

Massa- och pappersindustrin

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Upplaga 2



INDUSTRI
ARBETSGIVARNA

unionen



Sveriges Ingenjörer

PAPPERS

SVERIGES CHEFSORGANISATION

ledarna

General terms of employment for employees within the pulp and paper industry

Föreningen Industriarbetsgivarna (the Swedish Association of
Industrial Employers)

Ledarna (Sweden's organisation for managers)

Svenska Pappersindustriarbetareförbundet (the Swedish Paper
Workers' Union)

Sveriges Ingenjörer (the Swedish Association of Graduate
Engineers)
Unionen

Effective from 1 April 2017

The agreement text is shaded

The comment text is not shaded

Abbreviations used in this agreement

AGS	Avtalsgruppsjukförsäkring (group sickness insurance provided by collective agreement)
ITP	Industrins och handelns tilläggspension för tjänstemän (supplementary pension for white-collar workers in trade and industry)
LAS	Lagen om anställningsskydd (Swedish Employment Protection Act)
LO	Landsorganisationen (Swedish Trade Union Confederation)
MBL	Medbestämmelagen (Swedish Act on Co-determination in the Workplace)
PTK	Privatjänstemannakartellen (Council for Negotiation and Cooperation)
SAF*	Svenska Arbetsgivareföreningen (Swedish Employers Association)
TFA	Trygghetsförsäkring vid arbetsskada (work injury insurance for private employees)
TRR	Trygghetsrådet (a foundation offering assistance in redundancy situations)
TSL	Trygghetsfonden TSL (an employment transition fund)

*Svenskt Näringsliv (Confederation of Swedish Enterprise)

Introduction

Through this agreement the parties have harmonised the general terms of employment for different groups of employees. The purpose of the agreement is to create a uniform set of rules that can be applied to all categories of employees. This is expected to facilitate the development of modern and flexible labour organisations and the employees' opportunities to develop at work.

The parties assume that various local agreements will gradually be superseded by new agreements harmonising the effective terms for different groups based on the rules in this collective agreement. The rules on compensation in this agreement are minimum standards.

The idea of this collective agreement is that local agreements relating to general terms of employment shall also be similar and common to all categories of employees.

In this context it is vital that local work on matters concerning general terms and conditions of employment takes place jointly between the various organisations' representatives within the company.

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Section 1 Scope of the agreement

- Subs. 1** The agreement shall apply to employees at companies within the pulp and paper industry which are members of the Swedish Association of Industrial Employers (*Föreningen Industriarbetsgivarna*).

Note

The pulp and paper industry comprises one agreement area as regards application of the general terms of employment.

Since the various employee parties will continue to have different pay agreements and different agreements on pensions and agreed insurances etc., the industry parties agree that the preconditions for definition of the agreement areas when applying the Swedish Employment Protection Act (Lagen om anställningsskydd – LAS) and the various agreed insurances can be the same as previously.

This agreement does not affect how duty to work, transfer, protection against changes in job assignment, etc. are to be defined in the various agreement areas.

- Subs. 2** For an employee in a senior management or comparable position, the agreement shall not apply unless the employer and employee have agreed otherwise.

- Subs. 3** If an employee remains employed by the company after having attained regular retirement age, an agreement may be made between the employer and employee that the rules on sick pay in Section 12 Subsection 4 shall not apply. The same applies in respect of a person who is employed at the company after having attained the regular retirement age in force.

Note

In this agreement retirement pension refers to the retirement age of 65 years that follows from the collective agreements that apply between the central parties concerning pensions.

Section 1 Scope of the agreement

Subs. 4 For employees posted by the employer to work abroad, the terms of employment during the period spent abroad shall be regulated by an agreement between the employer and employee.

For trips abroad, the rules of this collective agreement shall apply unless a local agreement or an agreement with the employee concerned has stipulated a different arrangement.

Section 2 General code of conduct

Subs. 1 All who work together in a workplace share the important task of creating good working conditions and a safe and secure work environment. All employees shall therefore contribute to good order and to the prevention of accidents and health risks.

Subs. 2 The parties shall not infringe the right to freedom of association.

Subs. 3 The relationship between employer and employee is based on mutual loyalty and reciprocal trust. The employee shall be discreet as regards the company's affairs, such as pricing, designs, experiments and investigations, business matters and the like.

Subs. 4 An employee may not carry out work, or directly or indirectly conduct economic activities, for a company that competes with the employer. Neither may the employee take on assignments or carry out activities that can have a negative effect on his work in his post. If an employee intends to take on assignments or sideline work that is more extensive in nature, the employee should first consult the employer.

Subs. 5 An employee has the right to take on honorary state, municipal and union positions.

Subs. 6 Notices or messages may be posted in the places indicated for this.

Subs. 7 Absence from work or leaving work without a valid reason is not permitted.

Any person wishing to leave work shall notify as soon as possible both the reason for the absence as well as when they expect to return in accordance with the rules that apply in the company. In operations, the person who has a valid reason to wish to leave work must make sure that they are replaced by someone else during their period of absence. If they are not replaced in time during shift work, the person leaving has a duty to stay until the person replacing them has arrived. In such cases those leading the work have a responsibility to arrange a replacement as soon as possible.

Section 2 General code of conduct

Subs. 8 In addition to the code of conduct stated above, local codes of conduct shall apply; where relevant, these shall be established following negotiation between the local parties.

Section 3 Employment

Subs. 1 Employment shall be for an indefinite term unless the employer and employee have agreed otherwise in accordance with subsection 2 or 3 below.

Subs. 2 The employer may enter into contracts with employees for fixed-term employment, temporary substitute employment and project employment.

a) Contracts for fixed-term employment may be entered into in the following cases:

- A contract for a particular period of time, a particular season or for particular work if the specific nature of the duties occasions such employment.
- A contract for a particular period of time, a particular season or for particular work where an employee remains employed after reaching the age of 67 years or where a person is employed who has reached the regular retirement age for the company (65 years in this agreement).
- A contract for a particular period of time in order to relieve a temporary high workload in the company.
- A contract for a particular period of time if the employment is an internship.
- School, college and university students may be employed for a particular period of time, a particular season or for particular work during their vacations or during other breaks in their studies.
- Contracts effective for the period until the employee is to begin national service or other comparable service lasting more than three months.
- Contracts for agreed fixed-term employment. Such contracts shall not be for a period of less than one month and contracts of this type may not cover more than 12 months in aggregate over three years in the case of a specific employee. Employers shall not have more than five employees in agreed fixed-term employment at any given time.

Section 3 Employment

- Contracts for probationary employment in accordance with Subsection 3.
- b) Contracts for temporary substitute employment may be entered into in the following cases:
- Where the employee is replacing another employee during that person's absence, e.g. during annual leave, sick leave, educational leave or parental leave.
 - Where, for a maximum period of six months or for a longer period agreed with the local organisation concerned, the employee occupies a post that has become vacant until a new holder of the post has been appointed.
- c) Contracts for project employment.

Project employment shall be for the duration of the period for which the project in question runs and shall expire without prior notice on the completion or termination of the project. For project employment there shall be a description of the objective, purpose and scope of the project. By local agreement project employment may also be used to replace individuals who are moved into a project.

Fixed-term employment as described in a) above shall be converted into indefinite-term employment once an employee has been employed by the employer in this form of employment for more than 24 months in aggregate

1. over a five-year period, or
2. during a period in which the employee has had employment with the employer in the form of fixed-term employment or temporary substitute employment and the employment was for consecutive periods.

Employment is for consecutive periods if it is taken up within six months of the end date of the previous employment.

Temporary substitute employment shall be converted into indefinite-term employment when an employee has been employed by the employer as a temporary substitute for more than 24 months in aggregate over a five-year period.

Section 3 Employment

Subsection 2 states the various cases in which fixed-term employment can be used. The basic starting point is that these forms of employment are to be regarded as exceptions from the main rule, i.e. under the agreement, which is essentially based on the Swedish Employment Protection Act (*LAS*), indefinite-term employment is the main form of employment within the sector.

The specific nature of the duties

The main import of this term is that the duties are outside of what usually occurs in the place of work.

The duties shall also be temporary in the sense that at the time of being employed it is possible to foresee how long they will last.

Temporary high workload

In this case the duties are those that usually occur in the company. The important thing is that it is a temporary build-up of work that is known to be transitory in nature. In other words, it shall be possible to foresee for how long the extra workforce will be needed.

Temporary substitute employment

Temporary substitute employment is perhaps the most common form of fixed-term employment. Typical of temporary substitute employment is that the substitute is employed in place of another, named employee. The reason for this person's absence is of no significance.

For the reasons stated above, it is not always possible to tell how long the substitute will be needed for at the time that the individual concerned is employed. For example, the substitute may be employed to cover sick leave without it being known for exactly how long the sick leave will last.

This entire type of employment is thus based on a link between the substitute and the person for whom he or she is to deputise. It is therefore not intended that this form of employment will be used for personnel who are to be available on a more general basis.

Section 3 Employment

A special type of temporary substitute employment is the possibility of employing someone for up to six months in order to maintain a post that has become vacant. The idea is that, in these cases, fixed-term employment shall be able to be used while waiting to find a suitable regular holder of the post. Subject to local agreement, an agreement of this type may continue for more than six months.

Subs. 3 Under Section 6 of the Swedish Employment Protection Act (*LAS*), contracts may also be entered into for fixed-term probationary employment with a probationary period of up to six months. If the probationary employee was sick for more than a month during the probationary period, the probationary period may be extended by the duration of the sick leave taken provided that the employer and employee are in agreement on this.

Probationary employment is intended to be able to be used in the following cases:

- the employee's qualifications within the area that the position involves are unproven
- there is otherwise particular reason to try out the employee's qualifications and prerequisites for the job in view of the specific requirements of the duties.

If the employer does not wish the probationary employment to be converted into indefinite-term employment at the expiry of the probationary period, notice of this shall be given to the employee at latest at the expiry of the probationary period. If this is not done, then the probationary employment shall be converted into indefinite-term employment.

Notice that the employer wishes to terminate the probationary employment prematurely or terminate it without it being converted into indefinite-term employment shall be given in accordance with the rules in Section 31 of the Swedish Employment Protection Act (*LAS*).

Subs. 4 Employers that intend to enter into a contract of employment for a fixed term as described in Subsections 2 and 3 shall inform the local trade union organisation beforehand. This also applies when an employer intends to enter into a contract for indefinite-term employment during a period when an employee, as a result of his or her preferential right, has been given fixed-term employment for up to 4 months.

If the trade union organisation then requests negotiation concerning the intended employment, the negotiation shall take place before the contract of employment is entered into unless there is particular reason to do otherwise.

In requiring notification before indefinite-term employment as described in subsection 4, the parties' shared aim is to allow discussion concerning whether staffing needs can be satisfied by employing workers who would have had a preferential right but were given shorter fixed-term employment.

Subs. 5 The parties are reminded of the rules in Section 6c of the Swedish Employment Protection Act (*LAS*) concerning proof of employment, annual leave, pay, collective agreements, etc., for which information shall be provided to the employee concerned not later than one month after employment has commenced.

Subs. 6 If the employee starts his or her employment during a calendar month, the pay is to be calculated as follows. Salary is to be paid for regular working time completed during the month at monthly pay / 167 for a 40-hour working week and for other working time in proportion to this, in accordance with the same rules as when calculating hourly pay (comments on Section 10 Subsection 2).

If the employee ends employment during a calendar month, the following applies. Deductions are to be made at (monthly pay x 12)/365 per calendar day remaining in the calendar month after employment has ended. However, no deductions are to be made for calendar days that form an uninterrupted rest period that would have followed directly on from the employee's last day of employment in the current calendar month.

Section 4 Working time

Subs. 1 The rules on working time in this agreement supersede the Swedish Working Hours Act (*Arbetstidslagen*) in its entirety. The industry parties are of the opinion that the agreement also corresponds to the content of the European Union's Working Time Directive.

However, the rules of this agreement do not supersede the legal provisions concerning working time for minors. Rules on this can be found in the Swedish Work Environment Act (*Arbetsmiljölagen*), which is mandatory in all material respects.

A. Regular working time

Subs. 1 Regular working time shall be, on average for the calendar year, no more than the following time per holiday-free week:

Continuous three-shift work	36 hours
Intermittent three-shift work	38 hours
Continuous two-shift work	38 hours
Intermittent two-shift work	38 hours
Otherwise	40 hours

The organisation of regular working time and the way in which different departments and groups of employees operate is settled locally and incorporated into local agreements. Alternative ways of operating and working times are introduced for individual departments where a need for this can be foreseen.

Regarding other work, the employer has the right to make individual agreements concerning making a certain part of the regular working time available for use when workloads are at a peak, e.g. planned stoppages (agreement concerning needs-based working time). Such agreements may cover a maximum of 40 hours per year and must primarily be used for employees with various kinds of specialist expertise. The claiming of such working time shall normally be notified seven days in advance.

Section 4 Working time

The employer shall inform the employee's trade union organisation of agreements made in accordance with this provision.

For the purposes of working time, a 24-hour period shall run from 06.00 – 06.00.

Note

The parties refer to:

- 1) *Guidelines on flexitime.*
- 2) *Rules on working time and payment in connection with vocational education and training.*

The agreement contains no restrictions as regards organisational matters. As long as the local parties agree, the working time can be organised in any way – provided it is ensured that the individual employees receive weekly rest and breaks etc. in accordance with the rules in force.

The possibility of making individual agreements to shift a part of the regular working time exists for those with a 40-hour week, i.e. those in day work. A maximum of 40 hours per year may be shifted, which means that the reduction in hours and the claiming/extension of hours shall take place during the same year. This is related to the fact that annual working time shall not be affected by such agreements.

The idea behind such agreements is that the shifted working time shall be able to be utilised in situations planned in advance when the need for working time is particularly great. The notice period of seven days is an indication that the provision is not intended to apply to call-out situations that arise suddenly.

The expression “various kinds of specialist expertise” shall be understood as meaning that the employees in question are intended to be those with special skills for the duties concerned.

The collective agreement implies that the individual agreements change how the regular working time is organised. It is irrelevant whether the reduction in hours occurs first and the claiming of hours afterwards, or vice versa.

Section 4 Working time

For example, it is possible to arrange for the employee to finish two hours earlier on 10 Fridays in return for working five 12-hour days during a planned repair stoppage.

If working time is changed in accordance with this point, the monthly pay will be paid at the same amount regardless of the shifting of hours. Correspondingly, applicable inconvenient working hours supplements will be paid for the hours that are shifted to inconvenient working hours.

In the event that an employee should become sick during a period that is covered by the special agreement, sick pay will be payable (sickness deductions will be applied) for the number of hours for which the person is actually absent. For example, sick pay for 6 hours if the working hours have been shortened to 6 hours and for 12 hours if they have been extended to 12 hours. No sickness deductions are to be made for days off since no absence has then occurred.

Based on the fact that the agreement's rules on the shifting of regular working time are maximised based on an average calculation on an annual basis and that the maximisation rules for overtime are calculated based on averages on a monthly and annual basis respectively, and that everything takes place applying the rules that aim to observe the general principles concerning the protection of the employees' health and safety, the industry parties are of the opinion that the reference period for the 48-hour rule shall also be 12 months.

Within the process industry, locally agreed compressed working time schedules occur in order to allow longer continuous rest periods. When compressed regular working time is combined with the use of overtime, it is particularly important that account is taken of the employee's total workload from a work environment and health perspective.

In many companies the operations require working time to be organised in a way that is more irregular and varied over time. This applies both to the shifting of regular working time and to business travel. It is important that the local parties cooperate on matters relating to both the duration and the organisation of working time, with a view to finding solutions that satisfy the interests of both the business and the employees as regards flexibility, and the employees' need for recovery and rest.

Business travel is a natural and necessary element of the companies' operations and occurs both within Sweden and beyond its borders. Business travel can take place both during and outside of the employee's regular working time. To ensure opportunity for recovery and rest in connection with the travel, it is important that

Section 4 Working time

manager and employee discuss the employee's opportunity for recovery and rest.

In the case of employees who undertake more regular and extensive business travel, it is important that the employer and employee continually monitor how this is being done from a health perspective.

- Subs. 2** If the organisation of the working time cannot be agreed on, the employer shall organise the regular working time observing the following:

a) Continuous operation

Continuous operation means that the same number of hours are regularly worked on all the days of the week.

Unless a different local agreement is made, operations are to stop at the following times – known as major public holidays:

New Year	48 hours
Easter	96 hours
1 May	24 hours
Whitsun	48 hours
Sweden's National Day, 6 June	24 hours
Midsummer	72 hours
Christmas	72 hours

If 2 January or 27 December falls on a Sunday, continuous operation shall take place on this day only provided there is a local agreement concerning this. Earlier practice concerning operation on the stated days is not changed by this provision.

Note

Local agreements concerning continuous operation without stopping operations during all these stoppage periods (year-round operation) or during certain of the abovementioned stoppage periods are incorporated into the local agreements.

Pure working time with the annual leave also deducted will be $44.89 \times 36 = 1,616.04$ hours per year.

b) Intermittent operation

Regular working time is organised such that – in addition to the stoppage periods that apply to continuous operation – operations are also stopped as follows:

Twelfth Night	24 hours
Ascension Day	24 hours
All Saints' Day	24 hours
Sundays	24 hours

Intermittent three-shift operation

Work takes place on all weekdays in three shifts lasting eight hours each.

Each employee has two consecutive rest days in the course of three weeks, plus one rest day off in the same period and one rest day in the course of four weeks.

Note for the record

If the rest days are joined together by an intervening work-free day, this is considered equivalent to “consecutive rest days”.

Intermittent two-shift operation

The working time is organised with a maximum of eight hours per day between 06.00 and 24.00 with a maximum one-hour break during each shift.

If the possibility of 40 hours' operating time per shift and week is utilised, the employees shall be given rest days so that on average the working hours are 38 hours per week

c) Day work

Working time is organised within the hours of 06.00 – 17.00 on Monday–Friday with a maximum one-hour break per day.

d) Preparatory and shutting-down tasks

After Sundays, public holidays and annual leave the necessary preparatory tasks shall be carried out in good time within each department so that full and continuous operation can be resumed after the said rest periods at times set out in the applicable provisions; but not in such a way that shortcomings occurring before the holiday can be compensated for by this provision.

Correspondingly, full-scale operation may continue until the start of the stoppage period, after which the necessary shutting-down tasks are carried out.

When stopping and starting up in conjunction with holiday stoppages the provisions of the Swedish Annual Leave Act (*semesterlagen*) shall be observed.

e) Introduction of summertime working hours and return to normal hours under law

The transition to summertime working hours involves shortening the night shift by one hour between a Saturday and a Sunday during the spring.

The resumption of normal hours involves extending the night shift by one hour between a Saturday and a Sunday during the autumn.

On the transition to summertime working hours the employees whose working hours are affected shall receive their pay and applicable inconvenient working hours compensation without any reduction.

On the resumption of normal hours the employees shall be paid for one hour at the regular rate plus inconvenient working hours compensation, in addition to their regular pay plus applicable inconvenient working hours compensation.

On the resumption of normal hours after summertime working hours the compensation for the "extra" hour shall be
monthly pay

B. Overtime

Overtime working by definition means that work is performed outside of regular working time, often in practice the number of working hours set out in the employment contract.

Subs. 1 When the employer requests it, while observing the rules of this agreement, the employee has a duty to perform work at other times than the regular working time (**general overtime**). As far as possible, the employer is to limit overtime work to such work as is essential for the normal and uninterrupted course of business or operations and which therefore cannot be deferred until regular hours except with great difficulty.

Overtime work refers to work outside of the employee's regular working time.

Note

Participation in project work may at times also require overtime to be worked.

The local parties may agree that production work can be carried out as overtime, i.e. outside scheduled production hours (**production overtime**). If agreement is not reached via local negotiations, then while awaiting central negotiations the employer has the right to call for production overtime to be worked for a maximum of 24 hours during a year.

Production overtime may not be shifted into so-called stoppage period as described in Section 4 A Subsection 2a.

The basic purpose of the rule is to balance the employee's duty to work overtime against the employer's duty to limit this work to what is necessary for the normal and uninterrupted course of business and operations.

The idea behind the provision is that a limited amount of production overtime can be available to the employer without an agreement first having to be made. In order for the employer to be able to take such a decision, however, he/she is required to have first negotiated with the intention of reaching an agreement. If the matter is passed on for central negotiation it is not necessary to wait for this

Section 4 Working time

before the decision can be taken and the measure implemented.

The 24 hours available can be used on one or more occasions. The restriction applies to the aggregate number of hours over a calendar year.

The rule refers to the production hours as such. If work is conducted in two shifts from Monday to Friday, for example, the provision can be used to run a shift on the Saturday. The rule does not imply any change in an employee's duty to perform production work as overtime within the confines of the scheduled production hours.

Moreover, the rule is linked to the decision on production overtime, whether this involves a large production section or a smaller one. Each decision therefore uses up time available for overtime in such a way that a decision that relates to running a machine uses up the workplace's "aggregate time available".

The note concerning project work has been added to shed light on a situation that may require overtime work, despite the fact that the work is not usually necessary for the uninterrupted course of business or operations.

Subs. 2 Overtime as described in Subsection 1 (**general overtime**) may be claimed for a maximum of 50 hours during a calendar month, but no more than 200 hours over a calendar year. Overtime work performed is reduced as a result of compensatory rest periods as described in C below, paid time off to maintain weekly rest as described in D Subsection 1 below and paid time off in order to sleep in after late night work, which are not to be regarded as time worked.

The "rest period" cannot reduce overtime hours worked until it is taken.

Some examples clarify the content of the provision:

- During the month of March an employee worked 50 hours of overtime. In the same month, working time on a Friday (8 hours) was freed up for weekly rest and compensatory rest was taken on the subsequent Monday and Tuesday (16 hours in total). The hours of overtime worked are reduced as follows: $50 - (8 + 16) = 26$ hours.

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- If, during the month of March, an employee had three days (24 hours) of compensatory rest and worked 60 hours of overtime, the net total for March will be $60 - 24 = 36$ hours. In contrast, if the month begins with the overtime work and compensatory rest is deferred until April, the limit value for the month has been exceeded. When the reconciliation for March is to be carried out the compensatory rest has not yet been taken, which means it cannot be used as a basis for reducing the overtime in March. One way to get round this problem may be to agree locally to temporarily “increase the overtime framework (extra overtime) for March” in return for a reduction through compensatory rest in April. The important thing is to combine “the interest in not exceeding the limits during a stated restriction period” with the interest of all employees being able to take their rest at the times they wish to.
- If, for example, the employee took 40 hours of compensatory rest in October and the total overtime worked in October was only 20 hours, then 20 hours of the rest period are used to reduce the overtime hours in October. The remainder is carried over as a reduction in overtime already performed earlier in the year. If the total overtime worked from January to September (net after any earlier reductions) amounted to 150 hours, October reduces this number to 130 hours. However, the remaining 20 compensatory hours in October do not increase the scope for overtime in November.

Time taken off can thus be used to reduce the “reported” extent of overtime work performed, as regards the application of both the monthly rule (50 hours) and the annual rule (200 hours). However, it cannot be offset against overtime that is to be worked in a later reporting period (this applies to both the monthly and the annual limits). Note that when calculating within a stated reference period no distinction is made between cases where the leave is taken at the beginning or at the end of the month or year respectively. Time taken off can thus be offset in its entirety against the overtime worked throughout the reporting period in question.

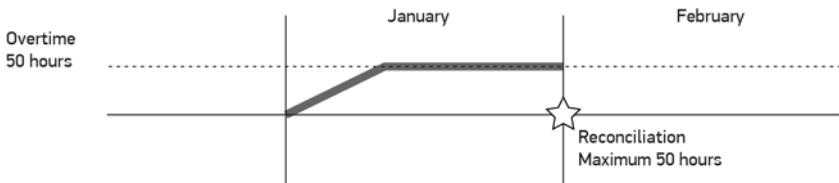
When applying the annual limit (200 hours), it is thus again the case that the time taken off creates increased scope for overtime during the year in which the leave is taken. However, the scope cannot be carried over to the next year. Annual reconciliation consequently consists of 12 monthly reconciliations.

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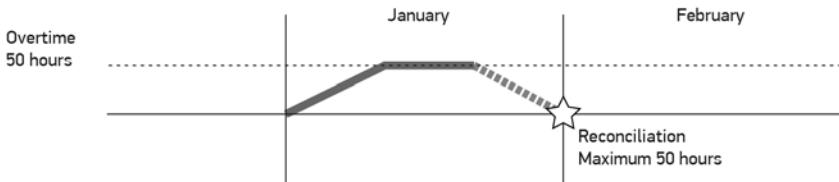
Set of examples for overtime

-  Overtime
-  Additional overtime
-  Return/reduce
(weekly rest period, compensatory leave, sleep in time and
leave earned through reduction in working hours)

Example 1 – Maximum number of overtime hours is reached in a month.

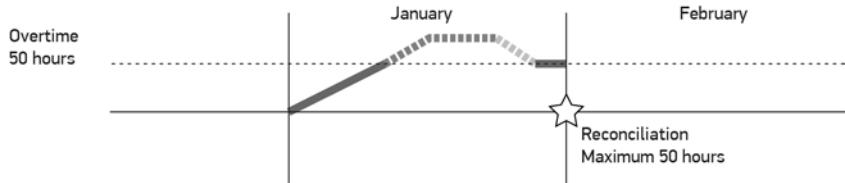


Example 2 – Maximum number of overtime hours is reached in a month but is reduced by compensatory rest periods or similar during a month in which the number of overtime hours at the reconciliation date amounts to 0.

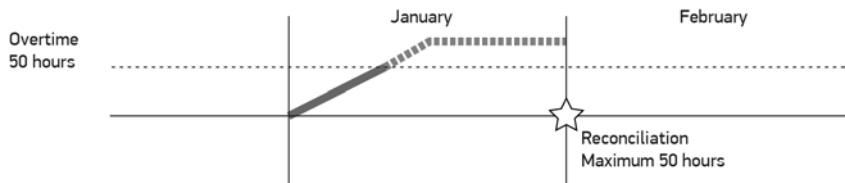


Example 3 – Further overtime hours are worked in excess of the maximum number of overtime hours for the month, but are reduced by compensatory rest periods or similar so that the maximum number of overtime hours is reached at the reconciliation date.

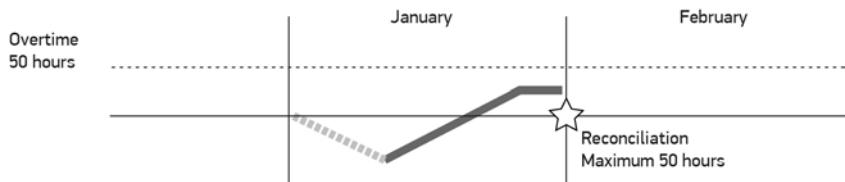
Section 4 Working time



Example 4 – Further overtime hours are worked in excess of the maximum number of overtime hours for the month so that the maximum number of overtime hours is exceeded at the reconciliation date. Overtime hours exceeding 50 hours during the month are therefore impermissible overtime unless a local agreement is made in respect of extra overtime in accordance with Subsection 3 below.

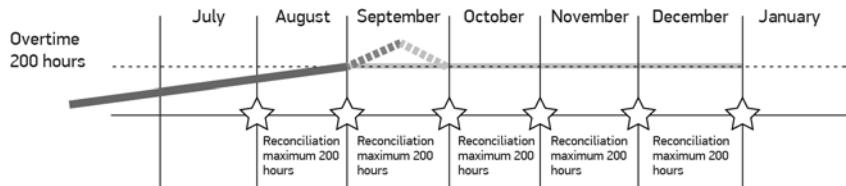


Example 5 – The reconciliation period starts with the overtime being reduced through compensatory rest or similar, making it possible to work more than 50 hours of overtime during the reconciliation period since the number of overtime hours at the reconciliation date does not amount to more than 50 hours.



Example 6 – Maximum number of annual overtime hours is reached already on 31 August. During September further overtime is worked, but since this overtime is reduced by compensatory rest periods or similar during the month, the maximum number of hours is still not exceeded on the reconciliation date of 30 September. Annual reconciliation consequently consists of 12 monthly reconciliations.

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Subs. 3 Where there is a documented need, further overtime may be worked by local agreement (extra overtime). In such an agreement the amount of overtime covered by the agreement shall be stated, as well as the reasons for using the extra overtime. Agreements as described in this subsection normally require approval by the employees concerned. Extra overtime in accordance with this subsection may not amount to more than 150 hours per year.

The industry parties have assumed that these matters can best be assessed by the local parties who have the best knowledge of the circumstances in the individual cases.

It is not normally necessary for the entire scope of 150 hours to be dealt with on a single occasion.

The general precondition for the use of extra overtime is the same whether it is a matter of exceeding the monthly limit (50 hours) or the annual limit (200 hours). A maximum scope (150 hours) has only been stated per year, however.

The situations in which exceeding the monthly limit may arise must be rare exceptional cases. The basic duty of the employer is to ensure that the workload during these concentrated periods does not become so great that health and safety matters are disregarded remains.

In view of the above-mentioned circumstances and taking into consideration the possibility of increased overtime working that follows from the rules on weekly rest periods as well as the provisions on compensatory rest periods, the parties have decided not to state any specific monthly limit value for so-called “extra overtime“.

Section 4 Working time

For the sake of clarity it is pointed out that extra overtime during a month need not in itself mean that the limit of 200 hours of general overtime in a year is exceeded. Thus it may very well be that an employee needs to work, for example, 60 hours of overtime in the course of every two months, but that the total overtime during the year does not exceed 200 hours. In this case, no incursion has been made into the scope for “extra overtime” on an annual basis.

Subs. 4	Time spent performing preparatory and shutting-down tasks that are a normal and necessary part of the job is not included as overtime when applying Subsection 2 above (applies mainly to shift handovers). The need for information in conjunction with shift handovers varies from one position to another. Where the handovers are more extensive, it is assumed that the local parties will make agreements concerning compensation for such handovers. This takes into account the possibilities that the compensation may take the form of cash remuneration or a standard calculated amount of time off. A combination of such types of compensation may also be used.
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It is assumed that the employer and employee will look at the time that handover in accordance with the plans set is expected to take. These assessments may then be used as a basis for the local parties’ consideration of the matter of compensation.

The expression “extensive” in the subsection has been chosen based on the assessments that have emerged in practice over a large number of years. This practice has emerged against the background of a fallback rule in earlier agreements with the following import:

If the employer and employee have expressly agreed that the employee shall carry out daily preparatory and shutting-down tasks lasting at least 12 minutes and the pay has not been set taking this into account, the employee shall be compensated for this circumstance by receiving three extra days of annual leave.

In this agreement the industry parties have left it to the local parties to choose the type of compensation where relevant.

The parties are aware that in many cases annual leave has been extended without the prerequisites for this provision having been met. The parties agree that such cases cannot be used as a basis for assessing the substance of the practice.

Subs. 5 As regards overtime work in conjunction with periods spent on standby, a local agreement can be made on a suitable standard calculation of the time spent on such work when reporting overtime in accordance with Subsection 6 below

In the event of a call-out payment is made for a minimum of three hours irrespective of the actual hours worked, and consequently the agreement contains the possibility of calculating the time spent on overtime work in conjunction with periods spent on standby on a standard basis.

Subs. 6 Employers shall keep records of overtime (overtime log). The employees have the right to inspect the records either themselves or through their trade union representatives.

Subs. 7 If a natural disaster or accident, or other similar situation that could not have been foreseen by the employer, has caused an interruption in operations or entailed imminent danger of such interruption or injury to life, health or property, overtime hours may be worked to the extent that circumstances require (**emergency overtime**).

If emergency overtime has been worked, the employer shall notify this to the local employee party concerned as soon as possible. Emergency overtime is not included in the scope for general overtime. In the event of working for more than 48 hours on one occasion, the trade union concerned shall examine whether the nature of the work is that of emergency work for the period in excess of 48 hours.

C. Compensatory rest

Subs. 1 An agreement concerning compensatory rest after working overtime may be signed between the employer and employee. The compensatory rest periods shall be calculated as the same number of hours as the relevant overtime worked. During the current calendar year a maximum of 75 hours of compensatory rest periods granted may reduce overtime worked in accordance with B Subsection 2 unless the employer and the trade union organisation concerned agree otherwise.

When Sweden's National Day, 6 June, falls on a Saturday or Sunday, compensatory rest is to be given accordingly to employees in working intermittent operation or in day work.

Note

- 1) *The basic way in which overtime work is compensated is cash remuneration in accordance with Section 6. Compensatory rest is not in itself a paid rest period, but rather an opportunity to take time off after carrying out overtime work.*

For the purpose of equalizing incomes it is common for a wish to be expressed that the part of overtime compensation that corresponds to the regular pay shall be paid in conjunction with compensatory rest being taken. The parties recommend that such wishes are accommodated and it is assumed that this can be done without administrative problems.

*That part of the compensation that is carried over to compensatory rest is, where relevant,
monthly pay per hour of the overtime compensation given.*

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- 2) *For part-time employees the divisor used shall correspond to the proportion of full-time employment worked by the part-time employee.*

The agreement is designed in such a way that compensation for overtime work is given in the form of cash payment – varying amounts depending on when the work is carried out – after which rest may be granted on an hour by hour basis.

Under the agreement's main rule, compensatory rest is to be regarded as time off from the point of view of reporting working time. This means that compensatory rest can reduce overtime worked. Note that in this respect agreement is required with the local trade union organisation.

The agreement contains no restrictions on either the amount of compensatory rest or its deferral and carrying over. Routines for this may be determined in the individual company and decided in the final instance by the employer.

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The employer cannot request that desired compensatory rest is to be taken at a particular time. In this event the employee can abstain from his or her compensatory rest. Neither is the employee entitled to be given a rest period at a particular time after making a request. Note in this context what was stated in the overtime section, namely that the free time (time off) does not reduce overtime work performed until it has been taken.

D. Other matters relating to working time

Subs. 1 Employees are entitled to a minimum uninterrupted rest period of thirty-six hours in each seven-day period (**weekly rest**). Weekly rest does not include periods spent on stand-by when an employee is permitted to stay away from the workplace but must remain at the employer's disposal in order to carry out work when the need arises.

As far as possible, weekly rest shall be scheduled for weekends. An employee that receives at least 36 hours of uninterrupted rest in conjunction with a weekend shall be considered to have received weekly rest irrespective of when during the weekend the rest period is scheduled.

In the event that weekly rest for two seven-day periods is scheduled next to each other in conjunction with a weekend, a local agreement may be made that the weekly rest may be organised such that the Monday after the weekend is used for weekly rest instead of the Friday before the weekend.

Exceptions from the provisions of the first paragraph may be made on a temporary basis if this is caused by a special circumstance that the employer could not have foreseen.

Local agreements involving a different calculation of the weekly rest must be approved by the industry parties in order to be effective.

In order to provide an employee with weekly rest it may be required that the employee is given a rest period on a regular working day adjoining the weekend after completing a period on standby.

A rest period during regular working time may also be required after planned overtime work has been performed that interrupted the weekly rest.

The rest period shall be scheduled for during the week after such overtime was worked.

A rest period as described above may not result in loss of income.

Intermittent operation

The agreement's provision is intended for intermittent operation and for employees who work overtime during the weekend, i.e. between the end of working hours on Friday afternoon and the start of working hours on Monday morning. For these employees the stoppage periods during the weekends are usually significantly longer than 36 hours, as a result of which the parties agree that the entire weekend is available for scheduling 36 hours of uninterrupted rest.

Note, however, that the possibility mentioned here of scheduling the weekly rest for these categories of employees is a practical application rule. It has no effect, however, on the basic precondition that an uninterrupted rest period of at least 36 hours must be able to be calculated per seven-day period; in other words, the division into periods is fixed. The organisation of the coming seven-day period – usually from 19.00 on Saturday until 19.00 on the following Saturday – is thus not affected by whether the rest period during the initial weekend was scheduled at the beginning or at the end of the weekend.

The other clarification occurs in the third paragraph and concerns those cases in which weekly rest periods for two seven-day periods are scheduled next to each other in conjunction with a weekend. This means that one rest period of 36 hours is scheduled at the end of the first period and that a new 36-hour rest period may start the following period, i.e. 2 x 36 hours. The fact that the weekly rest periods for two periods are scheduled next to each other may lead to the provision being misinterpreted. It does not, however, imply a departure from the rule that weekly rest is to be scheduled during each seven-day period. It is thus not permitted to schedule the weekly rest for a particular seven-day period during the next seven-day period, even if the employee is given two 36-hour rests during the latter period. Since weekly rest for two seven-day periods cannot normally be accommodated within the number of hours comprising a weekend, the provision may mean that regular working time has to be freed up to provide the necessary weekly rest.

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The provision means that a local agreement may be made concerning the fact that such regular time as may need to be freed up in order to obtain weekly rest for two periods around a weekend can be scheduled for the Monday after the weekend instead of the Friday before the weekend. If such a solution is chosen, it may be that an employee could be at work for 12 days in a row, which means that the weekly rest may be shifted one day outside of the relevant seven-day period.

Continuous operation

In order for an uninterrupted rest period of at least 36 hours to be able to be calculated per seven-day period, a fixed division into periods is also necessary in the case of continuous operation. This fixed division for the calculation of weekly rest shall be established locally and shall then be adhered to without exception. It is not necessary for the end of this fixed period to coincide with the end of the shift week; instead it may be placed where optimal from a shift schedule and weekly rest perspective.

The following shift schedule for continuous operation with five shift teams provides an illustration of the provisions (12-hour shifts are worked on Sundays).

Week

1	f	f	e	e	e	e	F
2	—	—	f	f	f	f	—
3	n	n	—	—	n	n	N
4	e	e	n	n	—	—	—
5	—	—	—	—	—	—	—

In this agreement, if weekly rest were to be calculated starting from 07.00 on Mondays this would mean that only 24 hours of uninterrupted rest is provided in week 1, between 14.00 on Tuesday and 14.00 on Wednesday. If the cut-off point is instead at 06.00 on Wednesday, a rest period of at least 36 hours will occur in all five weekly rest periods.

The industry parties agree that it is certainly compatible with the content of the agreement for the local parties to agree to establish shorter periods than seven days over which to calculate the weekly rest period of 36 hours. This may be a way of facilitating the implementation of certain appropriate shift schedules.

Periods on standby and planned overtime

In those cases where in order to get a weekly rest a person must be given time off from regular working time after completing a period on standby or after planned

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overtime, the parties agree that such a rest period must not result in lost income.

Where planned overtime is concerned, the parties' assessment is as follows:

Local solutions for organising necessary maintenance and repair work vary. A number of these solutions are based on attempting to use as few employees as possible, so that the number of weekends and public holidays on which each person has to be utilised for overtime work is kept to the minimum possible. To achieve these aims, it is often necessary that those selected for overtime work must expect their working time to be scheduled during all the days of the holiday.

Derogation from the rule on weekly rest in exceptional cases

In certain cases the weekly rest shall not be deemed to have been interrupted despite the fact that work was performed in such a way that an employee did not receive 36 hours of uninterrupted rest.

Where overtime work that is covered by the derogation has been performed during a weekend in such a way that the employee did not receive 36 hours of uninterrupted weekly rest, there is nonetheless no obligation to provide compensatory weekly rest during the subsequent week.

The provision is more or less an emergency provision by nature and is to be applied restrictively. In the legal commentary, which guides the application of the agreement, this is expressed as follows:

“It is possible to derogate from the main provision concerning weekly rest if special circumstances arise that could not have been foreseen. An equivalent possibility existed in the Swedish Act on the Protection of Workers (arbetarskyddslagen), but there the rule was worded somewhat more generally. The new wording is designed as an emergency provision. The intention is to emphasise that the exception is to be applied restrictively and not in cases other than where it was not possible to foresee the special circumstance that has occurred. It means that, to a certain extent, planning can allow for such circumstances as sickness, machinery breakdown, disruption of the organisation of the work, etc.

The derogation shall be applied only in those circumstances that are outside the framework of what can and should normally be foreseen.”

The provision is thus aimed at those special situations that there was no reason to foresee or plan for, such as safety work in the event of a fire, repair in the event of

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sudden breakdown, etc. If a company has a standby team to deal with such call-outs, as can normally be expected, it can usually be said that such unexpected additional work as cannot be dealt with by the standby team on duty is covered by the derogation.

Sickness on a day that should have been free for weekly rest etc.

The fact that an employee must be given time off in order to have weekly rest is not based on the time off being earned as compensation for anything. On the contrary, it is a consequence of the combination of the organisation of regular working time and of having spent time on standby or of certain overtime work.

If an employee is sick on a day that was to have been made free for weekly rest, there is therefore no right to a rest period on another day when the sickness has ended. In the same way, a person who was sick during a weekend when the person concerned should have been on standby or carried out overtime work that interrupted the weekly rest has no claim to regular time being freed up in order to have weekly rest for two periods in conjunction with the next weekend, since in this case nothing happened (work or standby) that is considered to interrupt the regular weekly rest. On the other hand, a person who was on standby or carried out planned overtime work during a weekend and then was sick on, for example, the Tuesday or Wednesday of the following week must be given time off to have weekly rest in accordance with the main rule. This train of thought was taken from the preliminary work for the Act.

Certain situations in which weekly rest is given as a result of a rest period that has been granted or in conjunction with a public holiday or other day off

Under the main rule, as far as possible weekly rest shall be scheduled for the weekend. This rule is almost an instruction to the employer to ensure that, where this can be arranged, weekly rest – whether it is ordinary weekly rest or weekly rest for two periods next to each other – is scheduled around the weekend.

If, as a result of an employee making a request for time off during a week in which he or she was on standby or worked overtime that interrupted the weekly rest during the immediately preceding weekend, then the time off granted in such cases – provided it encompasses at least 36 consecutive hours – may be deemed as meeting the requirement of weekly rest for the current seven-day period. This may occur, for example, when an employee has been given paid leave of absence on one of the days of the week after a weekend when the weekly rest was interrupted. However, the time off must encompass 36 consecutive hours.

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In these cases no obligation arises to free up additional regular working time after the weekend when the employee was on call or was required to work. The same applies when a public holiday or other free day falls during the week in which “compensatory weekly rest” is to be arranged. If the uninterrupted rest period thereby amounts to 36 hours then the requirement of weekly rest for the period in question is met.

Local agreements involving different calculation of weekly rest

The fact that the agreement has been designed such that the approval of both industry parties is required shall immediately be seen as an indication of the industry parties’ shared responsibility for these matters to be dealt with appropriately.

However, the industry parties agree that it will remain entirely sufficient for local agreements relating to the shift schedule that do not meet the requirements of the agreement in every respect to only need to be approved by the employee organisation concerned. In these cases it is generally a matter of a somewhat different organisation of the weekly rest rather than derogation from the calculation principles.

Subs. 1A The parties share the view that the total hours worked (regular hours and overtime) per week (7-day period) shall exceed 70 hours only in exceptional cases.

Subs. 2 The term **breaks** means interruptions in the daily working time during which employees are not obliged to remain at the workplace.

Breaks shall be organised so that employees do not perform work for more than five consecutive hours. The number, duration and organisation of breaks must be satisfactory with regard to the working conditions.

Breaks may be substituted by meal breaks at the workplace where necessary in view of the working conditions. Meal breaks of this kind shall be included in the working time.

The employer shall organise work so that employees are able to take pauses from work as necessary, in addition to breaks.

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If the working conditions so require, special **work pauses** may instead be scheduled. If so, the employer shall state the duration and organisation of the pauses in advance as precisely as the circumstances allow. Pauses are included in the working time.

Where breaks are concerned, the material sections of the legal text have been transposed into the agreement. What has not been included is that which tends to be concerned with the circumstances at workplaces without collective agreements. The provisions concerning pauses have been taken directly from the Act.

Subs. 3 The local parties may agree other rules than those stated in this subsection.

As a main rule, employees shall have a rest period of at least 11 consecutive hours per 24-hour period, calculated from the start of the working shift (daily rest).

One of the main characteristics of operations within the paper and pulp industry is that processes also take place at night. However, for employees who are not directly associated with the production process the daily rest period shall be include the hours between 24.00 and 05.00 unless it is necessary to schedule it for another time in view of the nature of the work or special circumstances.

If, for objective operational reasons or for reasons that could not have been planned for, an employee did not get a daily rest period of 11 hours in accordance with the main rule, the employer shall examine whether the employee can instead be given deferred or extended daily rest. Deferred daily rest means that a rest period continues into the subsequent 24-hour period for the number of hours required in order for the employee to get a continuous rest period of 11 hours. Deferred daily rest that is scheduled for regular working time does not result in any deduction from pay. The term extended daily rest means that if the daily rest was shorter than 11 hours, then the daily rest in accordance with the main rule during the next 24-hour period shall be extended by the difference between 11 hours and the number of hours that it actually was.

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If – for operational reasons or because of being on standby – deferred daily rest cannot be organised as described in the previous subsection, then the employee shall be given at least 120 hours of daily rest over a period of 14 days. Weekly rest as described in Section 4 D Subsection 1 shall not be included in these hours. If an employee received fewer hours, the remaining rest shall instead be taken in the form of compensatory rest.

Note

- 1) *If, at the employee's request, overtime work that he or she is to perform is divided up or scheduled apart from regular working time, then the rules of this subsection shall not apply.*
- 2) *Employers that utilise the derogation concerning daily rest shall report monthly to the local union organisation concerned at latest during the subsequent month, or in another way agreed on by the local parties, on which different occasions this was done as well as the considerations that took place relating to the objective operational reasons.*
- 3) *The parties agree that so-called double shifts shall normally be avoided, and shall be used when no other solution is available. An employee shall only perform a consecutive double shift in very exceptional circumstances.*
- 4) *The parties agree that overtime following directly on from a regular shift is to be counted as one shift where daily rest is concerned*

Conditions for derogation from the main rule

In normal cases an employee shall get daily rest in accordance with the main rule. The requirements of the production, together with unforeseen events such as sickness, operational disruption, accidents and sudden unforeseen stoppages, will mean, however, that exceptions sometimes have to be made from the main rule.

The type of shift-working process industry that the paper and pulp agreement covers is typically characterised by being extremely sensitive to operating disruption and by such disruption having a risk of having significant financial consequences.

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Derogation from the agreement requires there to be objective operational reasons or reasons which could not have been planned for. This is intended to mean that production or other operations will be disrupted if no derogation is made from the 11-hour rule or that derogation is necessary for other reasons. It shall be a matter of a significant disruption. Minor disruption therefore does not justify derogation. In addition, the employer is required to examine whether the situation can be resolved in another way without encroaching upon any employee's daily rest. This means that the employer is always obliged to consider whether there is any alternative to interrupting the daily rest.

Objective operational reasons or reasons that could not have been planned for may arise, for example, if an employee becomes sick or because of other unforeseen absence, during and after technical problems, urgent and unforeseen customer requirements, natural events, accidents, etc.

In general it can be said that each individual situation is to be weighed up beforehand. If, after such consideration, it is reasonable to request that the employer resolves the situation that has arisen in a way other than by interrupting the daily rest, or if it is assessed that the inconvenience is not sufficiently bad that it cannot be resolved on a later occasion, then no derogation shall take place. The longer the time that the employer has been aware of the circumstances and has had time to plan alternative solutions, the less the opportunity to derogate from the main rule of 11 hours of uninterrupted rest. The degree to which the employee's daily rest is curtailed, and how often such curtailment has occurred, are also of significance in the assessment. Naturally, a lesser curtailment that occurs on a few isolated occasions is easier to justify than more major derogations that occur often. The assessment shall be made based on the rule's nature as a safety rule.

It is the employer's responsibility that the rule is applied in accordance with the agreement, and it is the employer who is to make the final decision – within the framework of the managerial prerogative – as to whether or not the conditions for derogation are in place. A note on the agreement provision states that the employer shall report to the local trade union organisation monthly or otherwise as agreed the occasions on which the company utilised the possibility of derogation from the main rule and the reasons for this. The central parties recommend that the best way for such reporting to take place is formulated at the local level.

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Derogation may also become relevant in the case of work carried out on standby. Being on standby is not in itself an unforeseen event, but in many cases it is necessary for the operations that standby work occurs. For organisational reasons this means that derogation from the main rule may be needed if staff are called out when on standby.

In conjunction with this it is reiterated that in a note on the daily rest rule the parties present their shared opinion that so-called double shifts shall normally be used sparingly, and then primarily on occasions when no other solution is available. If the work shift is far too long, this increases the risk of accidents and productivity falls.

Section 5 Compensation for regular work at inconvenient working hours

Subs. 1 For regular work during the times stated below a supplement to the regular pay is to be paid per hour, as follows:

- a) for work between the hours of 17.00 and 06.00 on days that are not a public holiday during the period Monday 17.00 to Friday 06.00

monthly pay

600

- b) for work during the period Friday 17.00–Monday 06.00

monthly pay

270

- c) for work from 17.00 on the day before Twelfth Night, Ascension Day and All Saints Day until 06.00 on the day after the respective public holiday and from 17.00 on the day before Good Friday, 1 May, Whitsun Eve, Sweden's National Day, Midsummer Eve, Christmas Eve and New Year's Eve until the start of the stoppage period for these holidays monthly pay

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Supplements as described in points a) and b) are not paid at the same time as supplements as described in point c).

- d) Employees carrying out regular work on a day that should have been a rest day for them under the current working hours schedule (fill-in time) are paid a special supplement per hour of

monthly pay

315

Note

Supplements in accordance with this point are not paid to employees who work fill-in time during a stoppage period as described in Section 4 A Subsection 2 a unless a local agreement has been made regarding this.

Section 5 Compensation for regular work at inconvenient working hours

- e) for work during a stoppage period as described in Section 4 A Subsection 2 a which may be scheduled during such time without a local agreement, monthly pay

110

Note

- 1) *The industry parties state that maintenance of the operations and regular working time associated with this during a holiday stoppage period as described in Section 4 A Subsection 2 and may only take place if agreed locally. The compensation that is to be paid in these cases for regular working time during such a stoppage period is determined by local agreements.*

- 2) *If local agreements are made concerning the temporary maintenance of operations during certain stoppage periods as described in Section 4 A Subsection 2 a within the framework for utilisation of regular working time, an hourly supplement is paid for the time in question of monthly pay*

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(This supplement is not paid at the same time as the supplement in e) above.)

If agreements have been made in accordance with this note, then the rules on overtime apply correspondingly for the same number of hours during a stoppage period as are stated in the note on Section 6 Subsection 3 e).

The term agreements in this note refers both to agreements that are effective for an indefinite period and relate to operation during certain stoppage periods and to temporary agreements relating to individual years.

The inconvenient working hours compensation is paid on the regular pay, which is why it is important to define what is meant by the term regular pay.

The term regular pay refers to the basic pay and such individual supplements as are related to the employee's qualifications. Variable pay elements in the form of

Section 5 Compensation for regular work at inconvenient working hours

premiums, bonuses or similar are also included in regular pay. The exceptions are those variable pay elements that are due for payment only once or a couple of times a year. To simplify somewhat, it can be said that the individual supplements that the employee earns for all time worked and that are paid out regularly at each pay period are included in the basis for the inconvenient working hours compensation.

Supplements that are associated with the inconvenience of performing the work tasks in certain conditions – for example heat supplements, height supplements or dirt supplements – are not included in regular pay. Typical of these supplements are that they are only paid when the duties are performed in the stated conditions and not all the time.

The local parties can agree that a particular type of compensation shall not be included in the basis for the inconvenient working hours supplement even if a strict interpretation would mean that it is included in the basis. The industry parties agree that the local parties should take a cautious approach to making these types of agreements since the agreement has been designed on the basis that the term pay is applied according to the principles stated here.

Certain so-called shift leader/team leader/production leader supplements are mixed types of compensation. These are in and of themselves individual supplements, so it is natural to include them in the basis. If they are only paid when the employee actually “serves” as leader, however, they would not normally be included in the basis for inconvenient working hours compensation. However, such compensation is associated with the fact that at certain times a different position is performed than the usual one. For this reason the parties agree that these supplements shall be included in the basis unless other agreements are made locally.

An inconvenient working hours supplement of a slightly special type is that described in Subsection 1 d). This supplement for a fill-in shift that was not scheduled is based not on the time at which particular work is performed, but on the fact that the employee did not find out in advance (in his/her schedule) when the work was to be performed. Since this supplement and the usual inconvenient working hours supplements compensate different things, they can also be paid simultaneously.

However, they are calculated individually on “the regular monthly pay”, which means that they are not calculated “on each other”.

Section 5 Compensation for regular work at inconvenient working hours

Under the main rule, it is also the case that the ordinary inconvenient working hours supplements and the supplement for fill-in time are not paid in the case of regular work during a stoppage period unless such an agreement has been made locally.

Subs. 2 The term **shift change** refers to an employee being instructed to transfer to working at a different time instead of the regular working time for the person concerned. This refers to transferring from one shift to another, from day work to shift work or from shift work to day work.

If a shift change has taken place then the regular working time to which the shift has changed is the employee's new regular working time from and including the first shift (the transitional shift).

In the event of a shift change, transition compensation is paid at monthly pay

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per hour for that part of the new working time that during the first three working days falls outside of the previously applicable regular working time. Transition compensation is calculated on the regular pay and where relevant is paid alongside applicable types of compensation as described in Subsection 1.

Transition compensation is not paid upon returning to the previously applicable regular working time within 21 calendar days from and including the previous shift change. However, the following exceptions apply: If returning to the previous regular working time on the 20th day following the preceding change, transition compensation is paid for one day. If returning to the previous regular working time on the 21st day following the preceding change, transition compensation is paid for two days.

Note

The parties have noted that, in certain situations, the consistent application of the rules on shift changes will have unintended effects. This applies in cases where an employee makes a shift change immediately before the shift team that he or she is moved to is to have a long rest period. When the employee returns to his/her regular shift team after one or a few individual shifts, the work is to

Section 5 Compensation for regular work at inconvenient working hours

be regarded as overtime until the shift team from which the person concerned is coming resumes work after the long rest period.

To avoid these effects, the parties agree the following: An employee who is moved to a new shift team through a shift change no more than three days before a long rest period (minimum seven days) is considered as making a new shift change when this person returns to his/her regular shift team (or some other shift team) during the long rest period. Whether this change is back to the regular shift team or to some other shift team, shift change compensation is paid for one day if the person concerned worked for one day in the new shift team before the long rest period, for two days if he/she worked for two days before the long rest period and for three days if he/she worked for three days before the long rest period.

The types of compensation described in Subsections 1 and 2 are calculated so as to include supplements for shorter working time than 40 hours per week.

When applying the divisors in Subsections 1 and 2, the pay for part-time employees shall be recalculated so as to correspond to the pay for full regular working time for full-time employees.

The shift change rules are designed such that the compensation is the same regardless of working hours. Shift change compensation is by nature a compensation for an “inconvenient change” in the organisation of regular working time. The compensation is paid, where relevant, simultaneously with other supplements for inconvenient working hours.

A shift change only takes place if the employee gets to perform work for a certain time during the transitional day instead of the work he/she would have performed according to his/her current working time schedule. In other words, it involves him/her having to depart from his/her regular working time schedule in order for the shift change to take place. Work on a rest day without affecting regular working time is to be regarded as regular overtime.

Section 5 Compensation for regular work at inconvenient working hours

If a shift change has taken place then the new working hours are immediately the new regular working time. Upon a shift change, so-called transition compensation is paid for the first three working days in the new working time. The transition compensation of monthly pay

315

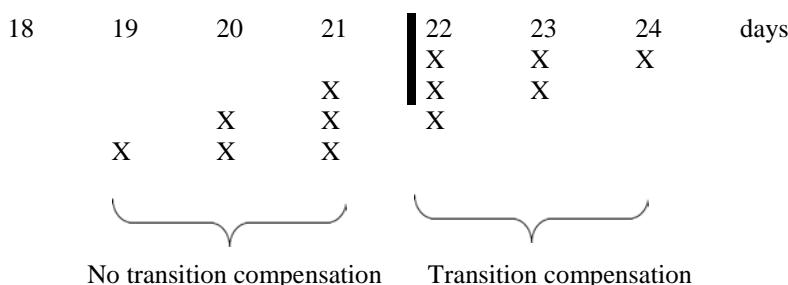
per hour is paid for the hours of the new working time which, on these three days, fall outside the previous regular working time.

The reason for the transition compensation is the disruption to private leisure time planning caused by the change in working time. If, within a fairly short time – in the case of the agreement, within three weeks (21 days) – the employee gets to return to his/her previous working time, this return is not deemed to cause the same problem.

If the return takes place after 21 days, transition compensation is paid in accordance with the main rule because the employee is then considered to have got used to the new working time, with the resulting problems of shifting back again.

To avoid threshold effects the main rule has been supplemented with a provision stating that compensation on returning is paid if any of the first three working days after the return falls after the 21st day following the preceding transfer. In this case compensation is paid for the day or days of the first three working days that fall after the 21st day. The following diagram shows the effect of this supplementary provision.

On returning after...



When transitioning between multiple different working times, the following applies: As soon as a shift change has taken place, a new period arises that provides entitlement to transition compensation for three working days for that

Section 5 Compensation for regular work at inconvenient working hours

part of the new working time that falls outside of the regular working time from which the employee has been moved. This applies regardless of how long the person concerned has worked the working time from which he/she was moved.

Moreover, the rules on returning always apply to the working time from which a person was last moved. That way it is only necessary to keep track of from where the latest transition took place. If, for example, an employee is moved for a relatively short time from Team A to Team B and subsequently to Team C, then returning to Team B, no compensation is paid on the return from Team C to Team B if this happens within 21 days of the move from Team B to Team C.

If, on the other hand, the employee in this case is moved from Team C back to the original Team A, transition compensation is paid because this is not a return to the working time that he/she last had (Team B).

A special case is the situation in which an employee is moved from Team A to Team B and the following day to Team C, then returning a day later to Team B. Under the main rule he/she would then not receive compensation on the return, because this takes place within 21 days. In this case, however, upon the return he/she receives compensation for the first day because he/she must not end up in a worse position than if he/she had completed three consecutive shifts in Team B.

Another case that gave rise to questions relates to the situation in which an employee is moved a number of times at short intervals between two different working times, for example between Team A and Team B. According to the strict definition, it might then be thought that only one shift change takes place, while the rest is a chain of returns. This is not the case, however, because a person can only return from working time for which he/she received transition compensation. In the related case the rule shall thus be applied as follows (it is assumed that all the changes in working time take place within the 21-day interval):

From A to B - transition compensation, return to A - no compensation, new move to B - transition compensation (because no compensation was paid on the return to A), new return to A - no compensation, etc.

Application of the rules on shift changes when the shift schedule is changed during the annual leave period

At certain companies the number of shift teams is expanded during the summer in order to make it easier to organise summer holidays.

This is usually done by either having a rolling agreement from year to year

Section 5 Compensation for regular work at inconvenient working hours

concerning an increase in the number of shift teams during the summer or by making an agreement for one year at a time depending on the expected operating circumstances over the forthcoming summer period.

To get the most even spread of expertise possible between the different shift teams the companies usually select a number of employees from the existing shift teams to form the backbone of the new temporary shift team. The various shift teams are then topped up with temporary substitute workers to cover annual leave.

The industry parties have agreed on the following application of the shift change rules in the situations mentioned above.

In those cases where it is clear by the end of March which working time will apply to the individual employees during the forthcoming summer, the shift change rules will not apply in conjunction with the transition to the summer schedule or the set daytime working time. In such cases, transferring to another shift team or to daytime during the summer is to be regarded as part of the regular organisation of working time.

An employee who on 1 April or subsequently (i.e. after the start of the current annual leave year) finds out that during the summer he/she is to work in a different shift team to the usual one or will have different working time to the usual time is entitled to compensation for a shift change in conjunction with the change in shift team/working time. In these cases compensation is paid during the first three working days of the new shift/new working time, even in those cases where the “old shift team” starts the summer period with a rest period. Those covered by the right to compensation for the change in shift/working time in accordance with this paragraph are entitled to equivalent compensation on the corresponding change of shift team/working time after the summer schedule.

In the case of ordinary shift changes that are not related to the planning of annual leave, the agreement’s main rule continues to apply in the usual way during the summertime.

In other cases, where companies apply an annual leave stoppage period, the annual leave of the operations employees is often scheduled for the stoppage period. Individuals who for various reasons do not want to take annual leave during this time often then work in the daytime, which is the only working time that exists during the stoppage period.

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The industry parties agree that the rules will be applied correspondingly in these cases too. This means that a person who finds out by the end of March what his/her working time will be during the stoppage period does not receive compensation under the rules on shift changes. The opposite applies to a person who finds out about the changed working time on or after 1 April.

Application of the rules on shift changes where this coincides with summer annual leave in certain cases

A question has arisen concerning how the rules on shift changes are to be applied in situations where a shift change takes place immediately before the new shift team is to begin its summer annual leave and the employee in question returns to his/her old work or other work when the shift team begins its annual leave. The fact that the employee does not get annual leave at the same time as the rest of the shift team is usually due to the fact that the temporary work in the shift team was not intended to bring about any change in the employee's annual leave period as established previously.

The industry parties agree that a return to the old work or carrying out work at different working times when the shift team begins its annual leave implies a new shift change despite the fact that the current shift team is not then at work. The reason for this is that it cannot be reasonable to regard the work throughout the annual leave period as overtime, since the work is due to the fact that the employee in question is to take his/her annual leave at a different time according to the current annual leave plan.

The conclusion is that the employee will receive shift change compensation during the first three working days of the current shift team's annual leave period. This application accords well with what the industry parties agreed on in the case of shift changes related to changes in the shift schedule during the annual leave period. The aim here is for shift change compensation that arises to be paid during the first three working days in the new shift team even in those cases where the old shift team starts the summer period with a rest period.

The industry parties agree that the agreed application of the shift change rules in conjunction with summer annual leave has no effect on the normal application of the rule in the case of shift changes associated with the shift schedule's normal rest periods, even if one or more annual leave days are included in the period.

Application of the rules on shift changes in cases where an employee wishes to work during time that is unpaid annual leave

An employee who has not earned full holiday pay is entitled not to take the unpaid part of the annual leave or part thereof. In such cases the annual working time is extended by a number of hours corresponding to the part of the annual leave that is not taken.

For daytime employees this normally means only that the employee works a number of extra days in his/her usual daytime hours.

For employees on shift work, however, it means a change in working time if the employee is to work during time when the shift team otherwise has annual leave. The industry parties agree that in these cases the rules on shift changes shall be applied in such a way that shift change compensation is paid for the first three working days in the new working time that applies during the shift team's remaining annual leave time. Just as was stated above concerning changes in shift schedules, once again a person who finds out by the end of March which days he/she is to work during the "unpaid annual leave" is not regarded as having a shift change.

In those cases when the employee works only in one shift team or otherwise has only one working time during the remaining annual leave for the regular shift team, there will generally be no further compensation when he/she resumes work in the regular shift team, because this usually takes place within 21 days. Should this not be the case, or if the employee worked different working times during the annual leave period, then according to the main rule shift change compensation will be paid on the resumption of work in the regular shift team.

Carrying over the fifth week of annual leave

When a person wishes to carry over his/her fifth week of annual leave, or part thereof, the same problem sometimes arises as was described above. In such cases, annual working time is again to be extended by the time corresponding to the annual leave carried over.

In the case of daytime employees or employees who simply work some additional shifts in their own shift team, then no shift change problem arises. Where a shift change occurs, the industry parties agree that the rules shall be applied in the same way as for those who work during "unpaid annual leave".

Application of the shift change rules in conjunction with return after a lengthy period of leave

A question has arisen concerning how the rules on shift changes are to be applied when an employee returns from a lengthy period of leave, such as study leave, parental leave, military service, long-term sick leave or other leave of absence.

The basic idea behind the shift change rules is to compensate for sudden disruptions to the individual when working time is changed. The industry parties are of the opinion that such inconveniences do not occur on returning after lengthy periods of leave such as those stated above. The rules on shift changes are also not intended to cover such situations.

The industry parties agree to define the term “lengthy period of leave” as meaning leave lasting more than two months. The rules on shift changes thus do not apply on returning from leave lasting more than two months.

Application of the rules on shift changes upon a change in the type of working hours

The industry parties agree that the rules on shift changes are in principle not applicable in the event of a change in the type of working hours, for example when transitioning from intermittent 3-shift to continuous 3-shift operation.

As stated above, the shift change rules are to compensate for sudden disruptions to the individual when changing working time. It may therefore be natural to apply a corresponding approach in the event of a change in the type of working hours. If such changes take place at short notice, a comparison can be made with the application of the shift change rules in conjunction with a changed annual leave schedule.

The industry parties agree that the shift change rules are not applied when notice to the individual of the change in the type of working hours and organisation of working time (e.g. placement in a shift schedule) is given more than two months in advance of the change.

If the individual receives such notification less than two months before the change, however, compensation corresponding to transition compensation is paid for the first three days of the new working time, even if the “old” shift team would have had a rest period.

Application of the rules on shift changes when an employee, as a result of a shift change, has to work more or fewer regular working hours during a month than according to the regular schedule

It is fairly common that as a result of a shift change an employee will complete more or fewer regular working hours during a month than is specified in the “regular working time schedule” for the month.

It is the local parties that decide what the “regular working time schedule” for the month is. Unless the local parties have agreed otherwise, when calculating the working time to which an employee “belongs” (control time) the employee’s working hours on the first calendar day of the month are considered to be the regular working time.

The industry parties agree on the following application of the agreement in these situations:

If, as a result of the shift change, the employee has to perform more working hours than follows from the original (regular) schedule, compensation is paid at monthly pay

175

for each excess hour. It is thus a matter of a number of excess hours on regular pay, since under the agreement this is work at the regular time.

In contrast, if the shift change results in the employee having to work fewer working hours than according to the original schedule, then the monthly pay is paid without any reduction. This is due to the basic rule that the employee is entitled to receive pay for his/her “regular measure of working hours” even if the employer does not provide work the whole time. The guidance is based on the fact that it is the employer that decides on the shift changes and the organisation of working time. If, on the other hand, it is the employee that wishes to transfer to a schedule with shorter working time during the month, then an appropriate deduction is made from the monthly pay unless agreed otherwise.

Section 6 Compensation for overtime

Subs. 1 Unless agreed otherwise as described in Subsection 2, the employee is entitled to compensation for overtime work in accordance with the provisions of Subsection 3

Subs. 2 The employer and the employee may agree that the employee shall not be entitled to compensation for overtime work in accordance with the provisions of Subsection 3, but that the occurrence of overtime work shall be compensated in another way.

Overtime work can instead be compensated by higher pay and/or a greater number of days of annual leave than follows from the Swedish Annual Leave Act (*semesterlagen*) and this agreement.

Such an agreement shall be in writing and shall relate to a period of one annual leave year unless the employer and the employee agree otherwise. Such agreements can be renegotiated ahead of each new annual leave year.

The employer shall inform the union concerned at the time that an agreement is made. It shall also be informed when such an agreement is terminated. After being informed as described above, if the trade union organisation so requests then the employer shall state the reasoning on which the agreement is based.

If either party wishes to terminate or renegotiate an agreement that is effective for an indefinite term, the industry parties agree that the notice period shall be three months. This means that matters concerning the renegotiation of agreements should be taken up in good time before the end of the annual leave year.

Note

At the request of the employer, the employee or the employee's trade union organisation, an overtime log as described in Section 4 B Subsection 6 shall also be kept for an employee who is covered by an agreed derogation as described in this subsection. Such a log normally requires the individual's participation and aims to create during a control period a basis for a position on future derogation.

Section 6 Compensation for overtime

Agreements in accordance with this subsection can be made with those employees whose working time is difficult to determine and check and who therefore have considerable freedom as regards the organisation of their working time. This also applies to employees whose positions mean that they must essentially decide themselves whether they need to work overtime.

Before entering into an agreement the employer shall check that the agreement allows an employee in the position concerned to negotiate away compensation for overtime. The employer shall go through and inform the employee of the terms of the agreement, e.g. that the agreement is entered into on a voluntary basis, the period for which it is effective, how the agreement can be terminated and how the workload will be monitored.

It is assumed that before any agreement is made, the employer and the employee will carry out a rough assessment of the volume of work that the employee can be expected to have to carry out and will adjust the compensation in the form of pay and annual leave in accordance with this assessment. It is particularly important that such a joint assessment is carried out ahead of such an agreement in the case of new appointments. The employee can turn to his/her trade union organisation for discussion of the assessment if necessary.

Subs. 3 Overtime work is compensated per hour as follows:

- a) for overtime between 06.00 and 17.00 on Monday–Friday
excluding public holidays

monthly pay

95

- b) for overtime between 17.00 and 06.00 during the period Monday 17.00 to Friday 06.00 excluding public holidays

monthly pay

85

Overtime on weekdays (Monday–Friday) that are not working days for the employee shall also result in compensation per hour during the period 06.00–17.00 at

monthly pay

85

- c) for overtime between Friday 17.00 and Monday 06.00

monthly pay

70

- d) for overtime from 17.00 on the day before Twelfth Night, Ascension Day and All Saints Day until 06.00 on the day after the respective public holiday and from 17.00 on the day before Good Friday, 1 May, Whitsun Eve, Sweden's National Day, Midsummer Eve, Christmas Eve and New Year's Eve until the start of the stoppage period for these holidays

monthly pay

70

Compensation as described in points a) to c) is not paid at the same time as compensation as described in point d).

- e) for overtime during stoppage periods as specified in Section 4 A subsection 2 a) for stoppage period

monthly pay

60

Note

If a local agreement is made concerning the temporary maintenance of operations through overtime work during certain stoppage periods as described in Section 4 A subsection 2 a), compensation is paid at

monthly pay

50

per hour during the holiday stoppage period covered by the agreement.

The term agreements in this comment refers both to agreements that are effective for an indefinite period and relate to operation during certain stoppage periods and to temporary agreements relating to individual years.

If such agreements are made, for overtime work in other holiday stoppage periods compensation is paid for the same number of hours as are covered by the agreement on extended operating hours at

monthly pay per hour.

50

Section 6 Compensation for overtime

As far as possible, compensation according to this paragraph for overtime work during holiday stoppage periods shall be paid in the same calendar year as is covered by the extended operating hours.

Which stoppage periods are covered by payment described in this paragraph is to be agreed when the agreements are made concerning the extension of operating hours. If agreement cannot be reached on the stoppage periods for which the compensation is to be paid

monthly pay

50

in the final event the compensation in question shall be paid during the stoppage periods that fall immediately after the stoppage period by which the operating hours were extended.

Supplements for inconvenient working hours or compensation for overtime as described in Sections 5 and 6 are not paid simultaneously with compensation as described in this note. If the parties have agreed locally on a divisor other than

monthly pay

50

as described in the first paragraph, this divisor shall also apply otherwise when applying the note.

Compensation as described in points a) to c) is not paid at the same time as compensation as described in point e).

All types of overtime compensation are calculated so as to include the value of holiday pay.

The compensation is also calculated so as to include supplements for shorter working time than 40 hours per week.

Note

If compensation is to be paid during a pay period when, as a result of a shift change, an employee had to perform fewer working hours than according to the basic schedule for the pay period, a deduction is to be made from the overtime compensation at

monthly pay

175

Section 6 Compensation for overtime

for the number of hours that are required in order to reach the full number of regular hours according to the basic schedule.

The reason for this is that the monthly pay relates to the full regular working time each month. If deductions are not made as described above, then “double basic pay” would be paid for the number of hours not performed as regular working time but that are included in the monthly pay and are at the same time included in the overtime divisor

Subs. 4

Part-time employees who perform work in addition to the person concerned's regular working time are paid compensation per excess hour in accordance with Subsection 3.

When applying the divisors in Subsection 3, the pay for the part-time employee shall be recalculated to correspond to the pay for full regular working time.

Note

- 1) *Compensation in accordance with this subsection is not paid for work swaps agreed between two colleagues, or if a person chooses to work at a different time to the regular time on their own initiative.*
- 2) *Where overtime is worked by a part-time employee with a pension, then in light of the principles on which the pension decision is based, the employee should be given time off corresponding to the overtime.*

Section 7 Special compensation

Subs. 1 An employee who is instructed to work overtime at a time that does not follow straight on from his/her regular working time is paid overtime compensation for the time that the work takes, but for a minimum of three hours.

Note

Compensation in accordance with this subsection is not paid if the overtime is separated from the regular working time only by a meal break. In this case compensation is paid only for the actual time worked.

Apart from the situation that is regulated in the note, the rule is fully applicable as soon as a person is instructed to work overtime at a time that does not follow straight on from his/her regular working time. This applies regardless of whether the work is carried out entirely separately or in conjunction with the start of regular working time. One of the reasons for this approach is that we do not want to create a situation in which an employee who comes to work at 05.00 in the morning and is finished and goes home at 06.00 gets three hours' compensation, while the person who remains until the start of regular working time at 07.00 is compensated for two hours.

As regards application of the various divisors, the parties agree as follows: The three hours are calculated from the start of the work for three hours forward in time. For a person who starts work on normal weekdays at 05.00, then, compensation is paid at a rate of monthly pay for the first hour and monthly pay
85 95
for the second and third hours

In the example the third hour is a “fill-in hour” because regular working time has begun.

However, only the actual time worked is entered in the overtime log.

Subs. 2 The term on standby refers to time when an employee is not at the place of work, but is ready to start work upon being called to do so. Standby duty is compensated as agreed locally.

Time on standby is completed in accordance with an agreed duty schedule. Such a schedule shall be drawn up and adapted taking into account local circumstances, in order that as far as possible the company's operations shall be able to continue undisrupted during regular working time.

Note

A list should be drawn up locally of positions that involve periods on standby and decision-makers who are to have periods on standby, as well as personnel who will primarily be considered for standby duty in the absence of the regular person.

The whole of this section is linked to situations in which employees are summoned to the workplace in order to carry out overtime work. Subsection 3 contains a general rule stating that the employer has a duty to compensate employees concerned for the costs associated with this.

The word necessary shall be understood as meaning that the costs may be deemed necessary in order for the employee to be able to perform his/her duties in a reasonable way.

The parties are free to decide what forms the cost compensation is to take.

Subs. 3 The necessary costs of being summoned to the workplace will be compensated by the employer.

Section 8 Annual leave

Annual leave is provided by law.

For annual leave purposes, a day is considered to last from 06.00 to 06.00.

Subs. 1 The local parties may agree on a rearrangement of the annual leave year and/or the qualifying year.

Subs. 2 The employer and an individual employee may agree on a longer annual leave period than what follows from the Annual Leave Act (*semesterlagen*) as part of an agreement that the employee shall not be entitled to overtime compensation pursuant to Section 6 Subsection 3.

Subs. 3 The holiday pay consists of the current monthly salary accruing in the annual leave period, as well as holiday bonus as shown below.

The holiday bonus for each paid day of annual leave amounts to

- 0.8% of the employee's monthly salary at the time of the holiday,
- 0.54% of the sum of variable salary components paid during the qualifying year.

Monthly salary refers in this context to a fixed monthly salary in cash and any fixed salary supplements per month. With regard to changes in the level of employment – please see Subsection 8 below.

Variable salary components refer in this context to commission, percentage of profits, bonus or similar variable salary components, incentive pay, shift work, on-call, standby and inconvenient working hours compensation or similar variable salary components where these are not included in the monthly salary.

To the “sum of variable salary components paid during the qualifying year” an average daily income made up of variable salary components is to be added for each calendar day (full or

partial) of absence qualifying for holiday pay. This average daily income is calculated by dividing the variable salary components paid during the qualifying year by the number of employment days (as defined in Section 7 of the Annual Leave Act, semesterlagen) excluding annual leave days and full calendar days with absence qualifying for holiday pay during the qualifying year.

Note

- 1) *The holiday bonus of 0.54% is contingent upon the employee being entitled to full paid annual leave. Otherwise the holiday bonus is to be adjusted by multiplying 0.54% by the number of annual leave days the employee is entitled to pursuant to Subsection 2 above, and divided by the number of paid annual leave days earned by the employee.*
- 2) *Commission, percentage of profits, bonus and similar components here refer to the variable salary components that are directly related to the employee's individual work contribution.*
- 3) *With respect to overtime compensation and travel time compensation, the divisors of Sections 6 and 9 have been established such that holiday pay is included and for this reason these salary components are not to be included in the calculation of the "sum of variable salary components paid during the qualifying year".*

Subs. 4 The holiday bonus of 0.8% and 0.54% respectively is paid on the regular salary payment date in connection with or immediately following the annual leave, unless another local agreement has been made.

If an agreement has been made under which the annual leave year and qualifying year are to coincide, the employer may instead pay the holiday bonus of 0.54% on the first regular salary payment date immediately following the end of the annual leave year.

Section 8 Annual leave

Subs. 5 Holiday allowance is payable at 4.6% of the current monthly salary per unclaimed paid annual leave day in addition to holiday bonus. The current monthly salary and the holiday bonus are calculated pursuant to Subsection 3 above.

The holiday allowance for a saved annual leave day is calculated as if the saved day had been taken during the annual leave year in which the employment was terminated. With regard to changes in the level of employment, see Subsection 8.

Subs. 6 In the event that a local agreement is reached on splitting the annual leave – where applicable in connection with an agreement on a shift schedule that includes annual leave – special compensation is payable for the portion of the employee's annual leave that is scheduled separately from the main annual leave (**split annual leave allowance**). It is the responsibility of the local parties to agree, where necessary, on the annual leave period that should be considered as the main annual leave.

If four weeks are scheduled continuously and the additional annual leave is taken on a separate occasion, this is not considered to be split annual leave.

The compensation consists of an increased
price base amount

220

for each annual leave day that is scheduled separately from the main annual leave during the annual leave year. The compensation is payable at the time the annual leave that the compensation relates to is taken, unless otherwise agreed.

The corresponding compensation is payable as above to employees who are given split annual leave by individual agreement at the request of the employer. If an employee him/herself requests and is granted split annual leave, no compensation is payable.

Section 8 Annual leave

Compensation is not payable for annual leave days that are saved for a future year. Compensation for such saved annual leave is also not payable during the annual leave year when the saved annual leave is taken. Compensation is not payable for annual leave days beyond four weeks for which holiday pay has not been earned and which may therefore not be saved.

Splitting of the annual leave

An agreement on splitting of the main annual leave (= the four weeks as referred to in Section 12 of the Annual Leave Act, semesterlagen) may be made by the local parties. If this happens, compensation is payable per week or per annual leave day for the time scheduled separately from the main annual leave. If the split is set at 2 + 2 weeks, it must be agreed which two weeks are to be counted as the main annual leave. No compensation is payable for these two weeks.

If the split is made from the main annual leave of four weeks, compensation is also payable for the remaining annual leave days that are taken the same year. If these are saved, no compensation is payable.

Employees who are entitled to annual leave but have not yet earned holiday pay, and who are allowed to split their annual leave, are also entitled to compensation. No compensation is payable for days beyond four weeks, however, since annual leave with no holiday pay entitlement may not be saved. A requirement for this compensation to be payable is that the scheduling and related split take place through a collective agreement.

Scheduling of annual leave for employees in continuous employment

The annual leave is deducted from the annual working hours and is included in the scheduled leisure time. This means that the annual leave shall be scheduled during the scheduled rest periods. It is important that the schedule shows the parts of the rest periods that are annual leave, since so many rules of the Annual Leave Act (semesterlagen) and the agreement are specifically related to the annual leave concept. Please note that new annual leave for an employee who becomes ill during the annual leave and wants new annual leave corresponding to the period of sickness is to be scheduled during working hours (such leave shall thus not be scheduled during scheduled leisure time).

If someone requests and is granted annual leave during a week that is not a free week, this is converted into a free week by “transferring” that week’s work shift to other leisure time. If an employee has extra free shifts, these may be used to offset the relevant work shifts.

Subs. 7 For each unpaid annual leave day taken, deductions will be made from the employee's current monthly salary, calculated pursuant to Subsection 3 above, by 4.6% of the monthly salary.

Subs. 8 If, during the qualifying year, the employee had a different level of employment than at the time of the annual leave, the monthly salary at the time of the annual leave, calculated pursuant to Subsection 3 above, is to be proportional to the employee's share of the full regular working hours at the workplace during the qualifying year.

If the proportional monthly salary is greater than the monthly salary at the time of the annual leave, for each paid annual leave day taken 4.6% of the difference between these monthly salaries is to be paid.

If the proportional monthly salary is less than the monthly salary at the time of the annual leave, for each paid annual leave day taken 4.6% of the difference between these monthly salaries is to be deducted.

If the level of employment has changed during the current calendar month, the level of employment that has applied during the majority of calendar days of the month is to be used for the calculation.

Subs. 9 a) On the conditions specified in the Annual Leave Act (*semesterlagen*), the employee is entitled to save any paid annual leave days that exceed 20 (i.e. the fifth week of annual leave). If an employee is entitled to more than 25 annual leave days, the employee – by agreement with the employer – is also entitled to save these additional annual leave days, provided that he/she does not take any previously saved annual leave in the same year.

With respect to these additional annual leave days, the employer and the employee are to agree on how the above-mentioned saved annual leave days will be organised, both in terms of the annual leave year as well as the scheduling of this.

- b) Saved annual leave days are to be taken in the order they have been saved. Any annual leave days that have been saved in accordance with the Annual Leave Act (*semesterlagen*) are to be taken prior to any further annual leave days that have been saved according to a) above during the same year.
- c) Holiday pay for saved annual leave is calculated in accordance with Subsection 3 above. For the calculation of the holiday bonus of 0.54%, all absences during the qualifying year except regular annual leave are treated in the same way as absence qualifying for holiday pay.

The holiday pay for saved annual leave is to be adjusted to the employee's share of full regular working hours during the qualifying year preceding the annual leave year when the day was saved in accordance with Subsection 8 above.

- d) The holiday allowance for a saved annual leave day is calculated, in compliance with Subsection 8 above, as if the saved day had been taken during the annual leave year in which the employment was terminated.

If an employee saves annual leave, this means by definition that the actual working hours will be correspondingly longer in the year when the annual leave is saved. The opposite applies for the year when the saved annual leave is taken.

For employees in continuous employment this means that the annual working hours are increased by what corresponds to the saved annual leave. The work is also to be done during the additional number of shifts corresponding to the increased annual working hours. When the saved annual leave is eventually taken, the annual working hours as well as the number of shifts are to be reduced correspondingly.

For part-time employees the following is also to apply to saving annual leave:

If, for example, someone who is employed half-time, with the scheduled organised so that the employee works full time every other week and is free every

Section 8 Annual leave

other week, wishes to save an “annual leave week”, the following applies: the number of working days on average per week is 2.5 which gives three net annual leave days for the week. In the year when the annual leave is saved the number of working days is thus increased by three. If the working hours are organised in the same way when the saved annual leave is taken, the number of working days is to be reduced by three during that year.

If the working hours change during the year when the saved annual leave is taken, for example if the employee works every day of the week but with reduced hours each day, the number of working days is to be reduced by five in the year when the annual leave is taken. In this situation, the number of gross annual leave days coincides with the number of net annual leave days.

Subs. 10 For a part-time employee employed on an intermittent basis, meaning that the employee does not work every day of the week, the following applies for scheduling annual leave days:

Of the total number of annual leave days, paid and unpaid, as many annual leave days are allocated to the scheduled working days as correspond to the part-time employee’s scheduled working days per week relative to the full-time employee’s scheduled working hours per week. (Paid and unpaid annual leave days will thereby be proportioned separately).

The table below shows the number of annual leave days that will be allocated to scheduled working days (net annual leave days) for different numbers of scheduled working days per regular working week on average:

Number of working days per week on average	Number of net annual leave days (for 25 days of gross annual leave)
4	20
3.5	18
3	15
2.5	13
2	10

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If the employee's work schedule is changed so that the “number of working days per week” is modified, the number of untaken net annual leave days shall be converted and correspond to the new working hours.

Holiday bonus, holiday allowance and salary deduction (for unpaid annual leave) shall be calculated based on the number of gross annual leave days.

Note

If the number of gross annual leave days is higher (or lower) than 25, the employee's net annual leave days shall be calculated based on the number of gross annual leave days in that particular case.

Section 9 Travel time compensation

Subs. 1 Where appropriate, the employee is entitled to travel time compensation under the conditions stipulated in Subsection 2 below.

Note

- 1) *The employer and the employee may agree that compensation for travel time is to be paid in a different form, for example that travel time will be taken into account when the employee's salary is set.*
- 2) *An employee in a position that normally involves a considerable amount of business travel, for example as a travelling salesperson or similar position, has the right to travel time compensation only if the employer and the employee have agreed upon this.*

Subs. 2 Travel time for which compensation is payable is the time during a mandatory business trip spent on actual travel to the destination and that falls outside the employee's regular working hours.

When calculating travel time only full half-hours are to be included. If time is spent travelling both before and after regular working hours on a certain day, the two time periods are to be added together.

If the employer has paid for a sleeping-berth on a train or ship during the trip or part thereof, the time period from 22.00 – 08.00 is not to be included in the calculation.

Travel time includes the normal time required when the employee drives a car or other vehicle, regardless of whether or not it belongs to the employer.

Section 9 Travel time compensation

The trip is deemed to have commenced and been concluded in accordance with the applicable provisions for the calculation of daily allowances or equivalent for the respective companies.

Subs. 3 Travel time compensation is paid per hour at
monthly salary

240

except when the employee travelled during the period 17.00 Friday to 06.00 Monday or between 17.00 on the day before a non-working eve of a public holiday or a public holiday and 06.00 on the day after the public holiday, for which the compensation is
monthly salary

190

Note

The divisors have been calculated to include the value of the holiday pay. When using the divisors, a part-time employee's salary is to be adjusted upwards to a salary that corresponds to full regular working hours

Section 10 Paid leave and leave of absence

Subs. 1 **Paid leave** means a short leave without loss of salary lasting no more than one day. Without loss of salary means salary including any supplements the employee would have received if he/she had been working. In the event of a funeral for a close relative, the paid leave may also include any necessary (no more than two) travel days.

Grounds for paid leave

Paid leave may be granted for situations where the employee needs to leave work for a brief period of time, and where it is reasonable under the circumstances for the brief absence not to result in a salary deduction.

For this assessment two questions should be asked in principle, namely “Why does this need to take place during working hours?” and “Is the reason for the absence such that it is reasonable that no salary deduction should be made?”.

Starting with the first question, the reason for the absence – as shown in the examples below – may sometimes be of an urgent nature. This could, for example, be various types of sickness. In other instances, it could be that someone needs to visit an establishment that is normally only open during his/her working hours.

If it is a situation where taking care of a matter or scheduling an appointment can be planned by the employee, for example an appointment at a healthcare facility with a referral, the assessment of the individual case may be affected by whether or not it needs to be scheduled during working hours. If the healthcare facility is only open during normal working hours, it is likely that an employee in daytime employment must visit the facility during his/her working hours. On the other hand, an employee working shifts should reasonably be able to visit the facility during a day when he/she is not scheduled to be working during the period when the facility is open.

A necessitated need to leave the workplace in order to take care of an urgent matter is thus a factor in the paid leave concept. It is not about a general right to take care of certain types of matters during working hours that could just as easily be done during time off.

Something else that in certain situations could affect the determination is if the employee can deal with a work task when he/she returns or if it must be performed by someone else during the absence. Naturally, the determination in the latter type of situation must sometimes be made along somewhat stricter lines.

Since the leave according to the relevant provisions is paid time, the parties agree that the paid leave period should be considered to be regular working hours in the application of the Annual Leave Act. This is the easiest way to get the correct time basis for the calculation of holiday pay.

In order for the employer to be able to grant paid leave, the individual is required to request paid leave in advance and indicate the reason for the request. Naturally, the individual circumstances must be taken into consideration here too. If, for example, a close relative of an employee becomes seriously ill during the night and the employee must arrange transportation to the hospital, the employee must of course contact the employer as soon as possible stating the reason for his/her absence and request paid leave because of what has happened. In the event of an acute illness or accident before the start of regular working hours, the employer should also be contacted as soon as possible.

Paid leave will not be granted during already granted leave.

Examples of cases qualifying for paid leave:

Own wedding and own fiftieth birthday

In these cases, only the actual day of the celebration will qualify for paid leave.

Initial visit to a doctor or dentist in the event of acute sickness or accident

The intention of this qualifying basis for paid leave is to provide an employee with an opportunity, during working hours and without loss of salary, to visit a doctor or dentist for a sudden acute sickness or accident. (Since it is practically impossible to provide a medical definition of the concept of acute sickness, the employee's state of health at the time of the sickness must be the guiding principle).

An initial visit means the first appointment due to an acute sickness. If a new appointment with a doctor for the same sickness is to qualify for paid leave, it must be the case that the person suffering from the sickness has recovered from the acute stage and the sickness has subsequently reoccurred.

Section 10 Paid leave and leave of absence

A special situation arises if, during the appointment, the doctor determines that the employee should be immediately referred to a hospital or to another doctor. In order for the referral to qualify the time off as paid leave without loss of salary, it must be issued by one of the physician categories listed under the heading “Appointment at a healthcare facility following a referral by a company doctor”.

Paid leave may only be granted for the duration of the doctor’s appointment as well as the time it takes to travel to and from the doctor’s office/clinic, with the workplace as the starting point. This applies irrespective of whether or not the employee is on sick leave at the time of the appointment. The purpose of the paid leave provisions was not to replace the rule on qualifying days. Normally, this means that the employee must have worked some part of the day of the paid leave, before or after the visit to the doctor.

In order to qualify for paid leave, the actual doctor’s appointment is to have a natural correlation to the employee’s working hours. An employee who is on an afternoon shift, for example, must visit a doctor in the morning to get an injury treated. In this case, he/she is not entitled to paid leave during any part of the afternoon shift if the medical treatment is finished before then. It is also not the intention for an employee in such a situation to wait until the start of his/her working hours before seeing a doctor, in order to be granted paid leave.

Return visit to healthcare facility following an accident

The basic principle is that an employee who needs certain recurring treatments following an accident that occurred in the workplace, or while travelling directly to or from work, should be able to take paid leave for the necessary medical care. Just as for an initial visit to a doctor in connection with acute sickness, it is only the duration of the visit and the time required to travel to and from the doctor’s office that qualifies as paid leave.

The principle for granting paid leave is also that the employee, at the time of the return visit, is not on sick leave. This means that he/she will usually be gone for part of a day when he/she would otherwise be working.

Just as for an initial visit to a doctor, the return visit must have a natural correlation to the working hours in order for the time off to qualify as paid leave. Moreover, the return visit must have been ordered by a doctor or dentist in order to qualify as paid leave.

For these cases no limit on the number of return visits that could qualify as paid leave has been stipulated in the provision.

Absence during part of a day in connection with occupational injury

If an employee suffers an occupational injury, it has often been considered reasonable for the employee to be granted paid leave for the remainder of the day if he/she is unable to continue working as a result of the injury. Paid leave applies here on condition that the situation has not resulted in the employee going on sick leave.

The right to paid leave is not contingent upon the occupational injury requiring a doctor's visit, although this would normally be the case. The determination of whether the injury requires the employee to leave the workplace must be made based on general principles taking into consideration both the nature and extent of the injury as well as the employee's duties.

Visit to a healthcare facility following a referral by a company doctor

Paid leave may be granted for visits to a healthcare facility following a referral by a company doctor, or by other doctor if there is no company doctor or one is not available. A company doctor means a doctor employed by the company or doctors at an occupational healthcare centre with which the company is affiliated. Referrals issued by doctors with whom the company has an agreement to treat the company's employees in the event of sickness may also qualify the time off as paid leave.

A healthcare facility is a facility where doctors or other specialists may make some form of medical diagnosis which the referring doctor is not able to make, for example by way of X-rays, tests and specialist diagnoses.

The examination and treatment of serious illnesses and injuries is the responsibility of the public health service. For a referral appointment to a healthcare facility to qualify as paid leave, one of the above-mentioned categories of doctors must have deemed the appointment necessary, either from a preventative healthcare perspective, i.e. for a medical examination as part of a regular health check-up or in the event of acute sickness or accident.

The industry parties agree that the referrals may be for both examination by a specialist and treatment, but have limited the number of qualifying visits to a total of ten medical appointments for the same sickness or accident. In order for a new appointment to qualify as paid leave, it must be the case that the employee who has suffered the sickness or accident has recovered from the acute stage and the sickness or accident has reoccurred.

Targeted health check-up

This type of check-up is often related to the specific nature of the employee's duties and is in general a type of healthcare that it is reasonable for employees to have access to without loss of income in instances when they are scheduled for such check-ups during their working hours.

It is the time required for the actual check-up and, where appropriate, the necessary travel time that qualifies as paid leave.

Death of close relative

What is meant by a close relative is actually something that can vary from instance to instance. Basically, it is above all the employee's personal and social relationship with the deceased that should form the basis for the determination. In general, people in the following categories are normally considered close relatives in these contexts: husband/wife, cohabitant, children, grandchildren, siblings, parents, grandparents and parents-in-law.

The day of paid leave that is granted in this circumstance should be close to the date of the death of the relative. However, due to the nature of the event that qualifies this as paid leave, the matter of paid leave should not be dealt with too rigidly.

Funeral of close relative

Here the funeral of a close relative means the actual day of the funeral service. In the event of a funeral of a close relative, in addition to the day of the funeral paid leave may also include a maximum of two travel days. Paid leave for travel days is to be granted if this is necessary due to a long travel distance, poor travel connections, etc.

Sudden serious illness of close relative living at home

The consequences of the sudden illness should guide the determination of whether or not paid leave will be granted. The person who is ill must require immediate care or help with necessary duties in the household, such as caring for a child. The illness must have been sudden so that planning before the illness would not have been possible.

Here again, the reason for the paid leave should in itself involve an actual need to use working hours to deal with the situation. Only in exceptional cases should instances where the illness has resulted in the employee having had his/her sleep disturbed at night constitute grounds for being granted paid leave for part of the following working day in order to recover.

Section 10 Paid leave and leave of absence

The relative who has fallen ill should be living at home and belong to the same household as the person applying for paid leave. Taking the circumstances into account, in certain cases it may also be reasonable to grant paid leave when a close relative is not living at home but is still clearly dependent on the employee. For example, when a parent living alone suffers a serious illness and perhaps does not have anyone else to turn to for help.

In the case of caring for a sick child, it is assumed that the days that are reimbursed under the parental insurance rules on parental benefits for temporary care of children should primarily be used. Once these days are used up, paid leave may be granted if the above-mentioned circumstances exist.

- Subs. 2** a) **Leave of absence** means unpaid leave. Leave of absence may be granted if the employer finds that this may take place without it causing inconvenience to the operations of the company.

For a leave of absence lasting no more than five working days, deductions will be made per hour of absence at
monthly salary

175

for each working day of absence.

For a leave of absence lasting more than five working days deductions will be made at
monthly salary x 12

365

for each day of absence (calendar day; includes non-working weekdays, Sundays and public holidays).

Days that are non-working days for the employee and that start or end a period of absence are not counted as days of absence.

For absences lasting a full calendar month, regardless of whether or not the absence starts or ends on a non-working day, a full monthly salary is deducted.

Note

If the employer uses a settlement period for salary payments that does not coincide with the calendar month, the employer has the right to replace the term “calendar month” with “settlement period”.

- b) When applying item a) second paragraph as the divisor per hour for part-time employees, the number corresponding to the part-time employee's working hours should be used. (For example, for an employee working half-time the divisor is $175 \times 0.5 = 87.5$, for an employee working 75% the divisor is $175 \times 0.75 = 131.25$).

For part-time employees with regular working hours scheduled only on some workdays in a week (so-called intermittent part-time work), deductions are made per hour of absence pursuant to item a) second paragraph for all periods of absence.

For absences lasting a full calendar month, a full monthly salary deduction is made in these instances as well.

Absences lasting no more than five working days

Deductions for a full-time employee are made by dividing the monthly salary by 175 regardless of the type working hours.

Deductions are only made for the actual periods of absence and thus not for days off in these instances.

Absences lasting longer than five working days

If the absence is longer than five working days, it is normal for a number of non-working days to be included in the period of absence.

Only a few days of work during a calendar month

If the employee has such extensive absences during a calendar month that the number of completed regular shifts or working days amounts only to two in a month with scheduled working hours not exceeding 120 hours, or to three in a month with scheduled working hours exceeding 120 hours, compensation is payable for each completed working hour at monthly salary

175

for a 40-hour working week and for other working hours proportionately. If the absence during a month is for both sickness and leave of absence, a deduction for sickness is made for the period of sickness. Otherwise, the monthly salary is discontinued and is replaced by payment per hour for the hours worked.

Part-time working without parental benefit

With reference to the currently applicable rules in the Parental Leave Act (Föräldraledighetslagen), the employee is entitled to a reduction in regular working time of up to a quarter until the child reaches 8 years of age, or is older but has not yet completed their first year of schooling.

The parties recommend that, to the extent possible, leave of absence is granted for non-scheduled fill-in time for employees with children over 8 years of age.

Local agreements concerning other rules

The local parties may make an agreement to apply hourly rates for a period not exceeding three months.

Calculation of the hourly rate

If an agreement concerning hourly rates is agreed upon, the parties agree that the following divisors should be used:

- 167 for a 40-hour week;
- 159 for a 38-hour week; and
- 151 for a 36-hour week.

Section 11 Leave with temporary parental benefit

- Subs. 1** For leave when temporary parental benefit is payable, salary deductions are made per hour of absence at monthly salary 175 for a 40-hour work week and for other working hours proportionately.

Temporary parental benefit normally applies when caring for a sick child and to the use of the 10 so-called “father days” in connection with the birth of a child or an adoption.

If a period of absence for which temporary parental benefits are payable 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 settlement periods used by the company for salary payments do not coincide with calendar months, the employer has the right, for the application of this provision, to replace the term “calendar month” with “settlement period”.

In the same way as for sick pay, for the first 14 days the deduction rules for leave with temporary parental benefits are adjusted to the number of working hours. For the application of the rules to be as neutral as possible, regardless of how this leave is taken, the parties have chosen to apply so-called deductions by the hour for each actual hour of absence. There is thus no transition to calendar day deductions for longer temporary parental leave periods.

Just as for leave of absences, the full monthly salary is deducted if the absence lasts for the full month.

Section 12 Sick pay etc.

Subs. 1 In the event of absence due to sickness or accident, the employer is to be informed as soon as possible. In addition, the employee should indicate an estimated date of return to work as soon as possible.

Subs. 2 Sick pay during the first 14 calendar days of a sickness period is granted based on the Sick Pay Act (*sjuklönelagen*) and is calculated by making deductions from the monthly salary as follows:

From the first day of absence (the qualifying day) in each period of absence, deductions are made for each hour of absence at monthly salary

175

for a 40-hour working week and for other working hours proportionately.

As of the second day of absence in each period of absence, deductions are made for each hour of absence at

20% x monthly salary

175

for a 40-hour working week and for other working hours proportionately.

For absences pursuant to this subsection 80% of the following lost types of compensation is also payable for the corresponding days of absence:

- Compensation for working inconvenient working hours, including any compensation for such documented non-scheduled fill-in time as is specified for a certain day.
- Fixed standby compensation, where clearly specified in terms of time and amount.
- Compensation for preparatory and shutting-down tasks pursuant to Section 4 A Subsection 2 d) which have been specified in terms of time and scope.

Note

- 1) *A new period of sickness beginning within five calendar days of the end of the previous period of illness is considered a continuation of the previous period of sickness (recurrence).*
- 2) *For an employee who, according to a decision by the Swedish Social Insurance Agency (Försäkringskassan), is entitled to sick pay of 80% for the qualifying day as well, deductions will be made for this day in the same way as are applicable from the second day of absence in the sick pay period.*
- 3) *By law, the number of qualifying days may not exceed 10 in a 12-month period. If, in a new sick pay period, it becomes evident that the employee has had deductions for 10 qualifying days within the 12 months prior to the start of the new sick pay period, the deduction for the first day of absence will also be calculated according to the rules on 20% deductions.*
- 4) *Pursuant to Section 8 of the Sick Pay Act (sjuklönelagen), the employer is not obliged to pay sick pay for the period prior to receipt of notification of sickness from the employee. Moreover, the employer is not obliged to pay sick pay before the employee has provided an assurance in writing as stipulated in Section 9 of the Sick Pay Act (sjuklönelagen).*

With respect to the obligation to pay sick pay starting on the seventh calendar day after the employee has notified the employer of the sickness, pursuant to Section 8 of the Sick Pay Act (sjuklönelagen) the employee must also provide proof of his/her reduced ability to work in the form of a certificate from a doctor or dentist.

In contrast to what applies in the case of leave of absence, the deductions in the sick pay section have been adjusted to the number of working hours. The divisor is thus 175 for a 40-hour week, 166 for a 38-hour week and 158 for a 36-hour week.

Section 12 Sick pay etc.

The sick pay does not only consist of 80% of the monthly salary for the specified days. Added to this is 80% of certain benefits the employee would have received had the sickness not occurred.

General information about qualifying days, recurrences etc.

The Sick Pay Act (sjuklönelagen) does not specify any limit on how large or small a portion of a working day the sick leave should consist of in order for the day to be counted as a qualifying day. This means in practice that if someone becomes ill and needs to go home an hour before the end of the workday, an hour would be deducted from the salary and the day would count as a qualifying day.

In order for a day to be counted as a qualifying day the employee must stay away from work and thereby suffer a loss of income. In other words, it is not possible to simultaneously consider a day of absence an annual leave day or compensatory leave day and qualifying day. If the employer and the employee agree that Day 1 of a period of absence should be taken as an annual leave day, Day 2 automatically becomes a qualifying day, i.e. the first sick day of the period.

It is important to remember that the Sick Pay Act (sjuklönelagen) is based on no agreements having been reached that eliminate the effects of the qualifying day.

Comments on note in Subsection 2

Note 1): One specific problem with the recurrence of sickness rule is that the second period of sickness may begin on a non-working day. The following example illustrates the problem: An employee has been ill until Tuesday. He recovers and returns to work on the Wednesday. If he then becomes ill again on Saturday or Sunday (within 5 days of the previous sickness) the new sick pay period, which starts on Monday (the first day the sick person is away from work in the second period), should be added to the previous sick pay period.

However, if a period of sickness is to begin on a day off, the employee must report the sickness on that day. A requirement in order for this to happen is, of course, that the employer can in some way receive or register the notification of sickness during the employee's time off. If this is not possible, the employer may have to accept the employee not reporting the sickness until the employee's first "actual day of absence" even if the sickness, in fact, started earlier.

Moreover, the date of notification constitutes the start date for calculating the period (7 days) after which the sickness will normally be confirmed by a doctor's certificate.

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Some further examples show how the recurrence rule is applied in various situations:

1. Recurrence within 5 days

	M	Tu	W	Th	F	Sa	Su	M	Tu
Regular working hours	W	W	W	W	W	-	-	W	W
Actual work/sickness	W	W	Si	Si	W	-	-	Si	Si
Sick pay as % of monthly salary			0	80				80	80
Period of sickness (number of days used)			1	2				3	4

The employee was ill on Wednesday and Thursday of week 1. The recurrence occurred and was reported on Monday, week 2, i.e. on the fourth calendar day after the first period of sickness. A new qualifying day is hereby avoided since the requirement of recurrence within five days has been met. A doctor's certificate will only be required from the eighth day counting from the Monday of week 2.

2. Notification of sickness during time off

	M	Tu	W	Th	F	Sa	Su	M	Tu
Regular working hours	W	W	W	W	W	-	-	W	W
Actual work/sickness	Si	Si	W	W	W	-	-	Si	Si
Notification of sickness						X			
Sick pay as % of monthly salary	0	80						80	80
Period of sickness (number of days used)	1	2						3	4

The employee was ill on Monday and Tuesday of week 1, which resulted in a qualifying day. He then returned to work on Wednesday. During the non-working Saturday, the employee reported in as sick once more. This is the fourth calendar day after the end of the first period of sickness. The employee has thus met the requirement for recurrence within five calendar days and can in this way avoid a new qualifying day on Monday of week 2. The two sick leave periods will be considered as one period. For Monday and Tuesday of week 2 the employee therefore receives sick pay of 80%.

A doctor's certificate will be required on the eighth day counting from the Saturday when the early notification of sickness was made. Note, however, that the days in period 2 when the employee is entitled to sick pay do not start until the sick employee does not go to work (i.e. on Monday of week 2).

3. Notification of recovery during time off.

	M	Tu	W	Th	F	Sa	Su	M	Tu
Regular working hours	W	W	-	-	-	-	-	W	W
Actual work/sickness	Si	Si	-	-	-	-	-	Si	Si
Notification of recovery			X						
Sick pay as % of monthly salary	0	80						0	80
Period of sickness (number of days used)	1	2						1	2

The employee in this example is working shifts and was ill on Monday and Tuesday of week 1. He notified the employer of his recovery on Wednesday, which was a non-working day, and falls ill again on Monday of week 2. Since he notified the employer of his recovery and then fell sick again on calendar day 6, the sick leave periods will not be added together and a new qualifying day starts on Monday of week 2.

Note 3): Please note that the 10 qualifying days do not need to be full working days, cf. the above. The 12-month periods are counted as rolling from the sick leave in question and are not related to the calendar year.

Note 4): In Section 8 of the Sick Pay Act (sjuklönelagen) there is also an emergency rule that grants the right to sick pay prior to notification if an employee was unable to notify the employer in time, but did so as soon as he/she was able to.

As is usual in the case of exemption rules, the emergency rule should be interpreted restrictively. This is described in the following way in the government bill: "If the employee reports the sickness on, for example, the fourth day after falling ill, but would have been able to report it on the second day, the employer is not obliged to pay sick pay for any of the first three days, even if the employee had been unable to go to work on the first and the third day. When determining whether the

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employee was unable to report the sickness, the extent to which the sickness may have affected his/her physical and mental ability to notify the employer or instruct someone else to do so should be taken into account”.

In contrast to the reporting of sickness pursuant to Section 8, which determines when the right to sick pay comes into effect, the assurance pursuant to Section 9 is about when the employer is obliged to pay the sick pay. The assurance pursuant to Section 9 is to be in writing. The assurance is to include a statement that the employee has been ill and to what extent the employee’s ability to work has been reduced due to the sickness. The employer is not required to pay sick pay until the employee has provided the assurance. If the assurance was not provided, for example, during the month the sickness occurred, this does not mean that the employee will lose the right to sick pay. It just means that the employer is not required to pay sick pay until the assurance has been submitted.

Calculation of sick pay

A fundamental aspect of the reasoning here is that the sickness will have caused a loss with respect to the income that would naturally have been paid if the sickness had not occurred and the extent of this loss of income is clearly defined. Thus sick pay cannot be granted for a type of remuneration that was expected to be received, but where the level of the remuneration is not known. In other words, the same conditions apply as previously applied for the right to hourly-based sickness benefits.

Regular pay – including individual supplements and incentive pay components – and such compensation for inconvenient working hours as are paid during regular hours are included in the basis for sick pay. Non-scheduled fill-in time is part of the regular measure of working hours and as such a natural part of the basis for sick pay. For sickness to provide the right to sick pay in these situations it is, however, required that it has been clearly proven that part of the non-scheduled fill-in time would have been completed during the day(s) when the sickness occurred. Standby compensation is often fixed remuneration, the level of which is easy to calculate for the days when sickness occurred. Considering the comparisons made in the preparatory work for the Sick Pay Act (sjuklönelagen) with what is included in dismissal pay according to the Swedish Employment Protection Act (LAS), it can be concluded that this type of compensation is included in the basis for sick pay. This also applies for sickness that results in loss of standby compensation for days that are otherwise non-working days, for example weekend standby for daytime employees.

On the other hand, claims for sick pay cannot be based on overtime work that is expected to be performed during standby time. No guarantee is given in advance

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of a certain amount of work for which the income has been lost. This is also fully consistent with the income protection concept that exists in, for example, the Trade Union Representatives Act, to which reference is made in the preparatory work for the Sick Pay Act (*sjuklönelagen*).

The only regular overtime work covered by the sick pay rules is work that is attributable to the preparatory work referenced in Section 4 A Subsection 2 d. Where appropriate, the full value of the lost income (i.e. by applying the relevant overtime divisor) is included in the basis for the sick pay calculation.

In the case of annual leave, the conditions for sick pay are slightly different than those for sickness benefits. Sickness benefits may be drawn simultaneously with holiday pay. The Sick Pay Act (*sjuklönelagen*) stipulates that the employer is not obliged to pay sick pay for days when holiday pay is simultaneously paid. This means that an employee who falls ill during his/her annual leave is only entitled to sick pay if he/she moves a corresponding portion of his/her paid annual leave to a later date. In these cases, the basis for the sick pay calculation includes both the monthly salary and 0.54% per paid annual leave day for variable salary components.

As regards shift change situations, the parties agree on the following application. According to the main rule, shift changes can only take place by the employee performing work at a particular time instead of during his/her regular working hours, and therefore sick leave cannot involve a shift change. This means, for example, that an employee who is asked on Monday to transfer from the A-team's morning shift to the B-team's afternoon shift on Tuesday cannot be deemed to have transferred to the B-team if he/she falls ill and is unable to turn up on Tuesday. He/she has not in fact completed the essential part of the shift change, which consists of starting work during the new work period. This intended meaning here is that when the employee becomes ill on the Tuesday, he/she is still on the A-team. The employee is thus not entitled to compensation pursuant to Section 5 Subsection 2.

Similarly, if the employee is transferred on Tuesday, he/she cannot be deemed to have returned on Wednesday – even if this was the intention – if he/she falls ill on Wednesday. The principle applies in the same way. A return only takes place by the employee starting work in the “old team” instead of the “new team”.

With the approach described here, the parties have applied the sick pay rules to shift changes in a manner that corresponds to the intention and application of the rules in general.

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Sick pay is not to be included in the basis for calculating holiday pay. This is related to the fact that sick leave days that qualify for holiday pay, combined with compensation for those days, are to be deducted from the basis for calculating holiday pay and be replaced by the corresponding number of normal days arrived at.

Subs. 3 Under this agreement, an employee is entitled to sick pay as of the 15 calendar day of the period of sickness for the following periods:

- for Group 1, until the 90th calendar day of the period of sickness
- for Group 2, until the 45th calendar day of the period of sickness

The period of sickness includes all days with deductions for sickness (including qualifying days), as well as non-working days that fall during a period of sickness.

Employees who have been employed by the employer for a year in total, or who have transferred directly from a position with a right to sick pay for a minimum of 90 days, belong to Group 1.

In all other cases the employees belong to Group 2.

Exception 1

If an employee is ill on two or more occasions during a 12-month period, the right to sick pay is limited to a total of 105 days in the case of Group 1 and 45 days in the case of Group 2. Therefore, if the employee has received sick pay from the employer during the past 12 months counting from the start of the period of sickness in question, the number of sick leave days should be deducted from 105 or 45 respectively. The remainder is the maximum number of sick leave days for the sickness in question.

Sick leave days refers to all days with deductions for sickness (including qualifying days), as well as non-working days that fall during a period of sickness.

The right to sick pay during the first 14 calendar days of the period of sickness is not affected by the above limitation rule.

Exception 2

If disability pension under the ITP (supplementary pension for white-collar workers in trade and industry) plan or early retirement pension under AGS (group sickness insurance provided by collective agreement) start to be paid to the employee, the right to sick pay is lost.

Subs. 4 In the event of sickness as of the 15th calendar day of the period of sickness, sick pay is paid by making sickness deductions from the monthly salary as follows:

- For an employee with an annual salary not exceeding 7.5 price base amounts:

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

- For an employee with an annual salary exceeding 7.5 price base amounts:

$$\frac{90\% \times 7,5 \times \text{price base amount} + 10\% \times \text{monthly salary} \times 12 - 7,5 \times \text{price base amount}}{365}$$

Note

If there is a change in salary or weekly working hours the following applies:

The employer is to make sickness deductions on the basis of the old salary and working hours for a period not exceeding the month when the employee was informed of his/her new salary or changed working hours.

Definition of monthly salary

Monthly salary in Subsections 2 and 4 above refers to:

- fixed monthly salary in cash and any fixed salary supplements per month (for example, fixed inconvenient working hours or overtime compensation)

- the estimated average income per month from commissions, profit sharing, bonus, incentive pay or similar variable salary components. In the case of employees who are mainly remunerated using the above-mentioned salary components, an agreement should be reached on the salary amount from which sickness deductions are to be made.

Note

When applying Subsection 4, income in the form of an inconvenient working hours supplement and equivalent variable salary supplements should be calculated as an average amount and added to the monthly salary before the applicable deductions are made. A local agreement should be made as regards standard calculation of the average amounts in question.

The deduction rule has been designed such that the total of sickness benefits and sick pay should be 90%. The “sick pay value” for income components below 7.5 price base amounts is 10% and the sick pay value above 7.5 price base amounts is 90%.

For the sake of clarity it should be pointed out that the deductions are equal in size regardless of the number of working hours, since these are calendar day deductions.

In the section “Definition of monthly salary”, the note specifies that a standard calculation should be used for inconvenient working hours supplements and other similar variable salary supplements and that these are to be added to the monthly salary before the relevant deductions are made. The reason this method should be used instead of the sick pay just being paid for “current supplements” during the sickness periods are the following: firstly, sick pay is paid as a supplement in addition to sickness benefits based on a standard calculation; secondly, the sick pay is paid per calendar day (and not per “hour worked”), and thirdly, sick pay is sometimes paid for periods that are sufficiently long for it to be quite unnatural to make an alternative calculation for any particular shift period.

Subs. 5 If, due to an occupational injury, an employee receives a life annuity instead of sickness benefits and this is done during a period when a right to sick pay exists, the sick pay from the employer will not be calculated pursuant to Subsection 4 but will instead amount to the difference between 90% of the monthly salary and the annuity.

If the employee receives compensation from insurance other than ITP (supplementary pension for white-collar workers in trade and industry), AGS (group sickness insurance provided by collective agreement) or TFA (work injury insurance for private employees) and the employer has paid the premiums for this insurance, the sick pay will be reduced by the amount of the compensation. The same applies if the employee receives compensation from the government other than the general insurance, occupational injury insurance or the State Personal Injuries Guarantee Act (*lagen om statligt personskadeskydd*).

Note

When visiting a hospital or doctor/dentist for treatment following an accident in the workplace or during travel directly to or from the workplace, the employer will pay compensation for substantiated travel costs and for medical/dental care according to fixed rates. Compensation is paid by the company only to the extent these costs are not reimbursed by the Swedish Social Insurance Agency (Försäkringskassan) or TFA (work injury insurance for private employees).

Subs. 6 The following restrictions apply for the right to sick pay:

- If, at the time of being employed, the employee fails to mention that he/she is suffering from a certain illness, he/she is not entitled to sick pay as of the 15th calendar day of the sickness period if the inability to work is due to the illness in question.
- If, when employing the employee, the employer requested a certificate of health from the employee, but due to an illness

Section 12 Sick pay etc.

he/she was not able to provide one, the employee is not entitled to sick pay as of the 15th calendar day of the sickness period if the inability to work is due to the illness in question.

- If an employee's sickness benefits have been reduced under the National Insurance Act (*lagen om allmän försäkring*), the employer shall reduce the sick pay accordingly.
- If an employee has been injured in an accident caused by a third party and compensation is not payable under TFA (work injury insurance for private employees), the employer is to pay sick pay only if, or to the extent that, the employee is unable to receive damages for loss of earnings from the party responsible for the accident.
- If the employee has been injured in an accident while in gainful employment for another employer or while self-employed, the employer is to pay sick pay as of the 15th calendar day of the sickness period only if he/she has specifically undertaken to do so.
- The employer is not obliged to pay sick pay as of the 15th calendar day of the sickness period:
 - if the employee has been excluded from sickness insurance benefits under the National Insurance Act (*lagen om allmän försäkring*), or
 - if the employee's incapacity is self-inflicted, or
 - if the employee has been injured as a result of acts of war, unless otherwise agreed.

Subs. 7	For the application of the provisions in this section, the benefits provided under the State Personal Injuries Guarantee Act (<i>lagen om statligt personskadeskydd</i>) are to be equated with the corresponding benefits under the National Insurance Act (<i>lagen om allmän försäkring</i>) and the Occupational Injury Insurance Act (<i>lagen om arbetsskadeförsäkring</i>).
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Subs. 8 If an employee must refrain from work due to the risk of passing on infection and a right to disease carrier compensation exists, for each hour of absence until the 14th calendar day a deduction is to be made of

monthly salary

175

for a 40-hour working week and for other working hours proportionately.

As of the 15th calendar day deductions are made in accordance with Subsection 4.

Section 13 Employee rights and obligations in the event of conflict

Subs. 1 Protection work

Protection work means both work required in the event of an outbreak of conflict in order to complete operations in a technically satisfactory manner, and work that is required in order to avoid danger to people or damage to buildings or other facilities, vessels, machinery or pets, or damage to inventories that will not be used during the conflict for the maintenance of company operations or that will be disposed of other than as required in anticipation of deterioration or destruction to which the goods are subject due to their nature.

Any work that a person is obliged to perform due to a specific provision in a law or statute is considered equal to protection work. This also applies to work where neglect may result in liability for misconduct.

Note for the record

When agreeing on the provisions on protection work the parties have assumed

- *that the specific meaning of the term protection work should, if necessary, be agreed upon by the relevant industry parties, and*
- *in the event that the company is not engaged in production during the conflict, the employees in question undertake to perform this work if necessary.*

Subs. 2

During a conflict between the employer and other organisations represented in the workplace (strike, lockout, blockade or boycott), it is the duty of the employee to:

perform the duties and tasks associated with the employee's job or position in the usual manner

perform work that otherwise falls within the field of activity to which the employee belongs.

Section 14 Termination of employment

- Subs. 1** In the event of termination of employment by the employee the following periods of notice apply, unless otherwise provided for by local or individual agreement or by Subsection 3 below.

The employee's notice period in months

Years employed by the company	Notice period
< 3 years	1 month
3 years - 6 years	2 months
> 6 years	3 months

Notice of termination must be given in writing, specifying a termination date as well as a final day of work. However, if the notice of termination was given verbally, the employee must confirm the notice of termination with the employer as soon as possible in order that there is no uncertainty as to whether notice of termination has been given.

- Subs. 2** In the event of termination of employment by the employer the following periods of notice apply, unless otherwise stipulated in Subsection 3 or in an individual or local agreement in compliance with the provisions in Subsection 3.

The employee's notice period in months

Years employed by the company	Notice period
< 2 years	1 month
2 years < 4 years	2 months
4 years < 6 years	3 months
6 years < 8 years	4 months
8 years < 10	5 months
>10 years	6 months

Section 14 Termination of employment

If an employee who has been made redundant due to a shortage of work has reached the age of 55 on the date of termination and at that time has 10 years of continuous service, the notice period under this agreement is to be extended by six months.

Subs. 3 The employer and the employee may agree that another notice period will apply. It should, however, be noted that in the event of termination of employment by the employer, the notice period may not be less than the times listed in Subsection 2.

If an employee remains employed by the company after the age of 67, the notice period will be one month, both for the employer and the employee.

The same applies for anyone hired by a company after the age of 67.

If an employer would like an employee to leave his/her employment by the end of the month when he/she reaches the age of 67, the employer is to give the employee at least one month's advance written notice to that effect.

Note

The parties agree that it is appropriate for the employer to ask the employee no later than three months before the employee's normal retirement age (age 65 in this agreement) whether he/she intends to leave his/her employment at the normal retirement age or to stay on longer.

Both questions and answers should be in writing so that there is no doubt as to the employee's intentions.

Section 14 Termination of employment

Subs. 4 Under the Swedish Employment Protection Act (*LAS*), notice given by the employer to the local trade union will be deemed to have been given once the employer has handed over a letter of notice to the local trade union or two working days after the date the employer sent the letter by special delivery to the address of the local trade union.

Notice given by the employer during the period when the company has its annual leave close-down period will be deemed to have been given the day after the final day of the annual leave close-down period.

Subs. 5 When applying Section 12 of the Swedish Employment Protection Act (*LAS*), the following applies for an employee who cannot be offered work during the notice period:

In addition to regular pay, compensation is payable for the loss of premiums, bonus and other variable salary components, as well as the loss of inconvenient working hours supplement during stoppage periods, and standby compensation, calculated as an average for the 12-month period prior to termination.

Subs. 6 If, for specific reasons, the employee would like to leave his/her job before the end of the notice period, the employer should try to accommodate such a request.

Subs. 7 If the employee leaves his/her job without observing the period of notice, the employer has the right to deduct an amount equivalent to half of the employee's salary for the part of the notice period that has not been observed from the salary and holiday allowance due before tax deductions.

The employer also has the right to damages for any financial loss caused by the breach of contract.

- Subs. 8** An employee who leaves his/her employment following a notice of termination is entitled to receive a letter of reference indicating
- the duration of the employment
 - the duties performed by the employee
 - if requested by the employee, a testimonial of the way in which he/she has performed the work as well as the reason for the termination of employment.

The employer is to provide the letter of reference within one week of the date the request was made.

Note

Under Section 47 of the Unemployment Insurance Act (1997:238) (lagen om arbetslösheftsförsäkring) the employer, at the request of the individual, is to issue an employment certificate. The employer is to provide the statement no later than 14 days from the date of the request.

- Subs. 9** When employment is terminated the employee has the right to receive a certificate that shows how many of the 25 statutory days of annual leave the employer has taken in the current annual leave year.

The certificate is to be provided within a week of the date the request was made.

If the employee is entitled to additional annual leave days beyond 25, the additional annual leave shall in this context be deemed to have been taken first.

- Subs. 10** In the event of a necessary staff reduction, the local parties are to assess the requirements and needs of the company from a staffing perspective. If these needs cannot be met by applying the law, the order of selection shall be decided by deviating from the provisions of the law (**agreed order of selection**).

Section 14 Termination of employment

The local parties will therefore make a selection of the employees to be terminated, paying particular attention to the company's need for expertise as well as the company's ability to be competitive in its operations and thereby provide continued employment.

It is assumed that the local parties, at the request of any of the parties, will agree on a set order of selection in the event of termination through the application of Section 22 of the Swedish Employment Protection Act (*LAS*) and the required deviations from the law.

Deviating from the provisions of Sections 25–27 of Swedish Employment Protection Act (*LAS*), the local parties may also agree, on an order of selection for reemployment (**agreed order of selection for reemployment**). The abovementioned criteria will apply in this case.

It is the responsibility of the local parties, upon request, to conduct negotiations as mentioned in the previous paragraphs and to confirm agreements in writing.

If the local parties do not agree, then, at the request of either party the industry parties may reach an agreement in accordance with the guidelines above.

It is assumed that before dealing with the matters referred to in this text, the employer will provide the local and the central contracting parties with relevant factual information.

An employee whose employment is terminated due to a shortage of work is to be granted time off without pay deductions in order to participate in activities organised within the framework of the TSL (*Trygghetsfonden*) employment transition fund.

Employees covered by TRR (*Trygghetsrådet*, a foundation offering assistance in redundancy situations) are to be granted time off without salary reduction in order to participate in activities approved by the employer and within the framework of TRR.

Note

- 1) *Without a local or central agreement as described above, termination of employment due to work shortage or reemployment may be tried by law taking into consideration the bargaining arrangements.*
- 2) *The parties note that under the Collaboration Agreement the “skills development process is be continuous, with each manager being responsible for his/her employees and their individual skills development”. This includes a commitment to ensure that the employees are given the opportunity to maintain their competitiveness within the company.*

According to the Employment Transition Agreement (Omställningsavtalet), the employer is to set aside financial resources on an ongoing basis for, among other things, clearing activities in the event of a reduction in operations. The parties assume that the employer will otherwise help employees covered by the agreement with Paper Workers' Union who are at risk of termination of employment to obtain equivalent training/skills development in cases where the Union is not part of the Employment Transition Agreement (Omställningsavtalet).

Note for the record

The parties agree that in matters that concern staff reductions and where the purpose is to try out measures throughout the company, regardless of organisational boundaries, joint discussions are first to take place with the company, existing clubs, departments or appointed representatives. In these cases, the staff of the company constitutes a prioritised category in the application of the Swedish Employment Protection Act (LAS).

If the unions cannot agree on acting jointly, the contractual areas will be what follows from the Swedish Employment Protection Act (LAS) and the record of negotiations according to the Employment Transition Agreement SAF/PTK (Swedish Employers Association/ Council for Negotiation and Cooperation), Section 7.

Section 15 Negotiation procedure

For the purpose of this agreement the negotiation procedure for legal issues involves, where applicable, negotiations taking place locally and centrally while observing the applicable time limits set out in the Swedish Act on Co-Determination in the Workplace (*Medbestämmelagen – MBL*).

The Swedish Act on Co-Determination (MBL) in the Workplace primarily states the following time limits:

Local negotiations

Local negotiations are to be requested within four months of the date when the party was informed of the circumstances of the claim and no later than two years after the event. If a party does not request negotiations within this time period, he/she will lose the right to negotiate.

Unless otherwise agreed by the parties, negotiations are to be held within two weeks of the date the counterparty received the negotiation request. The negotiations are to be conducted expeditiously.

Central negotiations

Central negotiations are to be requested within two months of the date the local negotiations were concluded. If a party does not request negotiations within this time period he/she will lose the right to negotiations.

Unless otherwise agreed by the parties, negotiations are to be held within three weeks of the date the counterparty received the negotiation request. The negotiations are to be conducted expeditiously.

Court proceedings

Court proceedings are to be instituted within three months of the date when the central negotiations were concluded. If there have been obstacles to the negotiations that are not the fault of the claimant, the time period is to be counted from last time the negotiations should have been held. If a party does not institute court proceedings within the set period, the proceedings will become statute-barred.

Section 16 Effective date and duration

This agreement shall take effect as of 1 April 2017 until further notice, with a mutual notice period of three months.

If a party terminates the agreement, it will cease to apply for all parties upon expiration of the notice period.

Stockholm, April 2017

SWEDISH ASSOCIATION OF INDUSTRIAL EMPLOYERS

Robert Schön

Per Widolf

Gunnar Norbäck

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Mikael Brandt

Guidelines on flextime

Agreement on guidelines on flextime.

If the matter of introducing flextime comes up, the industry parties recommend that the local parties apply the following guidelines.

Models for flextime

a) Regular working hours

08.00	12.00 13.00	17.00
Regular working hours 8 hours		
	lunch 1 hour	
07.00 09.00	11.30 13.30	16.00 18.00
Flextime (2 hours)	Flextime (1 hour) Lunch 45 min	Flextime (2 hours)

b) Regular working hours

07.00 11.30	12.30	16.00
Regular working hours 8 hours		
	lunch 1 hour	
06.00 08.00	11.00 13.00	15.00 17.00
Flextime (2 hours)	Flextime (1 hour) Lunch min 45 min	Flextime (2 hours)

- 1 A basic premise is that the nature of the employee's duties will ultimately determine whether flextime can be applied. Flextime will initially be applied for a limited period.

Note

If a local agreement on flextime is discontinued, the phasing out period should be long enough for the employees to be able to settle their flextime balance in a reasonable manner.

- 2 Should the company or the local labour organisation find during the trial period that the application of flextime has resulted in significant inconvenience, the trial will be phased out or limited at the request of either party.
- 3 The duration and scheduling of lunch may be fixed. Where conditions permit, however, lunch scheduling should be flexible as set out in the models above.

- 4 The employee must always work during the fixed hours. A time tracking system for attendance is an advantage, partly because the actual hours worked and the form they have taken (overtime, flextime etc.) can be reconstructed retrospectively. The employee should have the opportunity to check by how much he/she is in credit/debit on an ongoing basis.
- 5 Overtime work in accordance with the general terms of employment means work that the employee is asked to perform in addition to the regular working hours. This means that the employee may be asked to work in addition to the fixed hours (i.e. as flextime) without being paid any overtime compensation.

Example: An employee working according to model b) above works from 07.45–15.00 (with a lunch break of 45 minutes) and is asked to work overtime from 15.00–18.00. Overtime compensation is then payable for the hours 16.00–18.00, i.e. after the regular daily working hours (scheduled), in spite of the fact that the regular measure of working hours (8 hours) has not been completed until 16.30.

An **exception rule** for flextime is that overtime compensation is also payable for requested overtime after the regular measure of working hours (8 hours) has been completed.

Example: An employee according to model a) above works from 07.15-16.00 (with a lunch break of 45 min) and is requested to work overtime from 16.00-18.00. Overtime compensation is then payable for the entire period 16.00-18.00 since the regular measure of working hours (8 hours) has been completed, despite the fact that regular working hours (scheduling) extend until 17.00.

- 6 Where the balance of hours is in credit as a result of, working flextime, these hours may only be taken during the flextime and thus must not interfere with the fixed work hours.

Hours that are compensated with overtime compensation are not credited to the flextime balance.

- 7 For **daily flextime**, the regular measure of working hours – 8 hours per day – must be completed. The flexibility here only means that the employee may schedule his/her arrival time within the morning flextime limit and adjust the end time accordingly.

For **weekly flextime**, the weekly measure of working hours is to be completed in the same way; in the examples above, 40 hours per regular working week. The hours in debit or credit can be balanced during the week. The balance is reset to zero at the end of the week.

For **monthly flextime**, the working hours for the month are to be completed. The hours in debit or credit can be balanced during the month. The balance is reset to zero at the end of the month.

In a **rolling system**, the hours worked should be reconciled and verified every month or every 4-week period (pay period). The number of hours in debit or credit should be maximised at +/- 10 hours per period. The balance is therefore not reset to zero at the end of the period.

Note

The company's actual annual working hours are calculated based on the working hours counted as regular working hours.

For surplus/deficit hours, the following applies:

Excess hours in credit will be lost and no compensation paid. If the excess hours worked are due to circumstances over which the employee has no control, however, opportunity shall be provided for the excess hours in credit to be taken during the subsequent calculation period. Any hours in debit at the time of resetting to zero (or in a rolling system, hours in debit in excess of 10) are registered as absence and are to be worked off during the subsequent calculation period. If the hours are not completely worked off, the employer may make a pay deduction in accordance with the general conditions of employment Section 10 Subsection 2.

- 8 In the case of a **full day's valid absence** (for example, for sickness, military service, parental leave or other authorised leave), the employee shall be credited with the number of hours that corresponds to regular working hours. The absence should therefore not affect the flextime balance.

For a valid **absence for part of the day**, only absence that occurs within the regular working time period is taken into account. This means that such permitted leave may only be scheduled during regular working hours. The flextime balance is therefore not affected in this time either.

- 9 The application of flextime on the day before a public holiday and for part-time work requires particular attention.

Days before public holidays

The company may have shorter regular working hours, for example from 08.00–12.00, on days before public holidays and similar days. For these days a consideration should be given to whether

- daily flextime will apply
- flextime shall not apply and instead the work hours are fixed
- the hours between 08.00 and 12.00 are to be scheduled as fixed hours and flextime is before and after these hours.

Part-time work

If an employee works part-time, this does not rule out the possibility of applying flextime. If two employees share a full-time position such that they swap over at a certain time during the day, however, it must be established that the person working the first session may only apply flextime in the morning and the person working the second session only in the afternoon.

- 10 If the workforce is collectively working additional hours, e.g. in order to take off a “bridge day” that falls between a public holiday and a weekend, the work schedule must be modified. Thus the fixed hours and the regular working hours are both to be extended by the daily extra hours to be worked.

Working hours and remuneration in connection with vocational training

Agreement on working hours and remuneration in connection with vocational training.

Working hours

The industry parties agree on the following application of working hours and remuneration in instances when an employee is absent from his/her regular work in order to undergo vocational training initiated by the employer or similar training.

Observing the rules specified below, the local parties should reach agreement on the payment norms that are to apply for the relevant training.

An employee who, deviating from his/her regular working hours, participates in training that takes place during the day will be considered a daytime employee during the training period, so that regular working hours will correspond to the training period. This type of change in working hours is not to be considered a shift change pursuant to Section 5 Subsection 2 of the general terms of employment.

Remuneration

During the training period the employee will receive remuneration – including any supplements – that would have been paid if he/she had worked in accordance with the work schedule in effect during that period.

In the event that this remuneration is less than the pay corresponding to the regular remuneration during the training period for a daytime employee at the applicable salary level, additional compensation should be paid up to this level. Additional compensation as set out in this paragraph may mainly be payable when an employee on shift work attends vocational training during an extended scheduled rest period.

The industry parties agree that this agreement is not intended to bring about a deterioration in any better payment terms that may apply in this area according to current local practice.

Comment

The intention behind this agreement was to regulate the terms that apply during the training period such that the training period is considered to involve regular working hours – from both a working hours perspective and a remuneration perspective. The rules on shift changes are not applicable in these instances.

The way the remuneration rules are designed is based on two basic ideas. The main principle is that the employee's compensation is not to be diminished by participating in training instead of performing his/her regular duties. If the training period is organised such that it includes an extended rest period, it is possible, however, that the regular scheduled work hours during this period would have been so limited in number that the compensation would not cover what the employee would have earned as a daytime employee during this period.

In this case the supplementary rule means that the employee will receive additional compensation up to this level. The reason for this is that no part of the training period should be treated as unpaid work hours. In this respect the supplementary rule coincides with the wording of the rule on work hours, under which the employee, during the training period, is to be considered a daytime employee with regular work hours that correspond to the training period.

Note

The parties have been made aware that employees will increasingly be offered training at the weekend and in the evening. In many cases this avoids absence within the workforce during the training period. The typical situation is that an employee is not required to attend training courses, but that attendance is important for how his/her duties will develop in the future and for his/her prospects of promotion.

To ensure a fair and equitable situation compared with employees attending training during lengthy scheduled rest periods, the parties agree that compensation for training in the evening and at the weekend should be payable as if the training period were to be considered as regular daytime hours (i.e. the remuneration will not include any inconvenient working hours supplement or overtime compensation components).