection of membership dues from private accounts with the PK-bank.

2.2.2 Participation of the employer

a) The employer disburses the salary via a salary account at a bank from which BGC is able to make deductions of Sif's membership dues.

b) In connection with all salary payments the employer sends out a reminder to the employees to make the required notes relating to the automatic deduction of membership dues. This could appropriately take the form of a pre-printed note on the pay slip.

c) The employer will provide regular information to Sif's local union branch concerning salaried employees who have recently joined the company.

2.2.3 Sif's participation

a) Sif is responsible for the administration of the collection system in relation to BGC.

This administration includes providing power of attorney forms, collecting and holding the powers of attorney and providing BGC with the necessary information for deductions.

b) Sif will contribute to reaching an agreement on the introduction of payment of salaries to bank accounts or the equivalent at companies, which do not have such a system.

2.2.4 BGC's charges

Sif will defray any charges for work places where the number of Sif members is no more than 50. The company will defray these costs if the number of members exceeds this figure.

When applying this point all Sif members at the company to whom the same payroll system applies will be included.

3 Co-ordination with other unions

Sif will seek to promote the co-ordination of joint collection procedures with other PTK (Negotiation Cartel for Salaried Employees in the Private Business Sector) unions.

4 Term of agreement

This agreement has the same term as the Agreement on General Conditions of Employment, unless one party gives notice of termination of the agreement at least three months before the period of validity for the Agreement on General Conditions of Employment expires.

If during the term of the Agreement on General Conditions of Employment notice of a dispute should be given or a dispute should arise regarding another agreement, this agreement can be terminated with seven days' notice.

Agreement on employment for practical experience

**Teknikarbetsgivarna and Sif, Ledarna and
the Swedish Association of Graduate Engineers
have entered into the following agreement concerning employment for practical experience within the parties' common areas of agreement.**

Section 1

Employment for practical experience, under the terms of this agreement, applies only to obligatory work practice in accordance with the curriculum for the technical programmes at university colleges or upper secondary schools. It also relates to work practice for those studying the economics or PA programmes at a university college, where obligatory work practice is part of the curriculum.

Note

Vocational guidance or courses organized by university colleges or upper secondary schools, which are wholly or partly located at a work place outside of the school, as well as examination work, are not covered by this agreement. The parties agree that a pupil in this type of 'company located' training is not employed by the company.

Section 2

Practical work experience should be planned to provide the student as far as possible with knowledge of various aspects of the work and experience of different environments. However, the parties agree that at a company where many students are engaged on practical work experience it may be difficult to determine in advance the aspects of the work, which are to be included in the practice on each occasion.

In a case where there is a salaried employees' union branch at the company, it should be given the opportunity to express its views on aspects, which could appropriately be included in the practical work experience.

Section 3

The employer is responsible for ensuring that the student receives the instructions and information required to make the practice useful. Where the need arises a special supervisor or contact person may be appointed.

Section 4
A work practice student is employed for a specific period of time. The relevant parts of the salaried employees' Agreement on General Conditions of Employment will apply to this type of employment.

Section 5
The salary for a work practice student is determined in accordance with the basic principles, which apply to the parties' areas of common interest. However, the salary for a work practice student who has reached the age of 18 should amount to a minimum of 75 per cent of the minimum salary for salaried employees according to the current salary agreement.

Section 6
This agreement applies until further notice, with a mutual period of notice of two months.

Basic agreements

Foreword

The main agreements signed between the Swedish Employers' Confederation (SAF), the Swedish Union of Salaried Employees in Industry (Sif) and the Swedish Supervisors' Union (SALF) on 11th December 1957 and on 3rd July 1959 were reached in the form of two sets of documents emerging from separate negotiations. The Swedish Association of Graduate Engineers (CF) became a party to the main agreement for Sif on 14th December 1969.

After being terminated, the main agreement between SAF and Sif has ceased to apply. In connection with the agreement of 15th June 1983 to enter into a new Agreement on General Conditions of Employment, Teknikarbetsgivarna and Sif/SALF/CF have agreed that the negotiating procedures in the main agreements between SAF and Sif and between SAF and SALF will be applied with the same term as the Agreement on General Conditions of Employment.

Negotiating procedures etc. between Teknikarbetsgivarna and Ledarna have been set out in a joint agreement in accordance with the agreement of 7th June 2000 between the parties. This agreement replaces earlier main agreements between Teknikarbetsgivarna and Ledarna.

Basic agreement

between the Swedish Employers' Confederation and the Swedish Union of Salaried Employees in Industry of 11th December 1957 together with the amendments thereto of 8th May 1964 and 5th April 1974.*

The Swedish Employers' Confederation (SAF) and the Swedish Union of Salaried Employees in Industry (Sif) intend to promote the peaceful resolution of disputed issues on their common area of the labour market, by entering into the following agreement.

SAF and Sif undertake to establish a Labour Market Council for issues relating to salaried employees (SAF-Sif Salaried Employees Labour Market Council), as described below.

*) The Swedish Association of Graduate Engineers entered as a party in this agreement on 14th December 1969.

Negotiating procedures

Section 1
It is assumed that the employer and the employees, by taking account of each other's interests will seek to achieve common ground in arranging their common affairs in such a way, as far as possible, as to prevent disputes from arising.

Section 2
Should either party call for negotiations, the following order applies:

a) Negotiations between the employer and the salaried employees' union branch at the company (local negotiations). In the absence of such an organization, the negotiations will be conducted with the salaried employee(s) chosen to represent them by the salaried employees at the company.

b) Negotiations with the participation of the respective central employers' association and Sif/CF (central negotiations).

If, and to the extent that the conditions to which the claim according to the collective agreement or individual agreement relates was known, on the employer's side, to the employer concerned or his employers' association or, on the salaried employees' side to their union (or in accordance with section 2a, a specially chosen representative of the salaried employees) at the company or [Sif/CF for a period of four months without negotiations being called for in accordance with the rules included in this paragraph, the party has thereafter lost the right to call for negotiations regarding the said issue. Regardless of such knowledge of the situation, the right to call for negotiations lapses if and to the extent that the conditions existed more than two years earlier.

Local negotiations should be entered into as soon as possible and at the latest three weeks from the day when they were called for, except when the parties reach an agreement to postpone them.

If an agreement cannot be reached in local negotiations concerning claims in accordance with a collective agreement or individual agreement, it then becomes incumbent on the party wishing to pursue the matter to refer the issue to central negotiations. The request for such negotiations should be submitted to the other side by no later than two months from the day the local negotiations were concluded, to avoid the risk that the claims in question will otherwise be written off.

Central negotiations must commence as soon as possible and at the latest three weeks from the day on which they were called for, except when the parties have reached an agreement to postpone them.

Notes in the minutes

1) In order to facilitate the handling of local issues it is appropriate that each party select a representative whose duty is to liaise with the representative of the other side; the name of this representative should be given to the other side without delay. It may be made incumbent on the local parties to decide what other arrangements need to be made for handling local issues.

2) If the employer and the salaried employees agree on this point, local functionaries or elected representatives from outside the company may participate in local negotiations.

3) In negotiations between employers and workers, which directly or indirectly relate to salaried employees or a certain salaried employee, the salaried employee is entitled to be represented.
4) If the conditions, to which the claim relates, are regulated in the Employment Security Act, the time periods stipulated in the Act will apply instead of the periods stipulated in section 2.

Legal disputes in general

Section 3

Should a legal suit concerning an individual or collective agreement on conditions of employment become the subject of negotiations pursuant to section 2 and if this cannot be resolved, it should be referred to the advisory council stipulated in section 11 for binding settlement, provided the employers' association concerned and Sif/CF are therewith agreed. Should these parties be unable to agree to refer the dispute to the advisory council, and should either of them wish to refer the dispute to court for settlement, this should be done within three months of the day when the central negotiations were concluded, with the consequence that the claim in question will otherwise lapse.

Disputes concerning dismissal and violation of the right of free association are exempted from the authority of the advisory council.

Note in the minutes
Section 3 above is not applicable when the dispute concerns issues regulated by the Employment Security Act.

Sections 4-6 have been rescinded.

Disputes concerning the peace obligation

Section 7
Any party may bring cases based on the claims of a breach of the peace obligation, to the Labour Court, without regard to otherwise applicable negotiating procedures.

Conflicts of interest

Section 8
In the event of conflicts of interest concerning salaries, of a collective nature, which cannot be resolved by means of central negotiations in accordance with section 2, the employers' association concerned and Sif/CF are each entitled to refer the dispute to the Salaried Employees Labour Market Council for comment. Such referrals must be made within three weeks from the conclusion of the central negotiations, or the party will otherwise forfeit its claim.

To the extent that the employers' association concerned and Sif/CF agree thereto, they are entitled to refer salary disputes of this kind to the advisory council for binding settlement.

Section 9
Should a conflict of interests arise of any other type than described in section 8 the employers' association concerned and Sif/CF, to the extent they are in agreement regarding this, may refer the dispute to the Salaried Employees' Labour Market Council for comment or to the advisory council for binding settlement.

Note in the minutes
1) By the day local and/or central negotiations are concluded is meant the day on which the parties concerned note in the minutes of the negotia-

tions or by other means, that the negotiations have been concluded. If the parties are not in agreement, the day the negotiations are concluded will be the day on which one party gives the other party written notice that the negotiations are considered closed.

2) The option of referring the dispute to the Salaried Employees' Labour Market Council allowed in sections 8 and 9 to the employers' association, also remains open to SAF in the case of disputes in which SAF is the negotiating party in relation to Sif/CF.

Peace obligation

Section 10

In the first instance the parties must observe such peace obligation as may exist pursuant to collective agreements on conditions of employment. Moreover, a party may not give notice of or resort to industrial action as a means of resolving a disputed issue before central negotiations on the disputed issue have been concluded.

Taking into consideration in each disputed case, the rules provided in the previous paragraph, the following also applies. Neither party may give notice of or resort to industrial action during the period of three weeks, which is available, in accordance with section 8, to the parties to refer disputed issues there specified to the Salaried Employees' Labour Market Council so long as neither of the parties concerned have declared that they intend to refrain from making such a referral. Should the issue have been referred in the due manner, the peace obligation shall still apply until the Salaried Employees' Labour Market Council has informed the parties of its opinion.

Should the parties agree to refer conflicts of interest to the advisory council for a binding settlement, no industrial action may be resorted to or continued with on this issue.

Advisory council

Section 11
The respective employers' association and Sif/CF will appoint an advisory council for considering disputes pursuant to sections 3, 8 and 9 above. Each advisory council will consist of five members, of whom two will be appointed by the employers' association, two by Sif/CF and one, who will also chair the advisory council, jointly by the employers' association and Sif/CF.

Salaried Employees' Labour Market Council*

Section 12
The Salaried Employees' Labour Market Council will express opinions regarding the resolution of disputes in accordance with sections 8 and 9 above.

The Salaried Employees' Labour Market Council will in such cases consist of four members, of whom two will be appointed by SAF and two by Sif/CF for a period of three years; deputies for these members will be appointed on the same principles.

Section 13
A request for the opinion of the Salaried Employees' Labour Market Council must be submitted in writing to the Council. The request will present the case of each party and an account of the circumstances the parties wish to refer to in support of their case. The Council will permit the opposite party to express comment and will obtain such oral or written information, as the Council deems relevant to enable it to arrive at a position on the case.

A request to attend a meeting of the Council must be sent out by no later than two weeks after the case reached the Council. The meeting will then be held as soon as possible. Should the parties express a wish for particularly prompt handling of the case, the Council will take this request into consideration as far as is possible.

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*) In the Agreement on General Conditions of Employment on 21st May 1976, SAF and PTK also agreed on the setting up of a salaried employees' labour market board SAF-PTK. The board has the same tasks as equivalent boards in earlier basic agreements. It will include five members for both SAF and PTK. The agreement on the salaried employees' labour market board applies for the same duration as the Agreement on General Conditions of Employment.

The Council's comment or decision must be given in writing and will be communicated to both parties at the same time and will, except where otherwise requested by the parties, be a public document.

Section 14
When the Salaried Employees' Labour Market Council functions as an arbitration board, it will consist of an impartial chairman together with two members each representing SAF and Sif/CF.

SAF and Sif/CF will jointly appoint the impartial chairman for a period of three years.

Section 15
The Salaried Employees' Labour Market Council only has a quorum when all its members or deputies are present.

Each member of the Council has one vote. The Council's comment or decision will be the view having the support of a majority of its members.

Interpretation of the basic agreement

Section 16
Disputes concerning the interpretation of the rules in the main agreement will, regardless of where the dispute arises within the common areas of SAF and Sif/CF, be resolved by the Salaried Employees' Labour Market Council in its capacity as an arbitration board.

Term of this agreement

Section 17
This agreement will remain in effect in the form presented above from 1st July 1964 until further notice, subject to six months' notice of termination by either side.*

*) The SAF/Sif basic agreement has ceased to be valid after being mutually terminated. Teknikarbetsgivarna and Sif/CF have agreed on 15 June, 1983 that the order of negotiation for the basic agreement will apply with the same period of duration as the general agreement on conditions of employment.

A condition for the acceptance of the basic agreement as a collective agreement between the employers' association and Sif/CF, is that the basic agreement after being accepted, will be applicable between the employers' association and Sif/CF with the same period of duration stipulated in the previous paragraph regardless of whether other agreements concerning conditions of employment between the parties have expired.

If the agreement on conditions of employment is in effect at a time when the main agreement expires, taking into account the period of notice, the term of the main agreement will be prolonged until the agreement on conditions of employment expires.

Stockholm, 8th May 1964

Swedish Employers' Confederation
Bertil Kugelberg

The main agreement for the Swedish Union of Salaried Employees in Industry has the following signature:

Swedish Union of Salaried Employees in Industry
Göte Johansson

Extract from the agreement between Teknikarbetsgivarna and Sif on 23rd March 2004 and Teknikarbetsgivarna and CF on 17th March 2004 concerning salaries.

Salary agreement*

Teknikarbetsgivarna-Sif

Salary kitties for local negotiations

Unless other points of time are agreed by the local parties, the company will set aside a salary kitty corresponding to 1.7 per cent, 1.8 per cent and 1.8 per cent of the fixed cash salaries of its salaried employees as a group on 1st April 2004, 1st April 2005 and 1st April 2006 respectively.

The local parties will distribute the salary kitty on the basis of the salary principles contained in the Agreement on General Conditions of Employment and taking into account the agreement on competence development at work.

Before the salary negotiations begin, the local parties should review these salary policy intentions and their application to the company's salary policy.

The parties should reach an agreement on procedures and practices for the local salary review.

Salary review

The local parties must, unless otherwise agreed as to time, on 1st April 2004, 1st April 2005 and 1st April 2006 carry out a joint review of salaries.

The salary review must take into account the salary principles as set out in the Agreement on General Conditions of Employment with the purpose to achieve the desired salary structure or to apply locally agreed salary systems through individual salary adjustments based on the employee's development as regards skills, competence and work tasks.

Minimum salary

The minimum monthly salary for a full-time salaried employee who has reached the age of 18 is SEK 12,970 from 1st April 2004, SEK 13,260 from 1st April 2005 and SEK 13,600 from 1st April 2006.In special cases a lower salary may be

*) The Joint Agreement between Teknikarbetsgivarna and Ledarna applies concerning salary matters.

paid for six months. Provided an agreement is reached with the local union organization, a lower salary may be paid for a further six months.

Minimum salary increment

Except where the local parties have agreed otherwise, the following applies:

On 1st June 2004, 1st June 2005 and 1st June 2006 corresponding to the periods from 2nd May 2003 up to and including 1st June 2004, from 2nd June 2004 up to and including 1st June 2005 and from 2nd June 2005 up to and including 1st June 2006 respectively a check of the salary development will be made. The salary increment per month for full-time employees should then amount to a minimum SEK 220, SEK 220 and SEK 235 respectively.

Negotiating procedure

If the local parties are unable to reach an agreement concerning distribution of the salary kitty or concerning salary reviews, a local party is entitled to submit the matter to central negotiations. In case not even the central parties can agree in the matter, a central party is entitled to submit the matter for final settlement to the Teknikarbetsgivarna-Sif Salary Council. This Council consists of two members from Teknikarbetsgivarna and two members from Sif. One of the representatives of Teknikarbetsgivarna is chairman and one of the representatives of Sif is deputy chairman.

Note

On distributing the salary kitty of 1st April 2004, special consideration should be paid to individual employees or groups of employees with unsatisfactory salary levels or unsatisfactory salary developments. Moreover, in these cases the matter of development of skills and competence should be specially considered.

Teknikarbetsgivarna-CF

Salary kitties and salary review for local negotiations

The parties will seek to negotiate agreement on the forms of the local negotiations.

Unless the local parties agree on other points of time, the following applies:

The company will set aside a salary kitty corresponding to 1.7 per cent, 1.8 per cent and 1.8 per cent of the fixed cash salaries of its salaried employees as a group on 1st April 2004, 1st April 2005 and 1st April 2006 respectively. The local parties will distribute the salary kitty on the basis of the salary principles contained in the Agreement on General Conditions of Employment while taking into account the agreement on competence development at work.

In connection with the distribution of the salary kitties a salary review will also be carried out. he local parties shall, unless otherwise agreed as to time, on 1 February 2001, 1 February 2002 and 1 March 2003 carry out. In the review, the company's salary formation since the last review should be discussed together with the employees' development regarding responsibility, authority and competence as well as other factors of importance regarding salary principles.

Normally, the salary review indicates that, apart from the salary kitty distribution, there may be reasons for individual salary adjustments to establish a salary differentiation and span inducing a good work effort.

Low salary increment

It is of importance that graduate engineers who, over a period of time have received little or no salary increases be informed in pay talks by salary fixing superiors what the employee can do to increase his or her salary and in what way the employer can contribute with competence-raising measures, etc. Also, the local parties must discuss the situation of a graduate engineer, should he or she so request.

Negotiating procedure

If the local parties are unable to conclude an agreement concerning distribution of salary kitties or concerning salary reviews, a local party is entitled to submit the matter to central negotiations. In case not even the central parties can agree in the matter, a central party is entitled to submit the matter for final settlement

to the Teknikarbetsgivarna-CF Salary Council. This Council consists of two members from Teknikarbetsgivarna and two members from CF. One of the representatives of Teknikarbetsgivarna is chairman and one of the representatives of CF is deputy chairman.